

**REPORT OF THE OVERSEAS**

**WORKFORCE GROUP**

**MAY-2003**



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## Glossary of Acronyms

AA	Assistant Administrator
AFR	Africa Bureau
ANE	Asia and the Near East Bureau
BTEC	Business Transformation Executive Committee
CAR	Central Asian Republics
CDC	Centers for Disease Control
D/G	Democracy and Governance
DRI	Diplomatic Readiness Initiative
E&E	Europe and Eurasia Bureau
EXO	Executive Office
FS	Foreign Service
FSN	Foreign Service National Employee
FSO	Foreign Service Officer
FTE	Full Time Equivalent
GAO	General Accounting Office
GC	General Counsel
GDO	General Development Officer
GS	Civil Service
HR	Human Resources Office of the Bureau for Management
ICASS	International Cooperative Administrative Support Services
IDI	International Development Intern
IG	Inspector General
LAC	Latin America and the Caribbean Bureau
MCC	Millennium Challenge Corporation
MCA	Millennium Challenge Account
NEP	New Entry Professional
NGO	Non Governmental Organization
OE	Operating Expense
OFDA	Office of Foreign Disaster Assistance
OMB	Office of Management and Budget
OTI	Office of Transition Initiatives
OWG	Overseas Workforce Group
OYB	Operational Year Budget
PAL	Planning, Achieving and Learning course
PASA	Participating Agency Service Agreement
PDO	Project Design Officer
PPC	Program, Policy and Coordination Bureau
REDSO	Regional Development Service Office
SO	Strategic Objective
TAACS	Technical Assistants in AIDS and Child Survival
TCN	Third Country National
USAID	U.S. Agency for International Development
USDA	U.S. Department of Agriculture
USDH	U.S. Direct Hire
USPSC	U.S. Personal Service Contractor
WAE	When Actually Employed

# Overseas Workforce Group: Putting the Right People in the Right Place

## Executive Summary

### Overview

While the Office of Management and Budget (OMB) and the General Accounting Office (GAO) have expressed an intuitive understanding of USAID's reasoning for additional staff and administrative budget to meet increased responsibilities, they are unwilling to consider such a request until it is clearer how the Agency makes the decisions on the way it uses those resources already at its disposal.

The primary mandates of the Overseas Workforce Group (OWG) focus on three elements:

- the development of a template for the allocation of USAID's overseas U.S. direct hire (USDH) workforce;
- a review of, and recommendations concerning, USAID's overseas program delivery model, that is, the modes it employs to provide development assistance in the countries where it works; and
- recommendations regarding the types of skills for which the Agency recruits to meet its future program needs.

In addition, Agency management provided the OWG with three basic assumptions to use in carrying out its responsibilities. The assumptions are:

- The Agency will field an overseas presence of approximately 700 USDH officers.<sup>1</sup>
- Field presence will continue to be the primary means of delivering assistance.
- USAID officers will remain managers, rather than implementers, of assistance.

In investigating alternative means of producing a transparent and credible template for allocating USDH staff, the Overseas Workforce Group sought those variables considered to be most important in making such a determination. More than 20 significant variables were identified.

### Key Recommendations

**The Template:** Given the great variety of opportunities and challenges encountered by USAID missions around the world, no template can be expected to resolve the allocation decision perfectly. It is essential for any template to permit structured flexibility to respond to the many valid variables that are not included in the template. Methodological straightforwardness is also important.

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<sup>1</sup> Note: The 700 USDH overseas staff does *not* include the approximately 70 USDH overseas staff of the Office of the Inspector General.

The template must be readily understandable both to those who use it and those who wish to understand how the Agency decides to allocate its resources.

The allocation variable that has the greatest apparent constituency is program size (in dollars). Therefore, the selected allocation template gives preponderant importance to program dollars.

For purposes of calculation, from the baseline of 700 positions, the template sets aside the FTE slots for lawyers, contract officers and food for peace officers. This permits cognizant Washington management to decide on the optimal demand-driven allocation of these key staff resources. In addition, a pre-determined number of overseas positions are excluded from the template to establish a training complement to be used for IDIs and NEPs.<sup>2</sup>

The template divides the three year average of total overseas program dollars by the number of positions to be allocated. With minor adjustments, a program dollar amount per position is determined.<sup>3</sup>

At this point, the template applies a component that adjusts the allocation using the country performance criteria established for the Millennium Challenge Account (MCA). The use of these performance criteria permits the application of several other high priority variables (i.e. ruling justly, investing in people and economic freedom).

Flexibility is provided to the regional bureaus (within their own allotments) for making adjustments to staff allocations for other factors, such as security, the quality of FSNs, program complexity and vulnerability. Proposed adjustments would be presented for approval during the Annual Budget Submission process.

A related aspect of the template provides for the staffing needs of the regional service platforms (e.g. REDSO, CAR). In addition to the features of the template's function for bilateral missions, credit is provided to allocate staff to the service platforms to support small and medium sized missions. MCA performance criteria are not applied to the regional platform staff allocation process.

Note: It is assumed that the above template would be used no more frequently

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<sup>2</sup> NEPs and IDIs also will be distributed through use of the template. After its initial allocation of USDH, the template is run for a second iteration, this time including the number initially withheld for the NEP/IDI complement. A comparison is made between the two runs to determine the allocation of the NEPs/IDIs among the geographic bureaus. Allocation to specific missions will be the result of consultations between HR and the geographic bureaus.

<sup>3</sup> The templates for both bilateral missions and regional service platforms are run separately for the E&E Bureau from the rest of the Agency (i.e. AFR, ANE and LAC). The decision to do this reflects E&E's distinctive business model which – in part – is the result of the unique attributes of that bureau's resources (e.g. the ability to contract PSCs in the U.S.). For the purposes of the template, E&E overseas staff levels were held constant at the FY '03 levels.

than every two years. Prior to running it, program budget data would be verified for accuracy with each of the regional bureaus.

**Mission Operating Modes** (e.g. full, medium, small and regional): Modes are determined by the number of authorized USDH staff. Small- and medium-sized missions (9 USDH and below) will receive services from designated regional service platforms.

### **Additional Findings and Suggestions**

**Personal Services Contractors (USPSCs): BTEC's Human Development Capital Plan should address how and when USPSCs may be engaged to meet missions' shortfalls in USDH staff.** Since the 1996 Reduction in Force, overseas USDH have decreased by 27 percent. During this timeframe, the USPSC workforce has remained relatively constant, increasing by only 5 percent. USPSCs are a key means for the Agency to meet its commitment to foreign policy goals. They provide missions with essential flexibility and capacity when they are unable to get the USDH staff they require. PSCs also provide an essential resource to respond to surge requirements. In addition, technical PSCs help keep Agency programs more in tune with developments in such evolving and complex areas as HIV/AIDS.

**Staff Recruitment: USAID should give recruitment preference to basic Agency operational skills.** Basic operational skills include program/project development, financial management, executive and administrative, procurement and legal. These abilities are essential for the elements of the USAID mission that have primary responsibility for developing programs, policy and strategy, ensuring accountability and representing USG interests with host government, embassy and other senior officials. Although increased recruitment for now has halted the depletion of USAID's foreign service corps, the new employees still fall far short of meeting current and projected staffing needs. Illustrative of this is that over 160 PSCs currently serve in overseas positions usually reserved for core USDH staff. The remainder is involved in technical activities. While it is less difficult to recruit qualified PSCs to fill many overseas technical needs, it also is important for the USDH workforce to retain a critical mass of essential competencies in technical areas.

All of the USPSCs engaged in core activities and a certain percent of the rest arguably represent a measure of the shortfalls in the USDH overseas workforce. At a minimum, it is this amount of additional employees that USAID requires to meet its Development Readiness goal.

**Surge Requirements: To enhance its ability to cope with recurrent surge requirements, USAID should put into place a broadly based, centrally managed WAE-like (when actually employed) contract or similar**

***mechanism to improve the speed and effectiveness with which it responds.***<sup>4</sup> An issue of increasing concern is how the Agency manages surge requirements. A "surge" is an unplanned urgent demand to deliver program results within a relatively near-term period (less than 18 months). A ready-to-go force of professionals possessing a wide-range of skills will enable USAID to respond to surges with a minimum of delay, high quality and experienced staff, and less disruption to ongoing Agency priorities.

***Operating Expenses: USAID should ask Congress to end the OE account and establish guidelines for using program funds for all of its overhead costs.*** USAID is the only USG agency to have an Operating Expense account. This was put in place in an attempt to control overhead expenditures. As USAID has adjusted to working with the dual sources of overhead budget, an amount of bureaucratic entrepreneurship has been applied. Such entrepreneurship can lead to the impression that the Agency may be trying to obscure its actions, when all it really seeks to do is cope the best it can to achieve its program goals. The most important benefit of eliminating the OE account would be greater transparency and efficiency in the way USAID is able to program and report on its use of management resources. The unification of funding sources to meet administrative needs also would simplify accounting and generate savings in both time and money.

***Mission Management Inspections: USAID should establish a centralized system to conduct regular management inspections of its overseas missions.*** To differing degrees, each of the geographic bureaus already has begun to conduct management assessments. However, the methodology used varies considerably. A model for management assessment exists in the Department of State's process for carrying out post inspections. Perhaps this model could be adjusted to suit USAID's management interests. At a minimum, if the individual regional bureaus continue to exercise assessment responsibility on their own, a core methodological component should be developed that could be used to guide and enhance the overall efficiency of Agency operations.

***ICASS: An audit/evaluation of ICASS should be conducted – perhaps by the GAO.*** The ICASS (International Cooperative Administrative Support Services) system was established by the State Department ostensibly to establish a more cost-effective and efficient means of providing administrative services to USG agencies operating overseas. As it has evolved, it appears that ICASS also serves as a means of allocating State's own overseas overhead among embassy constituent agencies. As the Diplomatic Readiness Initiative has augmented State's administrative resources, the Department's concerns have appeared less focused on achieving operational cost efficiencies. ICASS is

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<sup>4</sup> Under a WAE arrangement, individuals can be recruited, contracted and given medical and security clearances well in advance of their actual engagement in an activity. Services are generally provided for limited time periods, perhaps six months or less. Such individuals are paid only when their services actually are put to use.

perceived by the non-State agencies it serves as an expensive provider of services of uncertain quality. Increased security requirements and mandatory co-location will impel USAID to compress its operations. In this context, ICASS will become an ever more essential means of staff consolidation. Thus, it is urgent that ICASS be helped to function more efficiently and effectively for the customers it serves.

**USAID Business Model: *USAID should develop a contingency plan to address possible modifications to its business model which now presumes field presence as the primary means of delivering assistance.*** Co-location within embassies, where it occurs, will have an as yet undetermined, but definite impact on the Agency's historic field presence model. For starters, greater use of regional service platforms must be anticipated. There already exists a variety of regional service models. These should be studied as soon as possible so that the Agency can have a contingency plan ready for the time when significant co-location and consolidation may take place.

# USAID Overseas Workforce: Putting the Right People in the Right Place

## I. Introduction

### A. Statement of the Problem

While the experience of more than fifty years of providing assistance to developing countries around the world is an important and proud legacy, the environment in which USAID does this work has changed considerably. The Agency's future as the primary development instrument of American foreign policy will depend vitally on the perception that it is able to continue to meet the challenges that are essential to the achievement of our national interests.

Current political circumstances define this new environment. While USAID only recently began to implement a post-conflict program in Afghanistan, detailed planning already is underway to respond to the urgent needs that result from hostilities in Iraq. In addition, it remains uncertain what demands will be placed on the Agency in supporting the start-up requirements of the new Millennium Challenge Corporation (MCC).

Both the Office of Management and Budget (OMB) and the General Accounting Office (GAO) have expressed an intuitive understanding of the Agency's request for additional staff and administrative budget to meet its increased responsibilities. However, they are unwilling to consider support for such needs until it is clearer how USAID makes the decisions on the way it uses those resources already at its disposal.

The primary mandates of the Overseas Workforce Group (OWG) focus on three elements:

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- recommendations regarding the types of skills for which the Agency recruits to meet its future program needs.

In addition, Agency management gave the OWG three primary assumptions to use in carrying out its responsibilities. These assumptions are:

- The Agency will field an overseas presence of approximately 700 USDH

officers.<sup>5</sup>

- Field presence will continue to be the principal means of delivering assistance.
- USAID officers will remain managers, rather than implementers, of assistance.

## B. Methodology

Under the leadership of David Eckerson, PPC, the principal members of the Overseas Workforce Group included Marilyn Zak (LAC), Robert Baker (CDIE), Paula Miller and Chad Weinberg (PPC), Jinny Sewell (HR), and David Cohen and Larry Armstrong (retired USAID). Work for this report was conducted from January through April 2003, pursuant to a scope of work defined in an Agencywide notice published by the Deputy Administrator (see Annex A).

Prior to beginning its efforts, the Group reviewed the many previous studies that have been done on topics concerning USAID's overseas workforce (see bibliography in Annex B). A broad array of interviews was carried out in Washington and a survey questionnaire sent to field missions (for a list of contacts, see Annex C; the questionnaire (with responses) can be found in Annex D). A Workforce e-mail address was developed to receive the comments and recommendations of persons throughout the Agency. Finally, visits were made to 4 overseas missions to field-test the team's conclusions and recommendations.<sup>6</sup>

## C. A Note on the Political Environment

When considering the future of foreign aid in general and USAID in particular, it is important to express a caveat regarding uncertainty. As noted above, the primary mandate of the Overseas Workforce Group is to develop a template for the allocation of Agency staff resources. Impelling this objective is the need to make a better case for more staff and administrative resources to OMB and the Congress, among others. However, at the same time, several issues, most predominantly those concerned with security, compel USAID to consider the most effective means to consolidate (rather than expand) its overseas presence.

In this context, it is essential to note that the staff allocation and mission mode templates in this report can be applied whether the Agency increases or decreases its overseas presence. Section V, *Toward a More Efficient Business*

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<sup>5</sup> Note: As used here and elsewhere in this paper, the 700 USDH overseas staff does *not* include the approximately 70 USDH overseas staff of the Office of the Inspector General.

<sup>6</sup> Field visits included USAID missions in Guatemala, Nicaragua, Panama and Bolivia – all in LAC. Planned visits to missions in the E&E, ANE, and AFR bureaus were cancelled due to travel limitations related to the conflict in Iraq.

Model, offers several recommendations on ways that USAID could optimize program delivery.<sup>7</sup> These recommendations would be valid regardless of the overseas staffing presence. However, they become essential if security or other concerns compel a reduced AID presence.

## **II. A Brief History of Workforce Planning Since 1990**

As background to this report, the Overseas Workforce Group reviewed previous reports prepared by the Agency over the past thirteen years regarding the allocation of USDH staff overseas and related topics. During the period under review, twenty-three such reports were identified. Of these, seven were found to be of particular interest to the OWG (see Annex E for a synopsis of these reports). In these latter reports, several recurring findings and recommendations were identified. Of particular relevance to the work of the OWG were the following:

Staff Allocation (i.e., how the Agency allocates staff to the field missions): Several studies based the staff allocation process on historical or existing staffing patterns and used this data as a basis for making judgments about future staff resource allocations. Two studies (Conly and Leonard) assumed a “clean slate,” that is, began with no one on board and added staff based on need. In these cases, staff allocation was determined based on factors or variables such as program size, development needs, USG priority, quality of FSN staff, etc. Emphasis was placed on the size of staff required to carry out a specific program in the field. Two other studies (McGraw and Crosswell) used the number of strategic objectives and level of regional responsibilities of missions to determine the allocation of staff.

Mode of Delivery (i.e., the structure and size of overseas missions and how these are organized to deliver assistance): All reports reviewed were premised on the importance of USAID presence overseas. This was most often described as USAID’s “comparative advantage” and the basis for achieving optimal strategic influence, program results and accountability. Most of these reports specifically recommended against further cuts in this overseas presence because of the impact that would have on the Agency’s vulnerability. Regarding mode, there was remarkable consistency in the delivery modes identified in all the reports, usually reflecting a general typology of small, medium, large and regional missions.

Recruitment/Workforce Planning (i.e., those factors that affect recruitment of Foreign Service personnel): The various reports reflected a wide variety of

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<sup>7</sup> Note: “Optimize” does not always mean better – and that is not necessarily the definition intended in the context of this sentence. “Optimize” can also mean doing the best possible under constrained circumstances, such as reduced staffing due to security and/or budget limitations.

findings and recommendations concerning recruitment. Those that were mentioned in several reports were the following:

- Enforce worldwide availability of FS staff (e.g. Leonard and Callen/Clay Reports) as one means of addressing the position vacancy problem in the field;
- Recruit International Development Interns (e.g. Leonard and Callen/Clay) as a means of bringing in junior level officers to fill the future needs at the mid level;
- Simplify USAID work processes and accountability requirements (e.g. Askin and Callen/Clay) as a means of allowing overextended FS personnel in the field to focus on assistance design and delivery; and
- Create a flexible workforce that can meet future needs of the Agency (e.g. Leonard and Callen/Clay), identifying cross-training of EXOs and Contracts Officers and managerial training for technical staff.

*Implementation of Recommendations:* The Agency has continued its commitment to maintaining an overseas presence and delivering development assistance through a system of mission structures. However, while some recommendations contained in these reports have been undertaken, many key recommendations have gone unimplemented. Among the latter are: develop a formula for an indicative staffing level for each country program (Conly), require FSOs to accept overseas assignments to meet USAID overseas needs (Leonard), reduce documentation and mission reporting requirements and introduce the concept of limited accountability (Askin), make CS/FS systems more user friendly by increasing the movement between the two systems, and look increasingly to FSN employees to bear a larger share of the workload (Callen/Clay). Implementation of these recommendations would have a positive impact on workforce planning and on filling the staffing needs in field missions.

### **III. Staffing and Organization of Overseas Missions**

#### **A. Statement of the Problem**

As the result of recent events in Afghanistan and the evolving situation in the Middle East, USAID overseas staff resources have been stretched to an extreme. While several new posts have opened and more are anticipated, none has closed recently. With the exception of the E&E Bureau, there are no apparent plans for program phase outs in the near future. In addition, substantially increased security requirements have further taxed already limited operating expense funds.

The Diplomatic Readiness program that will produce more than 1,000 additional Foreign Service Officers for the Department of State will not increase resources

for USAID.<sup>8</sup> In fact, 2002 was the first time in many years that USAID was able to hire a number of people roughly equal to those who have left the Agency during the same period. However, by definition, the newly employed officers do not yet have the skills and experience of those they replaced.

Comment [DAC1]: Can we say how many?

Most of the staff recently brought on board have been employed through the New Entry Professional (NEP) program. Indeed, approximately 200 of the Agency's nearly 1,000 FSOs are NEPs, that is, employees with less than three years' of experience. While many NEPs previously have worked as USAID contractors, they are not prepared nor would it be appropriate for them to assume duties as office directors. Reduced overseas mission staffing patterns thus either limit training opportunities for NEPs or force them into more senior level positions much sooner than would be appropriate.

The recent reinitiation of the International Development Intern (IDI) program also will help address some of the Agency's future staff development needs. However, this program will do little to respond adequately to most of the more near-term staffing needs.

## B. Allocation of USDH Overseas Staff Resources

### 1. Background

For the most part, while PPC has been responsible for establishing the total overseas USDH staffing levels (FTEs) for each of the geographic bureaus (AFR, LAC, E&E and ANE), the bureaus themselves have had a relatively free hand in the allocation of those positions among their overseas missions. Although there is some correlation between program size (in dollars) and the number of USDH staff, there are a number of anomalies. Indeed, it is conventional wisdom that Mission mode and size often are more attributable to historic patterns of staffing than to current program realities.

Both the OMB and GAO have criticized USAID for the absence of any apparent rational allocation process for its staff resources. This seeming randomness is offered as a principal reason why they are reluctant to support the Agency's requests for more operating expense (OE) resources.

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<sup>8</sup> In fact, the Diplomatic Readiness Initiative has resulted in an increase of State Department personnel in many embassy administrative sections. This, in turn, has been escalating ICASS costs, further taxing limited USAID operating expense resources. (See Section V, B.)

## 2. Making the Allocation Decision: Alternatives

### a) Variables

In investigating alternative means of producing a transparent and credible template for allocating USDH staff, the Overseas Workforce Group sought those variables considered to be most important in making such a determination. The list is long, but worth noting.

- Political priority/strategic interest
- Development need/poverty
- Program size as measured in annual dollars obligated
- Program complexity: number of management units<sup>9</sup>
- Program complexity: number of Strategic Objectives
- Program complexity: mix of funding sources (e.g. DA, ESF, PL 480, OTI, local currency)
- Pipeline/mortgage
- Country-specific earmarks
- Program performance
- Democratic governance, human rights performance, etc.
- Economic policies (free market, investing in people)
- Host country size and population
- Performance of USAID portfolio
- Security
- Experience of USDH staff
- FSN quality and experience
- Cost of maintaining USAID mission (e.g. office rent, housing, FSN salaries)
- USAID responsibilities re. other agency activities (e.g. MCC)
- Mission staffing history
- Program vulnerability issues (theft, fraud, abuse)
- Special needs (e.g. recent natural disaster, newly independent)

### b) The Options

The mandate of the OWG is to develop a template to determine the allocation of USDH overseas staff. In that context, the above list of variables is daunting. There are strong arguments about the importance of each of the items cited. Indeed, as lengthy as it is, it is certain that the list does not include elements that

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<sup>9</sup> There is no apparent standard definition for a "unit of management" within USAID. A credible demonstration of the effective use of Agency administrative resources is nearly impossible without such a commonly understood definition. After much inquiry and debate, the OWG has concluded that the most appropriate definition of the term "unit of management" would be a grant or contract instrument. **Suggestion: Without delay, the Agency should make a formal declaration of how it defines "unit of management."**

some people consider especially important.

*Option #1: Optimization Equation* – In its early deliberations, the OWG considered the development of what economists call a linear optimization equation. In such an equation (actually, a series of equations), a formula comprised of the key variables would be established for each overseas operating unit. Each of the variables would be weighted, based on its perceived importance in defining the desired "optimal" result. The results would be limited to produce a number of overseas FTEs that would not exceed the currently assumed 700, although the number used for the template could be modified higher or lower, as the situation determined.

This option was not selected for several reasons. First, the different variables, by necessity and good reason, often weigh differently under varied circumstances. One multi-variable formula could not be expected to function well for all missions in the Agency. Secondly, an optimization formula, even if it worked reasonably well, would be complex and not easily grasped. The Agency's need for a "template" reflects not only a demand to be methodical; the decision process also must be transparent. In this case, transparency also means being readily understood by those who must work with it.

*Option #2: State Department Methodology* – Similar to the linear optimization model, the State Department overseas staff allocation system has been in place since 1995. Post rankings by role and workload are key factors and subject to review by a committee composed of senior Department officials (primarily Principal Deputy Assistant Secretaries). Separate models are used for core functions, consular affairs and public diplomacy. The models are run every two years. The Department's staffing and allocation models proved a particularly effective tool when Secretary Powell made his successful case for diplomatic readiness to the U.S. Congress.

Methodologically, the system is set in motion with questionnaires the Department sends to each of its regional bureaus in Washington. The responses are placed into a database. The consolidated data then flow into a formula. The composition and weightings of the variables used in the formula are known only to a limited number of Department officials. Once the formula produces a staffing determination for every post, the net positions for all of the overseas elements in each of the geographic regions are totaled. The cognizant Assistant Secretaries then are permitted to reallocate slots among their constituent posts, as considered appropriate and necessary.

While the State system probably could be modified to meet Agency needs, the complexity and lack of transparency of their formula could prove problematic for USAID's more open and participatory culture. Moreover, to achieve their objectives Embassies rely much less than USAID on foreign service nationals and personal service contractors. This vastly simplifies the context in which their

model operates as compared with USAID. That said, if the preferred template of the OWG is not accepted, the State approach may be a valid second choice for the Agency to consider.

*Option #3: Allocate Staff Based on Program Complexity* – "Program complexity" is one of those terms that may imply several commonly applied definitions. The two meanings most often used are the number of strategic objectives (SOs) and the number of grants and contracts managed by a USAID mission. A methodology to allocate staff to missions by the number of SOs they had was proposed in two 1998 reports.<sup>10</sup> The OWG rejected this type of methodology primarily because it would reward complexity – i.e. the more complex a mission's program, the more "management" it would require, therefore the more staff it would receive. This would be the wrong set of incentives to promote good management principles. As part of an effort to improve the USAID business model, such a template would discourage efficiency and management innovation and would not lead to the most efficient and effective use of Agency personnel resources.

*Option #4: Allocate USDH FTEs based on the dollar size of the program* – Such a model would reflect that country program size represents both political and development priorities. This template also would include a component that gives consideration to country performance under the criteria established for the Millennium Challenge Account. Flexibility would be provided to the geographic bureaus for making adjustments to staff allocation for other factors, such as security, the quality of FSNs and vulnerability. This option has the endorsement of the Overseas Workforce Group. More details are provided in Section III, B, 2, c) which follows immediately below.

#### c) Recommendations

Given the great variety of opportunities and challenges encountered by USAID missions around the world, no template can be expected to resolve the allocation decision perfectly. It is essential for any template to permit structured flexibility to respond to the many valid variables that are not included in the template. Of primary importance in making a choice are cost, mission and security.

Methodological straightforwardness also is important. The template must be readily understandable both to those who use it and those who wish to understand how the Agency decides to allocate its resources, e.g. the Congress, OMB and the State Department.

The allocation variable that has the greatest apparent constituency is program size (in dollars). Therefore, the OWG allocation template gives preponderant importance to program dollars.

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<sup>10</sup> See references in Annex B "Bibliography:" McGraw (2) and Leonard (4).

**Recommendation:** USAID should adopt an overseas USDH staffing template that gives preponderant weight to program size, while offering transparent flexibility to respond to the many other variables that may impact on staff size at certain posts.

**NOTE: The numbers below refer to the template contained in Annex F and are included for illustrative purposes only.**

The operating aspects of the **template for bilateral missions** are as follow:

- The three-year average of total overseas program resources is divided by the number of overseas USDH positions to be allocated.<sup>11</sup> When this is done for the AFR, ANE and LAC bureaus,<sup>12</sup> and adjusting for other elements in the template, \$8m in program dollars is the approximate factor per USDH. (OYB). Missions would be allotted one USDH FTE for each \$8m through an OYB of \$80m. As a result of economies of scale, beyond \$80m, additional positions only would be authorized for each \$16m of OYB.
- Because of expanded demand for USAID involvement worldwide and the limited availability of USDH staff resources, unless specifically authorized by the Administrator, no mission would be authorized more than 25 FTE positions.
- Given the large number of variables that independently influence each USAID bureau and mission, it is essential that any template include an integrated, but rational, element of flexibility. To provide such flexibility, once the template is calculated for each overseas operating unit of the Agency,<sup>13</sup> the sum of the FTEs for each of the geographic bureaus will be provided to the cognizant Assistant Administrators (AAs). At this point, each of the regional AAs may suggest adjustments to the FTEs among his or her bureau's missions. The

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<sup>11</sup> Note: For purposes of calculation, in addition to IG staff (which is not included in the Agency's targeted 700 overseas positions), the baseline number of positions to allocate net out the FTE slots for lawyers, contract officers and food for peace officers. This would permit cognizant Washington management to decide on the optimal, demand-driven allocation of these key staff resources. Note also that fifty overseas positions have been dropped from the template to establish an overseas training complement to be used for IDIs and NEPs. HR will manage this complement. As used in this paper, the number "50" should be considered illustrative and subject to adjustment.

<sup>12</sup> The templates for both bilateral and regional missions are run separately for the E&E Bureau from the rest of the Agency (i.e. AFR, ANE and LAC). The decision to do this reflects E&E's distinctive business model which – in part – is the result of the unique attributes of that that bureau's resources (e.g. the ability to contract PSCs in the U.S.). For the purposes of the template, E&E overseas staff levels were held constant at the FY '03 levels.

<sup>13</sup> Certain "operating units" may be excluded at the discretion the Administrator, as delegated to the AA for PPC. Illustrative of units that might not be included are Israel, Turkey, Cyprus, Ireland and countries that benefit from Washington-provided and administered grants or other assistance.

responsible bureau would present written rationale for PPC's approval explaining the reasons for the change.<sup>14 15</sup>

- Allocated positions that do not result in placements because of security limitations would revert to PPC for reallocation worldwide.

Use of the **template for the allocation of USDH staff to regional service platforms** would function as follows:

- For portions of regional service platforms that also serve as bilateral missions within their country of residence, staff will be allocated per the bilateral template (e.g. the Kazakhstan portion of the CAR (Central Asian Republics) portfolio in Almaty).
- Thirty (30) percent of the value of small or non-presence missions (0-3 USDH)<sup>16</sup> program portfolios would count toward the staff allocation calculus of the pertinent regional platform. For example, a mission with a program budget of \$16m and staff of two USDH would have \$4.8m of its budget used in helping to establish the staff of its related regional service platform.
- Fifteen (15) percent of the value of medium sized mission (4-9 USDH) program portfolios would count toward the staff allocation calculus of the pertinent regional platform.
- Full missions are considered to be largely self-sufficient and do not generate service platform staff.

**To allocate NEPs and IDIs:**

- After the initial allocation of USDH, the template is run for a second iteration, this time including the number initially withheld for the NEP/IDI complement.
- A comparison is made between the two runs to determine the allocation of the NEPs/IDIs among the geographic bureaus.
- Allocation to specific missions will be the result of consultations between HR, the geographic bureaus and the relevant backstop office.

**Recommendation: The Millennium Challenge Account (MCA) performance**

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<sup>14</sup> It may be useful to have modifications justified in terms of the variables presented in Section III, B, 2, a) of this paper.

<sup>15</sup> One key variable that could influence this template is security. For example, it appears that security requirements may cause many USAID missions to co-locate within embassies. If this happens, it is likely that space constraints could force staffing reductions not consistent with the template or other criteria.

<sup>16</sup> For complete definitions of small, medium and full size missions, see Section III, C, 2, a).

**criteria should be applied to determine further how to optimize the use of USAID overseas staff resources.**

Based on MCA performance criteria, top performing and bottom ranked countries would have allotted FTE positions reduced by 10 percent. USDH staff allocated to countries in the middle two categories would be increased by 10 percent.<sup>17</sup>

The development of criteria for determining eligible recipients for the MCA presents an important opportunity for USAID. The MCA methodology assesses country development potential by reviewing performance on publicly available indices in the areas of democracy and governance, investing in people (e.g. health and education) and economic freedom. The MCA criteria and methodology enjoy widespread acceptance within the USG. USAID use of these criteria in making its own resource allocation decisions would maximize the return on its development investment. It also would contribute substantially to the Agency's credibility and ability to advocate for the administrative resources essential to achieving its foreign policy objectives.

The regional tables presented in Annex F present an MCA-like performance ranking of those countries currently receiving USAID assistance. The tables divide countries into four groups based on the MCA methodology-determined performance scores. The top performing group includes those countries that score best on MCA performance indicators. At the present time, it has not been determined whether USAID and the Millennium Challenge Corporation (MCC) will operate in the same countries. If USAID should continue to have programs in countries selected for the MCA, because such countries are those that have the greatest capacity to plan and implement their own development programs, they should require less USDH staff assistance. Thus, the template-determined staffing level in potential MCA countries would be reduced by 10 percent. (Note: It is assumed that the MCC will bear full responsibility for the implementation of its own programs. Should it require the assistance of USAID staff, it is recommended that this would be done on a fully reimbursable basis. In such circumstances, USAID field staff would not be counted against the Agency's overseas personnel ceiling.)

The countries identified as in the low group are the poorest performers, those with little sustainable development potential within the foreseeable future. To the extent that the USG has interest in such countries, USAID activities should be largely limited to humanitarian actions (e.g. food,

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<sup>17</sup> NOTE: Performance criteria are not applied to the template when it is used to determine staffing for regional service platforms.

health, child survival, basic education, conflict mitigation). The program delivery mode should maximize the use of NGO partners, thus reducing the need for the use of USDH resources. Accordingly, countries scoring lowest in MCA performance criteria also would have their template-determined staffing levels reduced by 10 percent.

Logic mandates that USDH staff resources should be focused on countries ranked in the high and middle performing groups. Therefore, the allocation template results will be increased by 10 percent for the countries in these groupings. The high performing group includes countries that demonstrate the greatest potential to become MCA eligible. This means that the probability is greater that the investment of scarce USAID development and staff resources is most likely to result in the greatest return in growth and sustainable development.

The motivation increasing the template allocation to the middle performing group is that these countries display both the opportunity for advancement and the threat of joining those nations with the least amount of hope. It is in the interest of the USG that these countries be given a good opportunity to succeed.

## C. Mode of Operation

### 1. Introduction

In the current context, "mode" refers to the overseas organizational structure through which assistance programs are designed and implemented. Historically, for the most part, the four geographic bureaus have made their own decisions regarding the choice of USAID overseas operational modes. USAID operates in a variety of overseas modes. The most common of these include:

- "Traditional," largely self-sufficient missions
- Smaller, more service dependent missions
- Regional service platforms that help supplement the staff and program requirements of the smaller mission modes, as well as provide oversight to regional, multi-country programs

The role and nature of the regional service platforms has evolved substantially over the past decade. These offer significant options for how the Agency adjusts its "business model" to meet a variety of challenges, such as reduced staff and administrative resources as well as enhanced security concerns.

Similarly, another important issue that has taken on a vital role in the past decade is how the Agency manages surge requirements. In addition to the need to respond to humanitarian crises, the management of surges has been

particularly critical in post-conflict circumstances and the emergence of states that have recently become independent.

#### a) Regional Service Platforms

Although regional service platforms have a long history in the Agency, some new variations have evolved during the past decade. The oldest and best known regional model is the REDSO/East Africa Mission, which provides the full array of program and technical services to the smaller posts of the region. Missions similar to REDSO have existed in locales that also have had or not had significant bilateral programs.

More recently, in response to ever-changing programmatic requirements, other regional service modes have evolved.

- *Hub and spoke* is the term that best describes the operation of the five missions in the Central Asian Republics (CAR). In this mode, a well-staffed central mission (e.g. in Almaty) provides a full range of services and active engagement with small USAID offices in the four constituent countries that are staffed with no more than one USDH (or perhaps only an experienced USPSC) and limited, non-direct hire supporting staff.
- *Twining* refers to Missions with similar programs located near one another sharing staff resources (e.g. a USDH HPN officer in one country might provide backstopping and mentoring to a less senior officer or PSC in a neighboring mission).
- *Regional financial processing centers* are being actively considered by LAC and other bureaus as a means of consolidating controller operations and staff by taking advantage of available technology and telecommunications.

#### b) Surge Requirements

An issue of increasing concern is how the Agency and its overseas missions manage "surge" requirements. A "surge" can be defined as an unplanned large demand to deliver program results within a short-term period (less than 12 months).<sup>18</sup> Surges can occur for a variety of reasons including political upheaval, democratic transition, natural/manmade disasters, food emergencies and the need for an urgent, unanticipated program start-up. Over the years, the Office of Foreign Disaster Assistance (OFDA) has become exceptionally adept at managing the surge requirements that comprise the majority of the elements of its workload. In the past decade, the Office of Transition Initiatives (OTI) similarly has responded to surge requests, which largely result from political conflict.

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<sup>18</sup> Beyond 18 months, the program should either be closed (e.g. as in most disaster relief activities) or incorporated into the ongoing responsibilities of the Agency, including the establishment and staffing of a new USAID overseas operating unit.

## 2. Recommendations and Suggestions

### a) Mission mode

Logically, a template to determine mission mode should follow the allocation of personnel (also a function of program size). To a significant degree, that is the recommendation of the OWG. However, there are other factors to be considered.

Many of these factors reflect the list of variables presented above. The priorities for staff (which follow program) resources should reflect USG priorities.

**Recommendation: The selection of mission operating modes should follow the typology described below and be derived from the decisions made based on the overseas USDH staffing allocation template.**

The number of USDH staff shall be determined by the template provided in Section III, B, 2, c) of this paper. With guidance and assistance from the Management Bureau, all overseas missions should be seeking ways to use modern computing and telecommunications technology both to streamline mission staff needs and to reduce travel. The OWG *does not* recommend the elaboration of a predetermined staffing pattern for any of the modes. Decisions regarding mission-level skills mix are best left to the judgement of regional bureau and mission management.

The following constitute the principal USAID overseas operational modes:

- *Full Mission:* This is considered the traditional USAID mode. For the purposes of this paper, the full mission is a generally self-contained operation. It has a USDH staff of ten to twenty-five<sup>19</sup> officers that is capable of meeting most program and administrative needs, including the preparation of program strategies and activity designs, financial administration, and technical activity oversight. A full mission usually administers a broad-based program of activities and has annual new obligations greater than \$80m. Depending on program size and the ease of transport and communications, a full mission may include procurement and legal staff that also serve other missions in the same geographic region.
- *Mid-Sized Mission:* With a staff of from four to nine USDH officers, a mid-

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<sup>19</sup> Given staffing limitations and the demand for USAID programs in more locations, the OWG has concluded that it is no longer practical to have any overseas mission with more than 25 USDH staff. Program development (i.e. the USAID "business model") must focus on designing to management capacity as well as for results.

sized mission can accomplish many of its strategic and program design and oversight functions on its own. However, to varying degrees, it also must rely on regional missions or AID/W to meet some of its requirements, particularly in technical areas, contracting and legal services.

- *Small Mission/Non-Presence:*<sup>20</sup> The fundamental responsibility of USAID's smallest overseas missions is to provide program oversight and to facilitate and coordinate program services received from regional service platforms and AID/Washington. Such offices may have from zero to three USDH staff members. For the purposes of this report, a non-presence mission is one with no resident USDH personnel.
- *Regional Service Platform:* Such organizations are capable of providing a wide range of program and technical services to its constituent small- and medium-sized missions in nearby countries. Total staffing will be determined as a factor of the combined program budgets of the missions served plus any genuine regional programs administered from the platform.

#### b) Surge Requirements

**Recommendation:** To enhance its ability to cope with recurrent surge requirements, USAID should put in place a broadly based, centrally managed WAE-like (when actually employed) or similar mechanism to improve the speed and quality with which it responds.

Under a WAE-like arrangement, individuals can be recruited, contracted and given medical and security clearances well in advance of their actual engagement in an activity. Services are generally provided for limited time periods, perhaps six months or less. Such individuals are paid only when their services actually are put to use. WAE staff can either provide services in the field, or be used in Washington (e.g. to free direct hire people to travel to the field). Such a mechanism also can provide the Agency, when and if it wishes, an opportunity to recapture experienced human resources that have left through retirement in recent years.

The Department of State uses the WAE (or similar) mechanism for surges requiring the services of consular and administrative officers. USAID currently uses the WAE mode (or variations) for OFDA, OTI,<sup>21</sup> GC and

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<sup>20</sup> Prior workforce studies have recommended a reduction of the bureaucratic requirements placed on small and mid-sized missions, given their staff limits. The reality is that such consideration is minimal at best. Moreover, smaller missions may have difficulty accessing regional services due to the inadequacy of their Operational Expense funds to pay for the necessary travel.

<sup>21</sup> OTI's mode of operation offers a number of interesting options for consideration by the rest of the Agency. An interesting example is the recent establishment of an OTI program in Venezuela, which has not been a USAID recipient country for several decades. Using PSC and WAE-like resources, OTI responded to an Embassy Caracas and State Department request to quickly

EXO skills.

The OWG urges that the Agency expand the use of this mechanism by establishing a ready bank of human resources that can be rapidly mobilized (e.g. within five days or less) to meet urgent surge demands. In essence, USAID would develop the concept of having a "mission in a can." The can would be selected and placed on the shelf and opened and paid for only when the need was present. Use of the WAE resource would be funded by internal "buy-ins" from the requesting sub-components of the Agency.

It is recommended that an Agency-wide WAE resource be developed, rather than having such mechanisms assembled and "owned" by individual bureaus. In this way, the surge resources would be more broadly available to meet Agency surge needs that, by definition, are not easily predicted.

**Suggestion:** Each year, **USAID should develop a list of no less than ten overseas operating units that are justifiable candidates<sup>22</sup> for closure.**

When the Agency is requested to establish a new post or substantially increase efforts in an existing program, but does not receive incremental administrative funding or staffing authority, the closeout list can be used with the requesting entity (e.g. State) to help determine a mutually acceptable means of meeting the requirement.

#### IV. The Right Staff

##### A. Introduction

Recruiting the right staff for USAID is a complex issue. For starters, people can (and do) spend hours debating what both "right" and "staff" mean.

For the purposes of this paper, "right" will mean the personnel that have the necessary skills and experience to achieve the targeted development results in the countries where USAID is engaged. Although the Workforce Group's mandate focuses on USAID's overseas missions, the achievement of the Agency's objectives requires the well-integrated effort of staff in Washington as well as those posted abroad.

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establish a conflict prevention program. In very short order, an assessment was conducted, a strategy developed, a program agreed upon and a contractor mobilized to implement it. The OTI office in Embassy Caracas resembles a small USAID mission and is manned by two USPSCs. The operation is exceptionally cost and program effective.

<sup>22</sup> For example, candidates for closeout could be those countries nearing graduation status or that are chronically poor performers.

The greatest complexities arise in coming to a commonly understood and accepted definition of "staff."<sup>23</sup> Typically, USAID staff is perceived as being composed of two basic elements: foreign service (FS) and civil service (GS). However, even the most cursory look at the modern USAID overseas mission reveals the presence of other individuals who fall into neither of these categories (see Chart 1). Such people are vital to how the Agency accomplishes its work. Overseas workforce planning must consider these elements as well.

#### B. Staff in USAID Missions

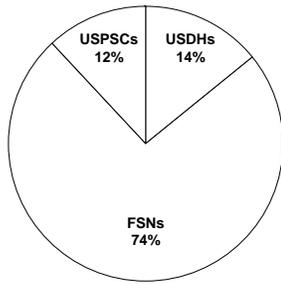
- *USDH Foreign Service Officers*: The US direct hire (USDH) Foreign Service Officer remains at the core of mission staffing and is the prime element in providing shape and forward momentum to the USAID country program. Direct hires perform inherently governmental functions. Importantly, the USDH is the essential link between strategic interest and the program content and style selected to achieve that interest. There are a number of other important unique values that a USDH brings to his or her position. Among these are greater responsibility for accountability and oversight; more comprehension of, and better responsiveness to, Agency guidance and direction; corporate memory; and the knowledge, experience and "weight" to work effectively with other USG agencies.. The number of USDH overseas declined by nearly 27 percent (232 officers) between 1995 and 2002.
- *Foreign Service Nationals (FSNs)*: As recently as the 1980s, the majority of FSNs were direct hire employees of the USG, eligible for Civil Service Retirement. Since that time, most FSNs have become contract hires. The change in the terms of employment does not seem to have had a significant impact on the ability, use or loyalty of the FSNs working for USAID. It is often an issue for USAID that State, which depends less on senior level FSNs, largely controls FSN grading and salary issues. This reality can have a negative impact on attracting and retaining the best qualified employees. The quality and use of USAID FSNs can vary greatly from mission to mission and from region to region. In some missions, FSNs have effectively replaced some departed USDH officers. In others, where FSNs may have neither the experience nor the education, such a trade-off with USDH would not be a viable option.
- *U.S. Personal Service Contractors (USPSCs)*: Though their numbers have remained relatively constant over the past eight years, USPSCs have been an important means for coping with either an insufficient number of USDH

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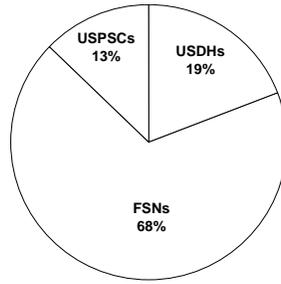
<sup>23</sup> The reader is reminded that a basic assumption of the work of the OWG is that USAID officers will remain managers, rather than implementers, of assistance. Accordingly, the definition of "staff" does not include those essential partners (e.g. NGOs, universities, consultant firms) who directly deliver the assistance that USAID designs and supports.

# Chart 1

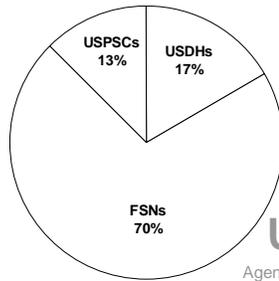
## Distribution of USAID Overseas Workforce Positions - FY 2003



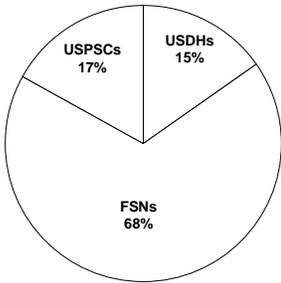
**AFR**  
Total = 1,533



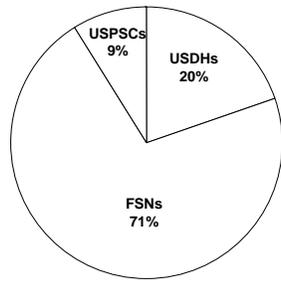
**ANE**  
Total = 960



**USAID**  
Agency Total = 4,145

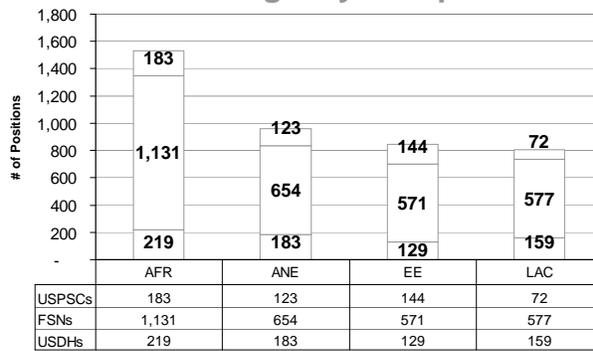


**EE**  
Total = 844



**LAC**  
Total = 808

### USAID Agency Composite



Bureau

staff or the inability to recruit the required USDH skill for an authorized position.<sup>24</sup> Once identified, USPSCs can be contracted with minimal delay<sup>25</sup> and represent a significant savings in forgoing the overhead costs that would be charged by a university, an NGO, an institutional contractor or another USG agency. Per Appendix D of the A.I.D. Acquisition Regulation (AIDAR), "Personal services contract (PSC) means a contract that, by its express terms or as administered, make the contractor personnel appear, in effect, Government Employees (see FAR 37.104)." Furthermore, the USAID General Counsel considers that the Agency has an employer-employee relationship with PSCs, which permits them to perform functions defined as "inherently governmental." Given this latitude, while nearly two-thirds of USPSCs work in technical positions, there also are many who serve as program officers, PDOs, controllers and, occasionally, as USAID principal officers (i.e. *de facto* Mission Directors) (see Chart 2). The main limitation on the use of USPSCs is that, in practice, they may not supervise USDH staff. The most widely felt impact of this is that they cannot supervise NEPs, regardless of the USPSC's experience and abilities. This has become a limiting factor in the Agency's ability to place NEPs overseas.

- *Third Country Nationals (TCNs)*: TCNs have many attributes and benefits in common with USPSCs. They can be contracted with minimal delay and without incurring overhead costs. TCNs frequently are employed at the "expense" of other USAID missions that may previously have employed them as FSNs. However, when they are ex-FSNs, TCNs arrive particularly well versed in the ways of Agency operations. A minor limitation is that TCNs cannot receive security clearances, which may constrain the degree to which they can perform otherwise USDH roles.
- *Others*: There are other categories of individuals that also serve roles within USAID missions. While their contributions are greatly valued, numerically, their presence is small. Generally speaking, such individuals are rarely employed for more than two or three years. Some personnel are provided under Participating Agency Service Agreements (PASA). Such agreements provide personnel for use in overseas programs from other USG agencies, such as the Department of Agriculture. Other categories of personnel include TAACS (Technical Assistants in AIDS and Child Survival) and fellows (most common in the health and population area).

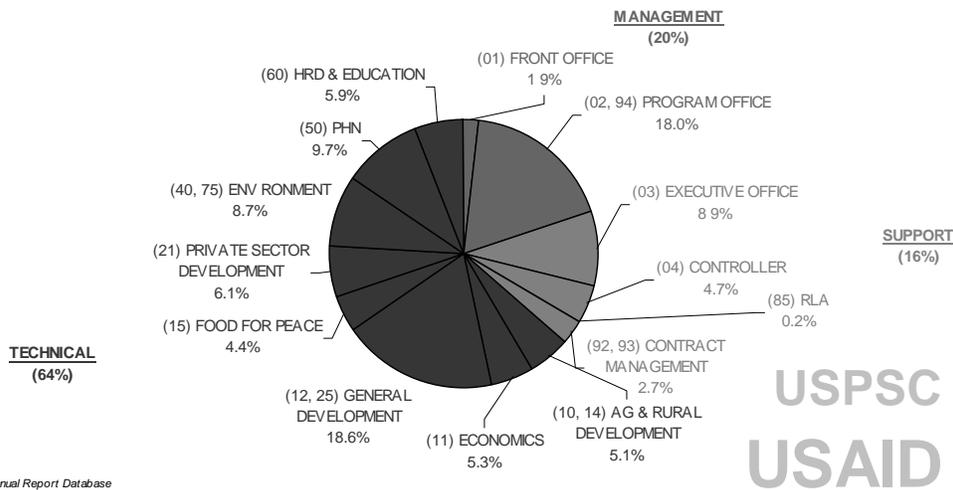
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<sup>24</sup> While USPSCs play an important role in many USAID missions, the allegation that their numbers have increased to compensate for the 1995 Reduction in Force (RIF) is not confirmed by the data. In 1995, 866 USDH employees were serving in overseas missions. In 2002, that number had declined by 37 percent to 634. In 1995, USPSCs overseas totaled 461 and grew to 486 by 2002, an increase of approximately 5 percent. During the same period, FSN totals declined from 5205 to 4725, a decrease of ten percent.

<sup>25</sup> As contrasted with the time required to employ a new USDH or to negotiate an institutional contract.

## Chart 2

Distribution of Overseas USPSC Positions by Backstop Code - FY 2003  
U.S. Agency for International Development (USAID)



Source 2003 Annual Report Database  
Prepared by PPC/SPP/SPA

### C. Problem Statement

The staffing constraints on USAID missions are many and complex. The list below is only a sampling of those concerns most commonly expressed.

- Although USAID has approximately 700 approved overseas USDH positions, approximately 80 of those have not been filled due to staff shortages and other issues.
- Some FS staff cannot or will not accept assignments in extreme hardship posts or posts without adequate schools. Other FS staff seeks prolonged Washington assignments.
- Some NEPs have been difficult to place because positions that offer appropriate responsibilities and mentoring may be unavailable.
- Despite numerous attempts to reduce mission reporting requirements, it is perceived that overseas staff continue to spend a disproportionate amount of time meeting Washington paperwork demands.
- USAID accountability requirements greatly increase mission workloads and significantly augment staffing needs.

- It is widely perceived that many FSNs offer significant potential for assuming greater responsibility for roles typically performed by USDH or other expatriates.

#### D. Recruitment

To anticipate needs, the current FS recruitment planning process looks forward five years. By career backstop categories, the process seeks to anticipate attrition through retirement and other means. These backstop profiles are discussed with cognizant staff both in Human Resources (HR) and the pillar and other central bureaus. While newly recruited technical staff also is expected to have management skills and experience to perform a full range of responsibilities, many people have observed that such abilities are frequently inadequate.

Recruitment of FSNs, USPSCs, etc. is carried out at the mission level. There is no Agency-level planning for such positions. Until recently, data in Washington on the employment of non-USDH overseas staff was inconsistent and not considered reliable. This situation improved substantially during 2002 through the establishment of a database and reporting process, which will be institutionalized in early 2003 with the inauguration of HR's E-World program on the Agency's intranet.

#### E. Findings and Recommendations

##### 1. Which Skills to Recruit

**USDH:** There is general agreement that 700 USDH overseas positions are insufficient to meet the Agency's expatriate staffing needs. Although increased recruitment for now has halted the depletion of USAID's foreign service corps, the number of new employees still falls far short of meeting current and projected staffing needs. Illustrative of this is the fact that over 160 PSCs currently serve in overseas positions usually reserved for USDH staff, such as program officers, controllers and even Mission Directors. The remainder is involved in technical activities. (See Chart 2)

All of the USPSCs engaged in core activities and a certain percent of the rest arguably represent a measure of the shortfalls in the USDH overseas workforce. At a minimum, it is this amount of additional employees that USAID requires to meet its Development Readiness goal.

**Recommendation: USAID should give recruitment preference to basic Agency operational skills.**

Basic operational skills include program/project development,<sup>26</sup> financial management, executive and administrative, procurement and legal. These abilities are essential to the elements of the USAID mission that have primary responsibility for developing and providing guidance on program policy and strategy ensuring accountability and directly representing USG interests with host government, embassy and other senior officials. While the Agency can and does on occasion enter into USPSCs for these basic operational skills, qualified and experienced people (aside from Agency retirees) are not widely available.

While it is less difficult to recruit qualified PSCs to fill many overseas technical needs, it also is important for the USDH workforce to retain a critical mass of essential competencies in technical areas. This is necessary to preserve Agency credibility and maintain high level contact with the technical community and counterparts, as well as to support overseas mission needs and provide policy guidance. However, beyond a core level of technical expertise, experience has shown that USPSCs (and often FSNs), given adequate peer level backstopping and training, can meet many USAID mission technical staffing needs.

**Suggestion: To maximize the utility of its USDH staff, USAID should seek to provide cross training in essential skills.**

There are many examples of how this might be done. Controllers, EXOs and Contracting Officers can be cross trained in each other's skills and in technical fields to capture their management expertise. This would be particularly appropriate, as missions are co-located in embassies and rely more on ICASS for meeting their administrative needs. Technical officers should be given courses to enhance their general management skills so that all are capable of assuming broader General Development Officer (GDO) responsibilities when necessary or appropriate. For example, if a given mission has a large health program, but a much smaller democracy and governance portfolio, the health officer should be able to provide management oversight to the D/G portfolio, relying on specific technical expertise and backstopping from a nearby regional mission or AID/W.

## 2. Worldwide Availability

**Suggestion: USAID must be more insistent on enforcing the worldwide availability of its Foreign Service Officers.**

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<sup>26</sup> For a number of years, USAID has discussed combining backstop codes 02 (Program Officer) and 94 (Project Development Officers) as well as some or all of the technical backstops.

**Suggestion: The consolidation of backstop codes is long overdue and should be undertaken immediately.**

A number of USAID's Foreign Service Officers (FSOs) resist or refuse assignments to hardship posts, especially those without adequate schooling for their children. Besides educational needs, others may prolong tours in Washington for reasons of family need (e.g. the care of aging parents) or personal preference. While such individual behavior may be understandable, all FSOs agree to worldwide availability when they accept employment with the Agency. Given staffing constraints, however, the Agency cannot afford significant numbers of Foreign Service staff that are not fully available. Those who cannot be available worldwide should be converted to the Civil Service.

### 3. USPSCs

**Suggestion: *BTEC's Human Development Capital Plan should address how and when USPSCs may be engaged to meet missions' shortfalls in USDH staff.***

Since the 1996 Reduction in Force, overseas USDH have decreased by 27 percent. During this timeframe, the USPSC workforce has remained relatively constant, increasing by only five percent. USPSCs are a key means for the Agency to meet its commitment to foreign policy goals. They provide missions with the essential flexibility and capacity when they are unable to get the USDH staff they require. PSCs also provide an essential resource to respond to surge requirements. In addition, technical PSCs help keep Agency programs more in tune with developments in such evolving and complex areas as HIV/AIDS. (See Chart 3)

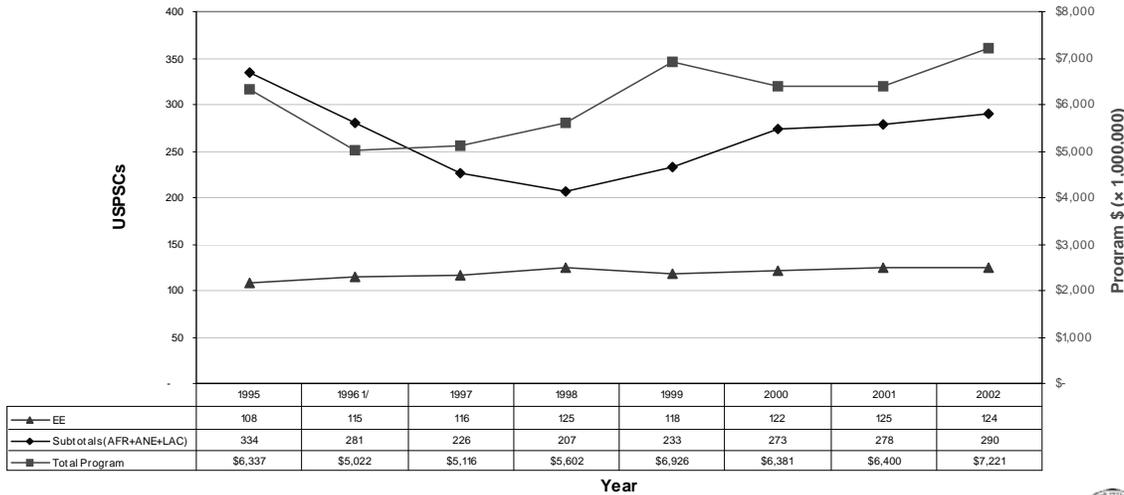
**Suggestion: *Develop a comprehensive employment package for long-term Personal Services Contractors.***

As with USDH, it is important for the Agency to attract and retain the best qualified and experienced PSC staff. Accordingly, it is necessary to provide more certainty and security with regard to benefits. OTI has developed a draft PSC employee handbook, which could serve as a model for the rest of the Agency. It also would be useful for HR to establish and maintain a USPSC databank of names and related skills.

Chart 3

Comparison of USPSC Usage and Total Program  
U.S. Agency for International Development  
(1995-2002)

USPSCs



Year

Source: M/HR Quarterly Worldwide Staffing Pattern Reports 1995-2002. Data reported as of end of FY (9/30) unless otherwise indicated.  
1/ As of 6/30/1996.

Prepared by PPC/SPP/ε



**Suggestion:** Extend the "notwithstanding" PSC authorities of OFDA, OTI and E&E to the rest of the Agency.

Because of special "notwithstanding" language in their legislation, OTI, OFDA and the E&E Bureau can use PSC staff both overseas and in Washington. As a result, they are able to retain their best PSCs, taking maximum advantage of their investment in the training and experience of these people.

**Suggestion:** Ensure that overseas USPSCs employed for longer than one year receive training in basic USAID program management systems and skills.

The majority of USPSCs perform in the technical backstops. While their skills in these areas generally are quite good, it may take a while for them to become adept AID managers. PSCs that serve as *de facto* direct hires should receive basic training in USAID skills<sup>27</sup> within their first year of service. This can be achieved by attendance at courses or through computer-based modules.

<sup>27</sup> The recently developed Planning, Achieving, Learning (PAL) course would meet much of this need quite well. Other existing courses that would be useful include: Performance Management, Financial Management, and Strategic Planning.

#### 4. FSNs

**Suggestion: USAID should make a concerted effort to increase the use of its FSNs in roles currently performed by USDH.**

There is widespread agreement (including recommendations in previous workforce studies) that USAID could rely much more than it has on the capabilities of its FSN workforce. For example, as consolidation of USAID missions into embassies occurs, there will be more reliance on ICASS to provide basic administrative services. If this occurs, there may be less need in some missions to retain a USDH EXO. In such cases, FSNs, with sufficient backstopping from other missions and a training and certification program, may be able to assume most EXO functions.<sup>28</sup> Opportunities to better utilize FSNs also exist in other key roles, such as technical team leaders.

#### 5. Civil Service

**Suggestion: Using current authorities, allow more mobility in the Civil Service cadre** so that career experience is enhanced and staff can be better engaged to accomplish overseas work objectives.

USAID's civil service employees offer an important reserve of skills and experience that could be applied to better meet the needs of carrying out programs overseas. However, as regulations are applied, it can be difficult and time consuming to arrange for an overseas excursion tour.

#### 6. Personnel and Administrative Funding Source

**Suggestion: USAID (perhaps with the support of the OMB and GAO) should ask Congress to end the OE account, and establish guidelines for using program funds for all of its overhead costs.**

A key motivating factor for the establishment of the Overseas Workforce Group is that OMB, the GAO and elements of the Congress do not sufficiently understand how USAID makes decisions on the use of its administrative resources. While nearly all USDH expenses are met through the Operating Expense (OE) account, other costs (e.g. most USPSCs and many FSNs) are paid using program funds.

USAID is the only USG agency to have an Operating Expense account. This was put in place in 1976 in an attempt to control the Agency's administrative expenses. In the intervening years, Congress also has

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<sup>28</sup> There is an important caveat to consider. The organizational culture of the State Department, plus the additional security requirements inherent to being housed within a U.S. embassy, may serve to limit the optimal use of USAID's skilled FSN workforce.

permitted the use of program funds to finance some overhead costs (including people – PSCs and FSNs) directly related to the conduct of technical programs. A certain amount of bureaucratic entrepreneurship has become common as USAID has learned to adjust to the differing limits and opportunities that arise from its dual sources of administrative budget. Such entrepreneurship and the uniqueness of having two sources of administrative funding sometimes leads to the impression that the Agency may be trying to obscure its actions, when all it really seeks to do is cope the best it can to achieve its program goals.

The elimination of the OE account and unification of funding sources to meet administrative needs would simplify accounting procedures and make USAID's administrative finances more easily understood – both within and outside the Agency. The resulting simplified accounting structure would also generate savings in both time and money.<sup>29</sup> The most important benefit, however, would be the greater transparency and credibility in the way USAID would be able to report on its use of management resources.

#### 7. Millennium Challenge Corporation (MCC)

As of this writing, much still is not known about how the MCC will operate. However, there are expectations that, at least at the outset, the MCC will rely heavily on USAID staff to get its high priority program off the ground. The assumption must be that more senior USAID personnel will be of greatest interest to the MCC, as they will need to draw from the experience of working in developing countries in general, and, in particular, with those countries selected to benefit immediately from the Millennium Challenge Account (MCA). As the premise of the MCA is that it will provide *additional* USG assistance, then it is logical to assume that the dollar amount of AID's program responsibility will not diminish. Accordingly, USAID, which is already deficient in staff, will lose a significant portion of its institutional capability for some undetermined period of time. It must plan how it can compensate for this.

**Suggestion: USAID should be prepared not only to be reimbursed for the staff it may lend to the MCC (or other USG entities), but also to charge a reasonable overhead.**

Charging such an overhead would be fully consistent with the overhead AID has paid to those USG agencies (e.g. USDA, Centers for Disease Control) from which it has "borrowed" personnel under PASA arrangements.

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<sup>29</sup> Unification of USAID's administrative activities would bring its accounting more into line with that of the Department of State, which would greatly facilitate improved coordination under the Phoenix System.

## V. Toward A More Efficient Business Model

### A. The Problem

Operational efficiency – getting the job done better, at lower cost and with essential security – is the objective of any well-run, responsibly managed organization. Often, however, efficiency is like the weather – everyone talks about it, but no one really ever does anything to change it in any noticeable way.

Despite a long history of criticism, USAID has a proud record of achievement in the interest of U.S. foreign policy and the improvement of people's lives in the countries where it works. The Agency has a well-established institutional culture of finding a way to accomplish the objectives it has been given – even when it hasn't always been given the resources or credit it deserves.

Aside from the usual reasons of good management, there are now urgent motivations for USAID to become more efficient.

- *Resource scarcity:* The State Department was extraordinarily successful in obtaining the human and related financial resources to support its Diplomatic Readiness Initiative. While USAID has made some inroads in these areas, it will be a great challenge to obtain the additional people and money necessary to carry out the expanded program demands being placed on it.
- *Security:* The Embassy bombings in Kenya and Tanzania, the assassination of USAID officer Larry Foley and the general overseas threat level conspire to tighten the future security configuration of all USG operations abroad. Because of its diverse program and oversight responsibilities, USAID missions tend to accumulate relatively large numbers of American and host country national personnel, which require large office spaces. Moreover, the collaborative nature of USAID programs necessitates significant personal contact with external program counterparts and partners. In this context, Marine guards and the other security trappings of embassies are perceived as impediments to the achievement of program goals. For these and other reasons, missions typically have not been co-located within embassies. Nevertheless, given recent events, it is probable that most USAID operations eventually will have to co-locate within embassies. Co-location not only will effect where and how USAID works, but also is likely to limit substantially the number of people to do the job.

Though not specifically in the brief of the Overseas Workforce Group, it is impossible to ignore the additional constraints that could result from further resource and/or security limitations. Some of the recommendations offered below would apply regardless of the resource or security issues. They make good management sense. Other recommendations offer possibilities for getting the job done in a different way that reflects future realities, but may not get it

done as optimally well. What is offered are some means of achieving the best possible results under undeniably difficult circumstances.

The recommendations below *do not* modify earlier recommendation in this paper for templates to determine staff allocation and mission modes. In the context of the templates, security matters represent an exogenous variable to be applied to the allocation decision as the result of a policy determination. As the security variable will weigh differently in diverse locales, it would not be practical to include it as an integral part of the template itself.

#### B. Findings and Suggestions

***Suggestion: USAID should develop a contingency plan to address possible modifications to its business model which now presumes field presence as the primary means of delivering assistance.***

Co-location within embassies, where it occurs, will have an as yet undetermined, but definite impact on the Agency's historic field presence model. For starters, greater use of regional service platforms must be anticipated. There already exists a variety of regional service models. These should be studied as soon as possible so that the Agency can have a contingency plan ready for the time when significant co-location and consolidation may take place.

**Suggestion: Conduct an audit/evaluation of ICASS.**

The ICASS (International Cooperative Administrative Support Services) system was established by the State Department in the mid-1990s ostensibly to establish a more cost-effective and efficient means of providing administrative services to USG agencies operating overseas. As it has evolved, it appears that ICASS also serves as a means of allocating State's own overseas overhead among embassy constituent agencies.

As the Diplomatic Readiness Initiative (DRI) has augmented State's administrative resources, the Department often has appeared less focused on achieving operational cost efficiencies through ICASS. For example, DRI has resulted in significant numbers of additional State Department staff (e.g. Regional Security Officers, General Services Officers) posted to embassies, which pass some of the cost increments on to other agencies (e.g. USAID) through ICASS. In many instances, ICASS is perceived by the non-State agencies it serves as an expensive provider of services of uncertain quality. As a result, many USAID missions seek to minimize ICASS exposure and continue to have USDH

Executive Officers (EXOs) and related large numbers of FSNs to provide support services.

In the coming years, increased security requirements and mandatory co-location will impel USAID to compress its operations. Accordingly, ICASS will become an essential means of staff consolidation. Thus, it is urgent that ICASS function more efficiently and effectively for the customers it serves.

If USAID is to rely further on ICASS, and perhaps reduce its own administrative operations and staff, an unbiased evaluation of the cost-effectiveness of that system should be undertaken immediately.

**Suggestion:** As an Agency (i.e. *not* bureau by bureau), **USAID should study more effective ways of expanding the provision of regionalized services.**

When security restrictions limit mission staffing, USAID's regional platform models (REDSO, CAR, etc.) and related experience<sup>30</sup> offer good options for maintaining program momentum, while minimizing the number of resident officers in given countries. In addition, the possibility for consolidating voucher processing within geographic regions<sup>31</sup> could offer an excellent opportunity to reduce workforce size in Controllers' Offices, which generally have the second greatest number of employees after Executive Offices.

**Suggestion:** **Missions must be made more accountable for the number of units of management they utilize in the implementation of their programs.**

The OWG has defined a "unit of management" as a grant or a contract. Between and sometimes within USAID operating units there is wide variation on the number of units managed under a single strategic objective, even when the level of activity and funding may be the same. The more units of management that require oversight, the more USAID staff (DH, FSN, PSC) that is required. Especially in the circumstance where security concerns may sharply curtail mission staffing, it is urgent that a review be conducted of management units and, where necessary, plans for consolidation made. For example, a health program that involves technical assistance provided by a US NGO and five local NGOs could involve six grants or one grant (to the US NGO that would then enter into sub-agreements with the local organizations). On the surface, the latter configuration would require substantially less USAID mission staff

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<sup>30</sup> Examples include 1) the current management of the Sudan program from Kenya, 2) the early 1990s assistance program to the Nicaraguan Contras that was managed from Honduras and 3) the start up of assistance to Russia and the Newly Independent States that was managed from a Washington-based "mission."

<sup>31</sup> Currently being considered by LAC.

resources.

**Suggestion: USAID should establish a centrally coordinated system of overseas mission program and management assessments.**

To differing degrees, each of the geographic bureaus already has begun to carry out mission assessments. However, there appears to have been little effort to coordinate assessment methodologies. Thus, the results produced from these undertakings are uneven and provide little comparable cross-bureau information and data that could help facilitate strengthened overall management. A model for management assessment exists in the Department of State's process for carrying out post inspections. Perhaps that model could be adjusted to suit USAID's management interests. At the very minimum, if the individual regional bureaus continue to exercise assessment responsibility on their own, a core methodological element should be developed that could be used to guide and enhance overall Agency operations.

**Suggestion: USAID and the USAID Office of the Inspector General (IG) should seek a more cost effective system for maintaining the accountability required for overseas development programs.**

Compliance with accountability measures constitutes an important element of the labor intensiveness and cost of USAID's field programs. Though there is no hard data on the subject, a conventional wisdom is that USAID programs have substantially more complex accountability requirements than those of other donors. The cost of this is manifested through increased mission staff presence, greater oversight expenses and more complex regulations to implement, which, among other things, create more paper bureaucracy and delays. While there can be no question regarding the need for USAID to be accountable for the program resources that it manages, a more efficient, but still effective, way should be found to meet accountability needs.

## Annex A

USAID/General Notice

ADMINISTRATOR  
01/22/2003

### E X E C U T I V E M E S S A G E

Subject: Overseas Workforce Group

Overview: As part of the President's Management Agenda, we have established an Overseas Workforce Group to develop guidelines and criteria for overseas staffing. This Group will complete its work by the end of April 2003.

Background: Over the years, a number of studies on workforce planning and deployment issues have been conducted. Nevertheless, USAID continues to have difficulty making workforce decisions that satisfy both internal customers and external stakeholders.

There is also an urgent need to reevaluate the feasibility of traditional mission structures in light of the need for increased security. Any new or modified structures must be flexible and cost-effective.

Finally, the Agency's Operating Expense budget declined in real terms throughout the 1990s, and U.S. direct hire staff has decreased by over 1,250 employees since 1992. However, the program budget has been rising since FY 2000, and the technical and political complexity of our activities has increased significantly.

Challenging new international priorities, such as HIV/AIDS, biotechnology and conflict management require an updated set of employee skills. Security constraints, coupled with the deeper engagement of the Department of State and NSC in country and program directions, require a greater degree of flexibility and "surge" capacity to react to foreign policy priorities in USAID program responsibilities.

Assumptions: There are several underlying assumptions that will guide this work:

\*\* Field presence will remain the principal means for delivering assistance.

\*\* Overseas staff will operate in an increasingly insecure environment. The cost of providing security for employees overseas will grow.

\*\* The need for a flexible, adaptable, highly skilled workforce available for worldwide service will increase.

\*\* Decisions about the management of the Millennium Challenge Account (MCA) have an as yet undetermined impact on USAID.

\*\* Presence/non-presence issues must be addressed. USAID seeks a more rational approach to managing non-presence programs.

Specific Tasks: In conjunction with its primary mandate to provide information and on USAID's overseas presence, the Workforce Group will also:

\*\* Provide information relevant to budget and workforce planning and deployment decisions in the context of USAID's Human Capital planning. The information will be used to inform the FY 2005 budget planning process and to link the Human Capital plan with the overall Agency Strategic Plan.

\*\* Describe USAID overseas program and support functions and recommend which should be carried out from bilaterally, regionally or centrally.

\*\* Link the findings and recommendations with the Department of State's Diplomatic Readiness Plan.

\*\* Analyze skills gaps to accomplish unit goals.

\*\* Describe how overseas staff are recruited, deployed and funded;

\*\* Identify issues associated with "regionalization" and "non-presence," such as operating expenses, travel requirements, security, implications for families and employee absences from "home" posts.

\*\* Describe staffing gaps, the reasons they occur and average vacancies between the departure and replacement of direct hires and non-direct hires.

\*\* Define the costs of deployment of junior and senior officers in the four professional groupings of employees: mission management, program management, technical support and other support services (contracting, legal, financial, and administrative, etc.)

\*\* Independent of funding source, identify expenses of direct hire and non-direct hire field staff.

Sponsorship: A senior advisory sub-committee of the BTEC will provide guidance to the Working Group. The Group will present its findings to me.

Working Group: A Working Group will be led by David Eckerson from PPC and Jinny Sewell from M/HR. They will have primary responsibility for producing a draft report. Two former USAID Mission Directors, David Cohen and Larry Armstrong will also serve on the core working group, along with Marilyn Zak, Robert Baker, Paula Miller and Chad Weinberg.

I encourage all employees to join in the discussion of these issues. The working group will be meeting with staff in USAID/W and in the field over the next three months. The team can be contacted by e-mail at OWS@USAID.GOV. This e-mail account can also be accessed on the Outlook E-mail menu under the heading Overseas Workforce Study.

Frederick W. Schieck  
Deputy Administrator

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## Annex D

### RESPONSES TO THE OVERSEAS STAFFING QUESTIONNAIRE

#### *General*

**1. Which of the following best describes your mission? (Pick only one)**

- 15 Traditional full service USAID mission
- 5 Small Mission significantly dependent on services from a regional provider
- 0 Section of an Embassy
- 4 Regional Mission
- 5 Combined regional/traditional
- 0 Non-presence
- 2 Other

**2. Which do you feel best describes the present USDH staff allocation process:**

- 19 Fair
- 11 Unfair
- 1 No opinion/Don't understand the system

**3. Does your mission have a mentoring process for NEPs and other new hires?**

- 21 Yes
- 9 No
- 1 Skip

*One of the principal tasks of the Workforce Group is to design a template for the overseas allocation of USDH staff.*

**4. Below are a number of variables that could be used in deciding how to allocate USDH staff overseas. Pick the 4 you think are the most critical.**

- 12 Development needs/poverty of the country
- 5 Political priority of the country
- 16 USAID program size -- Dollars (all accounts)
- 16 USAID program size -- Management Complexity (number of contracts and grants)
- 2 USAID program size -- Number of Strategic Objectives
- 1 USAID program size -- Pipeline/Mortgage
- 8 USAID program size -- Nature/Mix of Funding (e.g. DA, ESF, local currency, FFP, OTI)
- 1 USAID program size -- Earmarks
- 3 USAID program performance
- 8 Host country performance (MCA model: (1) Performance and Institutional Capability, (2) Democracy/Governance Ratings, and (3) Economic Policy/Performance)

- 1 Country size and infrastructure measures (ease of travel, etc.)
- 4 Security
- 21 FSN quality and experience
- 1 Cost of maintaining mission
- 8 USAID responsibilities for supporting other agency efforts
- 6 Recurring special needs such as disasters or post crisis
- 0 Historical staffing levels
- 7 Program vulnerability level (theft, fraud and abuse)
- 6 Other

*Unfilled USDH positions is an issues of concern to the Workforce Group*

**5a. In your mission, how many valid USDH positions are unfilled?**

(As of February 1, 2003)

- Number unfilled 0 responses 8
- Number unfilled 1 responses 11
- Number unfilled 2 responses 7
- Number unfilled 3 responses 2
- Number unfilled 4 responses 2
- Number unfilled 5 responses 0
- Number unfilled 6 responses 1

**5b. What is the average length of time that these positions have been**

empty? (In months)

- 0 months -- responses 1
- 2 months -- responses 1
- 3 months since emergency assignment to Pakistan -- responses 1
- 12 months -- responses 3
- 12 months -- responses 1
- 3 months -- responses 1
- 4 months -- responses 1
- 4 months when there was an empty slot -- responses 1
- 5 months -- responses 3
- 6 months -- responses 6
- 6 mos. with very little prospect of being filled within -- responses 1
- 7 months -- responses 1
- 7 months so far, expect 12 to 16 -- responses 1
- 8 months -- responses 3
- 9 months -- responses 1
- NA -- responses 4

**5c. What interim action(s) have you taken to meet the need of an empty slot? (Pick all that apply)**

- 18 FSN
- 16 PSC
- 0 RSSA

- 3 TAAC
- 0 Institutional contractor
- 12 Continue to await assignment of a USDH
- 9 Other

**5d. What are your future plans regarding empty slots? (Pick all that apply)**

- 19 Continue to seek a USDH
- 6 Fill with FSN
- 11 Fill with PSC
- 0 Uncertain
- 10 NEP/IDI
- 4 Other

*US Personal Services Contract and TCN Staff*

**6a. How many USPSCs and Third Country Nationals are part of your mission?**

- 3 Financial management
- 14 Procurement
- 0 Legal
- 5 EXO
- 7 Program/Project Design 02/94
- 23 Technical specialties
- 1 Other

**6b. In which capacities are USPSCs and Third Country Nationals at your mission? (Pick all that apply)**

- 15 Financial management
- 9 Procurement
- 1 Legal
- 18 EXO
- 19 Program/Project Design 02/94
- 29 Technical specialties
- 3 Other

**6c. In general, compared with a USDH in the same positions, PSCs perform:**

- 2 Better
- 20 About the same
- 9 Less well
- 0 Poorly

**6d. What are the constraints on your use of PSCs? (Pick all that apply)**

- 11 Increased vulnerability
- 13 Don't/can't understand or work with the AID system,

- 4 Do not have necessary strategic planning ability, lack commitment to program results,
- 11 May require more training than mission can offer
- 18 Can't supervise USDHs, such as NEPs,
- 15 Other

**6e. In which of these positions would you be most reluctant to use a USPSC or a TCN? – Assume the USPSC or TCN is other than former USAID (Pick only one)**

- 12 Financial management
- 5 Procurement
- 10 Legal
- 1 EXO
- 2 Program/Project Design 02/94
- 1 Technical specialties

*Foreign Service National Staff (Grade 10 and above)*

**7a. How many professional level FSNs (grades 10 and above) do you have in your Mission?**

0	10-1	20-2	30	40-1	50-2	60	70	80
1-1	11	21	31	41	51	61	71	81
2	12-1	22-1	32	42	52	62	72	82
3	13	23-1	33	43-1	53	63	73	83
4	14	24-1	34	44	54	64	74	84
5-2	15-1	25-1	35	45	55	65	75	85-1
6-1	16-3	26	36	46	56	66	76	86
7	17	27-1	37	47-2	57	67	77	87
8-1	18	28-1	38-1	48	58	68	78	88
9-1	19	29	39	49	59	69	79	89

**7b. In which areas do FSNs (grades 10 and above) serve? (Mark all that apply)**

- 28 Financial management
- 25 Procurement
- 6 Legal
- 24 EXO
- 27 Program/Project Design 02/94
- 30 Technical specialties
- 0 Other

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**7c. On average, how would you rate your FSN staff (grades 10 and above) on a scale of 1-5, with 5 being the best?**

- 0 Scale Level 1
- 0 Scale Level 2

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- 5 Scale Level 3
- 21 Scale Level 4
- 5 Scale Level 5

**7d On average, how would you rate your FSN staff (below grade 10) on a scale of 1-5, with 5 being the best?**

- 0 Scale Level 1
- 0 Scale Level 2
- 13 Scale Level 3
- 16 Scale Level 4
- 2 Scale Level 5

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**7e. What is the major constraint in giving FSNs (grades 10 and above) greater responsibilities? (Mark all that apply)**

- 14 Insufficient skills/education
- 14 Do not carry the same weight as an expatriot with HCG officials
- 14 Vulnerability concerns
- 6 Limits imposed by embassies on FSN grading
- 16 Other

*Services from Others*

**8a. Which of the following services does your mission receive from another bilateral or regional USAID or AID/W? (Mark all that apply)**

- 9 None
- 7 Financial management
- 13 Procurement
- 18 Legal
- 2 EXO
- 1 Program/Project Design 02/94
- 5 Technical specialties
- 4 Other

**8b. If you get services from others -- Which services received from regional or other bilateral missions best respond to your needs? (Pick all that apply)**

- 6 Financial management
- 10 Procurement
- 18 Legal
- 1 EXO
- 1 Program/Project Design 02/94
- 3 Technical specialties

**8c. If you get services from others -- On average, how would you rate the quality of services your mission receives from another bilateral or regional USAID?**

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- 21 Satisfactory

- 1 Unsatisfactory
- 0 Unacceptable

**8d. If you get services from others -- If necessary, what would be your *first choice* for an additional service to receive from another Mission? (Pick only one)**

- 4 Financial management
- 1 Procurement
- 1 Legal
- 3 EXO
- 3 Program/Project Design 02/94
- 7 Technical specialties

*Services Supplied to Others*

**9a. Does your mission provide service to other missions?**

- 17 No
- 1 Services to 1 other mission
- 11 Services to 2-4 other missions
- 2 Services to more than 4 other missions

**9b. What services does your Mission provide to another Mission? (Pick all that apply)**

- 9 None
- 13 Financial management
- 13 Procurement
- 8 Legal
- 9 EXO
- 7 Program/Project Design 02/94
- 5 Technical specialties
- 4 Other

**9c. What are your constraints in providing quality and timely services to another Mission?**

Comments: The loss of a USDH in the CO area to Pakistan is a temporary problem but will be remedied. Ability to hire appropriate FSN staff in some areas has been compensated for by extensive hiring of local hire USPSCs and TCNs. Overall staffing levels - given service delivery role - are not high, compared to dollar value of portfolio. Regional mission is located at a post-presence post. Ceiling for mission is 64 total positions. It is critical to have proper mix of staff types (FSN, USDH, US/TCNPSC) with proper mix of supervisory/non-supervisory slots,

Comments: We are too small to provide services; we share experiences with other small missions in the region.

Comments: Workload, inadequate personnel in 2 country offices covered.

Comments: time and resources (both human and financial)

Comments: money and not enough staff

Comments: distance and time constraints

Comments: money and not enough staff

Comments: N/A

Comments: Logistics. Travel between the countries covered by this Mission is not that easy, even though the distances are not that extensive.

Comments: Unfilled 1 of 2 USDH program/project development positions means we cannot provide program/project design assistance we are supposed to provide to one of the four Mission's we

Comments: (1) Communications: Poor electrical and telephone infrastructure and lack of adequate IRM support during off hours.

Comments: Resources--we run a large bilateral program and limited staff.

Comments: too small and difficult to travel to other missions

Comments: Work load and travel arrangements to Lebanon - no direct flight

Comments: Time, travel budget, need to focus limited staff on bilateral program.

Comments: none

Comments: NA

Comments: Staffing and budget

Comments: Too many demands on staff (increasing requests from bilateral missions, rapidly expanding NPC programs, rapidly expanding regional programs/Administration initiatives) and not enough staff

Comments: no constraints - only a matter of scheduling trips in advance to ensure that mission financial operations are covered.

Comments: None

Comments: N/A

### *Suggestions and Comments Welcome*

**10. What other relevant suggestions would you like to make to the Overseas Workforce Group? (This survey box is limited to 500 words. If you have existing documents you would like to share or want to write more detail, please attach and send to the Group's e-mail address: OWS@USAID.GOV.**

- I understand the importance of this exercise. If I knew more precisely what you would like from our comments, I would provide these. As mentioned here, this mission is appropriately staffed and gets the job done. our question is whether uniform standards for workload/staff numbers will be applied across the board, and to AID/W as well. Also we are confused by the guidance on the use of PSCs. Missions tend to hire PSCs because there are unfulfilled program or management needs that drive this hiring. We are not sure that this is the case in Washington. Will there be a uniform standard (need based) that drives

- We need to be flexible and above all use common sense in filling vacancies and staffing missions.

- This regional Mission is not a typical service mission in that it is actually responsible for the programs in two other countries (Moldova/Belarus). Constituent offices lack USDH staff to develop/implement programs which increase vulnerability. Need reallocation of staff resources from other overstuffed missions.
- Increasing the number of USDH is necessary at most missions, as is USAID 'presence' in needy countries that may well qualify for assistance.
- HUGE amounts of OE are still being spent on PSCs - EXOs and Controllers especially. This is penny wise and pound foolish. It would be far cheaper to hire on USDH. Many of these ex-retired PSCs are at the top of the one scale.
- Although it is clearly necessary to review the alternatives for creatively addressing our workforce objectives through outsourcing and other means, it is equally important to balance this against the Agency's needs to maintain a solid cadre of career professionals imbued with the corporate culture of USAID, managing our programs with continuity. USAID is recognized worldwide for its high quality field presence -- we need to build on, not diminish, that strength.
- As the trend is for more co-location with Embassies, there will be growing limitations on what FSNs could do, where they can sit and what level of information access they can obtain. What this would do is further constrain providing FSNs or for that matter TCSs
- There is an aspect to program complexity that has to do with the extent to which the program is engaged in significant policy reform that influences the need for USDH staff that is not adequately captured by the options listed under question 4.
- (1) In fact we should be looking at the overall workforce, not just USDH staff. Most missions could probably be staffed by just a few USDH and the balance with US/PSC, TCN and FSN employees. The staffing levels and the cost to the USG could be almost the same in both cases. We recommend that the approach to analyzing staffing be broader.
- The role of the agency in carrying out U.S. foreign policy priorities is absorbing more and more staff time. This may include public affairs initiatives as well as economic assistance activities closely related to foreign policy goals. USAID missions are logical choices to help in these areas because we generally have a core of experienced staff on the ground, with operational skills -- and concrete U.S. achievements to demonstrate. For current day-to-day operations, there is an overall shortage of highly qualified employees for positions in which a USDH would be far more effective than another category of employee (e.g. US/PSC, TCN, Fellow or FSN.) Further, most Mission staff are stretched very thin even when all USDH positions are filled. The lack of adequate staff in AID/W exacerbates the problem because support to missions can be spotty, despite everyone's best efforts. The NEP program is beginning to make a very positive difference. However, training and mentoring of NEPs will continue to need a great deal of attention, and will be difficult to achieve given the small staff size of most missions.

- I am not sure what the purpose of the survey is and i have number of ideas if the intent is to rationalize our work force, i am not sure this survey will help. You have our info -
- Please review particularly carefully the requirements of missions that frequently deal with humanitarian and other crises.
- What will be the role of current USAID staff in the functions of the MCC, if it becomes a reality? What will be done to convince overseas staff that the current exercise will not result in, again, trying to "do more with less" in an already tough overseas environment? Please share current thinking on the Washington-based workforce and how it will be impacted
- Please remember that any successes of USAID in the last 40 years have been due in great part to a strong, overseas on-the-ground presence.
- Let's not take a cookie cutter approach to staffing missions. there is no direct correlation between size of budget and staffing.
- In response to question #2, please add: The USDH staff allocation process is "glacially" slow to effect change and too often preserves staff allocations based on the past to the detriment of near future needs tied to program profile and national security interests.
- This survey is too limited to reach many, or maybe any, valid conclusions -- for instance, in quality of regional services, what are we comparing it to? Having a USDH in-house, or relative to other regional services we have experienced (I used the latter). On Q4, several have value and shouldn't be precluded in favor of just four. RE: the question of fairness of USDH staff allocation, it would be nice to have other options given that there are so many factors that weigh in on staff complements. Lastly, trying to find a formula for overseas staffing is like trying to find appropriate OE:Program funding ratios -- it hasn't worked in the past when the agency has tried, or is immediately compromised by all
- Reducing staff size does not increase efficiency nor assure quality results
- I'm replying from REDSO/ESA. It would be helpful for you to visit us. I still believe that USAID's comparative advantage is its field personnel. There's much to be gained by having only 1-2 USDH at more posts, serviced by regional or nearby large missions, than having fewer, larger missions. Even just this small number of staff adds an important dimension to the U.S. country team and promoting U.S. policy interests, including
- I would like to suggest analysis of how to make the workforce (USDH and PSC) more skilled in language outside of the traditional French/Spanish core group. Foreign language skills are either necessary (as seems to be claimed by LAC and AFR) or they are not (as seems to be claimed by E&E and ANE). I tend to agree with LAC and AFR and find it frustrating that providing language training is reduced to a budget decision in certain bureaus but is considered mandatory in others. We are at a clear disadvantage in the State-AID partnership, particularly at senior levels. The Agency does not have an effective policy
- The Agency needs to give priority to recruiting and retaining experienced Program Officers. USAID also needs to greatly improve its workforce planning

with regard to all backstops. Needed staff are TIC'ed out when they should be required to fill hard to fill positions in the field as a requirement for not being TIC'ed out. Also USAID needs to decrease its Washington workforce in favor of increasing its field presence. Washington jobs should not be filled at the expense of field positions and the FSO workforce should be better managed vis-a-vis their agreement to be available for world-wide assignment. Too many senior people are opting to work in Washington for lengthy periods of time.

- Critical overseas positions remain unfilled for extended periods of time in many missions. Additionally, many staff (both U.S. and FSN) lack sufficient training in USG procedures and operations. These factors impair our ability to monitor activities properly and, hence, create vulnerabilities for Mission senior management and the Agency. Proper stewardship of taxpayer resources and adequate oversight of programs to ensure impact require a sufficient number of trained staff.

## **Annex E**

### **Previous Studies, Reports and Memoranda Related To The USDH Overseas Workforce Since 1990**

1. A.I.D.'s In-Country Presence, an Assessment. A.I.D. Program and Operations Assessment Report No. 3, Oct. 1992 (the Askin Report).
2. Overseas Workforce Restructuring Analysis, Office of Management Planning Innovation, Bureau of Management, July 23, 1996 (the McGraw Report).
3. Workforce Planning Task Force Report to the Steering Group, Nov. 26, 1997 (the Callen/Clay Report).
4. Working Group on Overseas Staffing and Reference Points: Draft Report, Sept. 18, 1998 (the Leonard Report).
5. Presence and Non-Presence Programming, Draft Papers, late 1990s (the Crosswell Memoranda).
6. Small USAID Missions and the Future: Protecting and Upgrading our Overseas Capabilities, Prepared Under the Sponsorship of the USAID Management Council, Revised April 27, 2000 (the Tennant Report).
7. Staffing the Africa Bureau: New Approaches to Perennial Issues, EGAT, Transmittal Memo, June 6, 2001 (the Conly Report).

**AID's In-Country Presence: An Assessment.** 1993. (Askin Report)

**Objective:** to identify basic advantages to AID's in-country presence, review the relationship of these advantages to actual functions performed by US staff overseas, and formulate options the Agency could adopt to increase cost-effectiveness while maintaining the essential benefits of in-country presence.

	<b>Workforce planning</b>	<b>Staff allocation variables</b>	<b>Mode of delivery</b>	<b>Staffing model</b>
<b>1. Findings</b>	<p>1a. The presence of AID foreign service officers and their supporting staff overseas offers two chief advantages: influence and program accountability.</p> <p>1b. Some functions, particularly those relating to policy dialogue, strategy formulation, and program and project negotiations, are so intimately linked to influence and program accountability, they should only be performed by US staff.</p> <p>1c. Attempts to lower the costs associated with in-country presence by substituting a less expensive management mode without in-country presence would compromise effectiveness.</p>	<p>1a. Several independent variables – budget size, budget source, number of projects, and PL480 program – explain about 90% of the variations in worldwide US staff.</p> <p>1b. The incentive system seems to award program size and staff size as positive performance factors, thus thwarting Agency efforts to manage human and financial resources.</p>	<p>1a. AID's overseas presence breaks down into 5 categories:</p> <ul style="list-style-type: none"> <li>I. Bilateral country organizations (82: 48 missions, 33 offices, 1 section of embassy)</li> <li>II. Offices of multi-country programs (12)</li> <li>III. Offices of multi-country services (2)</li> <li>IV. DAC and representation offices (6)</li> <li>V. Regional Inspector General Offices (6)</li> </ul>	<p>1a. AID applies a model, based on program size and composition, to establish a "range of reasonableness" for proposed staffing levels.</p> <p>1b. Although regional bureaus use the model to provide a target USDH level to missions for ABS purposes, differences between bureaus and missions cannot be resolved by the application of standardized criteria.</p> <p>1c. Aside from the model, there is no basis for comparison among missions or for judging the validity of variations.</p> <p>1d. Despite the use of the model and the application of judgment, staffing decisions continue to reflect non-programmatic considerations (such as level of OE budget).</p>
<b>2. Recommendations</b>	<p>2a. Immediately institute "transition strategies" as an overarching Agency management approach, which each mission would</p>	<p>2a. Mission should search for FSN talent <b>prior</b> to assignment of USDH or contractor staff for positions not requiring</p>	<p>2a. Expand regional and shared services.</p>	

	<b>Workforce planning</b>	<b>Staff allocation variables</b>	<b>Mode of delivery</b>	<b>Staffing model</b>
	<p>introduce into its strategic planning. This gradual transition and transfer of management and accountability responsibilities from the donor to the recipient should be made a major goal of most missions' overall program strategy and implementation plans.</p> <p>2b. Overseas missions should be staffed according to strategic program objectives, which would allocate resources to those functions that are central to capturing its benefits, thus tending to minimize the assignment of USDHs.</p> <p>2c. Establish the concept of a "core" mission with staff limited to personnel absolutely required to achieve a mission's SOs. Additional US program managers would be tied to the number and type of SOs for each country program.</p> <p>2d. Reduce documentation and mission reporting requirements.</p> <p>2e. Expand regional and shared services.</p> <p>2f. Introduce the concept of "limited accountability," which would assess the cost of total accountability against</p>	<p>significant policy negotiation functions. Agency should rely more on its FSN staff to perform many tasks now being done exclusively by US staff. Assess the full capabilities of present FSN staff and other local individuals, receive definitive guidance from AID/W on the upper limits of FSN responsibilities, and then use these factors as major determinants of US staffing requirements.</p> <p>2b. Reduce staffing in some of the more unfavorable development environments.</p> <p>2c. Reduce bureau and mission competition for scarce staff and budgetary resources.</p> <p>2d. Concentrate programs on fewer development problems and on what AID does best.</p> <p>2e. Create incentives to encourage efficient, cost-effective in-country presence.</p> <p>2f. Identify more countries to be designated as advanced developing countries.</p> <p>2g. Relocate to AID/W</p>		

	<b>Workforce planning</b>	<b>Staff allocation variables</b>	<b>Mode of delivery</b>	<b>Staffing model</b>
	the limited protection it provides and the large commitment of staff time it requires.	those mission and regional personnel whose functions are not related to the requirements of day-to-day project monitoring or dialogue with recipient-country officials.		
<b>3. Status of Recommendations</b>	3a. Recommendations such as reducing reporting requirements, limiting accountability of missions and instituting “transition strategies” have not been implemented.	3a. FSNs as a variable to determine allocation of staff to missions is an often heard consideration 3b. Staffs reduced in some mission environments & are efficiently serviced by regional platforms.	3a. Regional platforms or shared services are being used in all regional bureaus by USAID.	NA
<b>4. Results</b>	4a. “Core” staff and number of SOs/complexity are key variables that are currently being considered in staffing missions.	4a. A wide range of variables are used by the bureaus to allocate staff among missions, leading to the impression that USAID has no rationale allocation process.	4a. Use of regional platforms has become increasingly important to the delivery of the Agency’s development assistance program in most bureaus.	4a. Agency has had little success in developing a model and/or rational process for allocating personnel within the Agency.

**Overseas Workforce Restructuring Analysis. July 1996. (McGraw Report)**

**Objective:** As overseas budgets and staff are reduced, this report provides guidance to Agency managers in determining the appropriate size and mix of staff necessary to carry out USAID programs under various country organizational configurations.

1. Findings	Workforce planning	Staff allocation variables	Mode of delivery	Staffing model
	<p>1.a. Greater participation by partners on expanded strategic objective teams and greater competition for development assistance dollars may increase the Agency's exposure to disputes and litigation.</p> <p>1.b. USAID principal officers overseas will have authority to make decisions on the use of OE funds and to determine how personnel services will be acquired and from what sources.</p> <p>1.c. Bureaus will have option to assign field based regional support staff to a full mission or regional center, e.g. REDSO, but total staff level for region will not exceed the total overseas staff levels authorized by Management/Office of Budget (M/B).</p>	<p>1a. Precise number/types of staff in each country will be dictated by facts of the specific case and management judgement.</p> <p>1.b. Relative capabilities and availabilities of FSN staff in a given country will be important factors in determining if overall staffing levels are at the "high" or "low" ends of the indicative staffing ranges established for each category of mission.</p> <p>1c. Staffing ratios developed to determine numbers of admin staff, based on historic staffing ratios in geographic regions.</p> <p>1d. Admin. staff determined in relation to both overall size of the staff in-country and the difficulty of operating environment.</p> <p>1e.. Tech. Staff normally assign 1-2 USDH per Agency goal for full and limited missions.</p>	<p>1a. <u>Full Missions</u> support sustainable development by addressing key constraints within mission's manageable interests. Normally address three or more Agency goals.</p> <p>1.b. <u>Limited Missions</u> address 1-2 Agency goals. Exception granted when compelling need exists.</p> <p>1.c. <u>Exit Country Programs</u> will have no USDH staff and not require significant support/management from other missions countries is most advantageous.</p> <p>1.d.1. <u>Transition country Missions</u> may fall into the category of full, limited or exit. Number of activities determined on the basis of U.S. objectives with regard to that country, the nature of instability and the outcomes desired.</p> <p>1.d.2. Full missions in transition countries differ from regular full missions in that the strategy will normally address shorter term objectives. Some</p>	<p>1 a <u>Full Missions</u>:</p> <ul style="list-style-type: none"> <li>• <b>Full mission responsible for 2+ limited mission programs</b> SOs probably include numerous traditional bilateral-type activities; may have trust funds and/or host country-owned local currency accounts; is formally delegated regional support responsibility for designated limited missions; and provide financial management support to limited missions. Staffing includes, e.g., 10-23 USDHs: <u>Senior Management</u>: 2 Senior staff (USDH) <u>Financial Management</u>: 2-3 Controllers (USDH), 16-19 Financial management staff (FSN) <u>Legal and Contracting Support</u>: 0-1 Regional legal advisor (USDH), 0-2 Contracting officers (USDH), 3 Contract specialists (FSN) <u>Administrative Support</u>: 1-2 Executive officers (USDH), 29-50 Admin staff (FSN), 0-2 USPSC or limited direct hire (local hire), 1-3 non-U.S. staff for every 2 non-support USAID employees in mission (when ICASS support/commercial services available, 1-2 non-U.S. staff for every 4 non-support USAID employees) <u>Technical Support</u>: 3-10 Technical Officers (USDH), 3-5 USPSC, Fellow, PASA, etc. (non-career U.S.), 9 – 25 non-U.S. staff (FSN) <u>Program Management</u>: 1 Program officer (USDH), ½ Project development officer per SO (limit 2 per mission), 2 Program budget staff (FSN), ½ Assistant project development officer (per SO, limit 2) (FSN), USPSCs – as necessary to fulfill specific program support needs <u>Secretarial and Clerical</u>: 16-20 administrative support positions, locally recruited non-career U.S. employees, Other established positions filled by FSN staff</li> <li>• <b>Full missions without regional responsibilities</b> Address 3 or more Agency goal areas; do not have trust funds, but may have limited responsibility for host country owned local currency (PL 480 and Cash Transfer); and provide no continuing services to limited missions. Full missions may also include transition countries with a significant number of activities. Staffing levels include 8-19 USDHs and are staffed much as outlined above.</li> <li>1.b. <u>Limited Missions</u>: Fewer staff. Address no more than 2 Agency goals. 3 basic types: Sustainable Development; Humanitarian; and Transition. Each mission associated with a neighboring full mission, which schedules and provides professional financial management support. Core staff does not include USDH controller except in rare instances.</li> <li>• <b>Complex Limited Mission with 2 Agency Goals</b> May have extensive activities within Agency goals, as evidenced by number/complexity of SOs; no trust fund but may have limited PL 480 Title II and/or Title III activities; host country owned local currency. Staffing includes 4-9 USDHs defined in specificity as above.</li> <li>• <b>Limited Mission with 2 Agency Goals</b></li> </ul>

	Workforce planning	Staff allocation variables	Mode of delivery	Staffing model
			<p>transition graduates will be considered candidates for sustainable development programs.</p>	<p>No extensive activities in Agency goal areas. SOs are not considered complex. No trust fund, PL 480 Title II &amp; III activity or host country owned local currency. Staffing levels include 4-7 USDHs much like is detailed above.</p> <ul style="list-style-type: none"> <li>• <b>Limited Mission with 1 Agency Goal</b> Staffing levels include 2-5 USDHs and is detailed much as above although with a smaller number of staff.</li> <li>• <b>Limited Humanitarian Missions</b> Staffing levels include 2-4 USDHs with many of the categories of staff outlined above eliminated.</li> <li>• <b>Transition Missions</b> Need for financial management staff will be determined on a case-by case basis, taking into consideration the number and complexity of activities being undertaken and the need for adequate on-the-ground financial accountability. Staffing levels include 1-19 USDH.</li> <li>• <b>Exit Programs</b> To extent possible, USAID staff not stationed in host country. Nature of in-country assistance determines type of implementing organization. Implemented through local NGOs, field offices of PVOs, or contractors. Occasional ad hoc support may be provided by USAID staff at nearby mission. Use of FSNPSC may be considered on exception basis to ensure proper accountability of USAID resources.</li> </ul>
<p><b>2. Recommendations</b></p>	<p>2.a.1. Implementation of activities should continue to be carried out by intermediaries to the maximum extent possible, where it is found to be the most effective approach. 2.a.2. Intermediary will be responsible for procurement, administrative services, transportation and commodities. 2.a.3. Core USAID staff will provide oversight/management and normally will not be engaged in direct activity management.</p>	<p>2.a.1. Location and assignment of senior staff – controllers, executive officers, contracting officers, and regional legal advisors – to overseas organizations should be based on mission category and size, rather than program content and complexity as with program and technical staff. 2.a.2. Missions with 10+ USDH staff qualify for a Deputy Director, when justified by complexity of program, representational responsibilities or regional support responsibilities. Limited missions not authorized a full-time Deputy. 2.b.1. Financial management staffing should be determined by size/complexity of program. Any program with direct-hire personnel in-country will have at least 3 FSNs to provide financial management services. 2.c.4. Full mission with 3+ goals may have up to 2 USDH COs. In some cases, a full mission will not have CO; instead will receive services from regional provider. 2.e.2. Other variable factors: - number, complexity, size, and maturity of SOs - political urgency of program - physical remoteness of country</p>	<p>2.a. Use ICASS at each post to the maximum extent practical and economical.</p>	<p>2 a. New regional approaches may require enhanced levels of management resources and time to integrate USAID and USG resources more effectively and with those of indigenous partners and other donors. Staffing of missions should be reviewed with this regional perspective in mind and staffing decisions made according to this principle. 2.b. Specific actions should be taken to facilitate Agency transition to full, limited, and transition missions, and exit countries. Key points: - missions/regional bureaus need to revisit country strategic plans at reduced levels of program and OE funding allocations to determine appropriate staffing levels and skill requirements. - Exit countries need to identify and put in place the appropriate mechanism(s) under which to carry out continuing programs with no USAID presence. - Rigorous review of financial and program benefits and costs of providing support from outside the country should be undertaken. - Training required for certain existing staff to adjust to changing needs. 2.c. Humanitarian programs normally should be implemented by private and voluntary, non-governmental or public international organizations. 2 d. Principal officer in limited missions may have to do “double duty” in some instances, performing program or technical functions. 2 e. The use of virtual team members is anticipated to increase in all missions, especially in the case of limited missions. This will require adequate staff in Washington, particularly the Global Bureau, to participate as team members.</p>

	Workforce planning	Staff allocation variables	Mode of delivery	Staffing model
		<ul style="list-style-type: none"> <li>- technical capacity of host country, including FSN staff, partners and counterparts</li> <li>- nature of relations with host country government, embassy, and involvement of partners</li> <li>- whether a full mission provides technical support to another</li> </ul> <p>2.f.1. Variables impacting prescribed levels and categories of program/project development officers:</p> <ul style="list-style-type: none"> <li>- program complexity</li> <li>- qualifications of non-USDH staff</li> <li>- responsibilities for providing support to other missions</li> <li>- size of pipeline</li> <li>- responsibilities for managing regional or exit programs</li> <li>- host country institutional capabilities</li> <li>- political sensitivities</li> <li>- nature of procurement instrument (i.e., its relative labor-intensity)</li> <li>- travel time to program site</li> </ul>		
<b>3. Status of Recommendations</b>	3a. Missions are using intermediaries to deliver programs while staff is monitoring activities.	3a. Variables identified in report have been a consideration for staff allocation for some time.	3a. Moderate use of ICASS has been made, due to poor quality & cost.	3a. Policy guidance contained in the "McGraw Report" was deemed too restrictive and prescriptive by the Workforce planning Task Force (the 1997 Callen/Clay Report), which recommended rescinding this policy guidance.
<b>4. Results</b>	4a. More effective ways of employing intermediaries in the field could result in the need for fewer USDH overseas	4a. The variables identified above and others have led to allocations of staff that appear irrational, with some small missions executing large programs and some large missions managing small ones.	4a. Reduced funding needs in some missions has taken place.	4a. Policy guidance contained in the McGraw Report was superseded by guidance contained in ADS 102.

**Workforce Planning Task Force (WPTF) Report to the Steering Group. 1997. (Callen/Clay Report)**

**Objective:** Contains four broad categories of recommendations, centered on creating a Resource Allocation Team ("Rat Patrol"), putting in place a program planning process that takes staffing into account when planning new activities, and improving technical capabilities in the field, and allows for sharing of (administrative and other non-technical) resources.

	<b>Workforce planning</b>	<b>Staff allocation variables</b>	<b>Mode of delivery</b>	<b>Staffing model</b>
<b>R E C O M M E N D A T I O N S</b>	<p>I. <u>Workforce Planning Process:</u></p> <ul style="list-style-type: none"> <li>- Create Resource Allocation Team ("Rat Patrol") to implement workforce planning process. Team mandate: to project workforce and diversity needs over 3-5 year time horizon; establish human resource (HR) priorities, set resource allocations at beginning of budget cycle.</li> <li>- Determine reference points for staffing and OE levels; ensure effective integration of program and workforce planning/budgeting in R4/BBS process; implement program of incentives for increasing cost-effectiveness and sound HR management; and determine HR trade-offs before and/or when Agency embarks on new initiatives.</li> <li>- Conduct annual Senior Management Workforce Survey of future Agency skill needs so as to inform the deliberations of Rat Patrol.</li> <li>- Revise Agency R4 and BBS guidance so that it requires each management unit/bureau to include projection of future workforce needs over a 3-year time horizon.</li> <li>- Manage to Budget by eliminating non-direct hire workforce ceilings and develop normative standards for operational costs, implement plan to introduce and test a full "management-to-budget" approach to OE allocation, and assure adequate education of its managers for effective implementation.</li> </ul> <p>II. <u>Realignment of Workforce:</u></p> <ul style="list-style-type: none"> <li>- Work processes streamlined/simplified in order to conduct business with fewer people.</li> <li>- Agency should require enforcement of the policy requiring FSOs to rotate overseas after 8 years in Washington.</li> <li>- FY 1998 goal: recruit 15 IDIs in specific technical areas.</li> <li>- Conduct Agency-wide technical functions performance assessment of regional and central bureaus. Realign, if necessary, allocation of technical staff to respond to customer demands/ preferences.</li> </ul> <p>III. <u>Workforce Flexibility</u></p> <ul style="list-style-type: none"> <li>- CS/FS systems should become more user friendly by increasing movement between the two systems;</li> <li>- FS system needs to be streamlined by using generic position descriptions;</li> <li>- There should be flexibility between two executive assignment</li> </ul>	<p>. WPTF recommends that the Rat Patrol immediately undertake a multi-step process to realign staff and OE resource allocations.</p> <p>. First, Rat Patrol must develop formulas to calculate reference points to be used in making resource allocation decisions; agreement on a desired timeframe to effect the realignment should also be made at this time. Reference points would be used to establish normative ranges for overall cost items and program elements (e.g., staff allocations when compared to the number of activities, program complexity, etc.). Where costs or staff allocations are relatively high when compared to the reference point, the expectation would be that these would need to be reduced over a period of time, until brought within desired range. And vice versa if cost or staff allocations are low</p>		<p>- The Agency must rescind the policy guidance in the <i>Overseas Workforce Restructuring Analysis</i> mentioned above.</p> <p>. The Agency should acknowledge that all USDH managers and officers assigned to an overseas mission may be required to provide programmatic, administrative, or technical coverage beyond the borders of the countries where they are stationed. This should be incorporated into work requirements and recognized favorably by the promotion panels.</p> <p>. Expand the use of "Matrix Missions" to provide a wider number of missions/ programs access to the full range of USDH skill categories, including responding to emergency requirements.</p> <p>. Where appropriate, look increasingly to FSN employees to bear a larger share of the workload. Training should be provided to effect this change, where needed.</p>

	<b>Workforce planning</b>	<b>Staff allocation variables</b>	<b>Mode of delivery</b>	<b>Staffing model</b>
	<p>systems and changes in the system for recruitment and benefits for PSCs.</p> <p>IV. <u>Professional Development</u></p> <ul style="list-style-type: none"> <li>- Put funds to enhance staff skills "in the base," not as discretionary budget line item. (Top priority)</li> <li>- Decentralize funds for professional development, allowing bureaus/missions to decide priorities.</li> <li>- Poll missions/bureaus to determine what training modules already developed and consider how they can be adapted for overall Agency use.</li> <li>- Develop "core competency" certification in priority areas to assure that professional development opportunities match skills required by Agency's mandate.</li> <li>- Disseminate info about relevant courses outside of AID/W.</li> <li>- Ensure that small and transition missions are adequately represented on promotion panels.</li> <li>- Provide managers with incentives to have mission staff provide services to nearby missions in "matrix" situations and place special emphasis in this area for promotion.</li> </ul>	<p>when compared to the reference point;</p> <ul style="list-style-type: none"> <li>. Once formulas are established, data must be collected, ideally through existing mechanisms. the norm; and</li> <li>. Use this analysis to inform the process for establishing staff and OE targets among geographic bureaus.</li> </ul>		
<b>Stat-us of Recommendations</b>	<ul style="list-style-type: none"> <li>- About half (or about 25) of the Task Forces recommendations were reported to be implemented although several key recommendations were not (e.g., staff allocation team in HR was not created, HR/PPIM office was not strengthened, Agency policy requiring FSOs to rotate overseas after 8 years was not enforced, simplification of work processes overseas was not implemented, etc.).</li> </ul>	Not implemented	NA	<ul style="list-style-type: none"> <li>- Policy guidance in Overseas Workforce Restructuring Analysis (McGraw Report) superceded by ADS 102.</li> <li>- Principle of "Matrix Missions" being implemented</li> <li>- Shifting larger share of workload to FSNs not been properly addressed.</li> </ul>
Results	<ul style="list-style-type: none"> <li>- Many key recommendations that were implemented have had positive impact on workforce planning including, requirement that as project staffing needs over 3 yearperiod in R4, staffing could be achieved thru attrition/ deletion, IDIs were recruited in specific tech areas, and management training provided to tech staff.</li> </ul>	None	NA	<ul style="list-style-type: none"> <li>- Tech/Admin support to missions improved thru sharing staff among neighboring missions.</li> <li>- FSNs are still not used up to their full potential to carry out functions that have historically accrued to USDHs.</li> </ul>

**Working Group on Overseas Staffing and Reference Points: Draft Report. 1998. (Leonard Report)**

**Objective:** Summarizes the findings and recommendations of the Working Group on Overseas Staffing and Reference Points, which was commissioned by the USAID Management Council. The goal of the Working Group was to assist the Council in developing recommendations for allocating USDH staff and OE resources among field missions and regional bureaus. This report makes recommendations on how a typical mission should be structured and staffed.

	<b>Workforce planning</b>	<b>Staff allocation variables</b>	<b>Mode of delivery</b>	<b>Staffing model</b>
<b>1. Findings</b>	<p>1.a. USAID's overseas presence is its strength and should be preserved.</p> <p>1.b. Reductions in overseas workforce impair ability to operate effectively. Staffing/OE resources must be made available as new programs are proposed for new locations, or programs in existing locations change in structure. If not, the Agency must either decline to initiate new activities or eliminate existing activities to offset OE and workforce resource requirements.</p> <p>1.c. USAID culture was built on the concept of using in-country staff to create development solutions, make contributions to foreign policy objectives and ensure prudent management of public funds.</p>	<p>1.a. Program size and number of SOs managed could not be shown to determine size of missions across bureaus due to impact of other variables.</p> <p><b>1.b. Use of ICASS and full service missions will enable USAID to manage programs at the 700 level.</b></p>	<p>1.a. Modes of delivery identified maintain USAID field presence, capitalizing on its comparative advantage and conserving scarce OE resources while providing necessary technical and managerial staff needed, and maximizing use of regional hub or center of support.</p>	<p>1.a. Outlines typology of mission organizations, three of which rely on services from other USAID full and full support missions:</p> <ul style="list-style-type: none"> <li>• Small (1-4 USDH) Relies on admin, program, and technical support from the region or USAID/W. Active in 1 or 2 SOs.</li> <li>• Medium (5-8) Carries out in-country programs, receives significant amount of admin &amp; tech service off site. Active in 2-3 SOs.</li> <li>• Full (10-14) Carries out in-country programs, self contained in admin, receives or provides limited amounts of services(e.g. legal). Typically active in 4+ SOs.</li> <li>• Full Support (16-22) Carries out in-country programs, provides admin support to neighboring missions (i.e., legal, contracts, exo, controller) and oversees programs. Active in 4+SOs.</li> </ul> <p>1.b. Indicates there will be anomalies due to new initiatives, political, and unique circumstances.</p> <p>1.c. Illustrative staffing mixes shown but indicates that these sizes can be modified due to mission needs.</p>
<b>2. Recommendations</b>	<p><b>2.a. Require FSOs to accept overseas assignments to meet overseas needs.</b></p> <p>2.b. Begin to recruit 35-40 IDIs to be assigned overseas.</p> <p>2.c. Consider "cross training" EXOs in CO functions.</p> <p>2.e. USAID must recruit new, qualified staff focusing on workforce profiles and requirements.</p> <p>2.f. USAID should consider merging some backstops and provide cross training.</p> <p>2.g. Develop techniques for ensuring accountability. These should reduce workload and not encourage micro-management.</p>	<p>2.a. Examine extent to which missions conform in size to the averages across bureaus.</p> <p>2.b. Examine increased reliance on ICASS as a means of reducing overseas staff.</p> <p>2.c. Bureaus should be given authority to make sub-allocations of staff taking into account mission specific circumstances.</p> <p>2.d. Less labor intensive business practices should be encouraged,</p>	<p>2.a. Modes of delivery should consist of small, medium, full and full support missions.</p> <p>2.b As staff is reduced in smaller missions, efforts must be made to reduce workload on smaller missions.</p> <p><b>2.c. Examine further regionalization of other services (i.e. voucher review and payment) including the possibility of additional support</b></p>	<p>2.a. Staffing emphasis in small and medium size missions should be on management and technical expertise. Minimal administrative and program support staff provided to ensure that these missions' focus remains on program implementation.</p> <p>2.b. Senior management (field and USAID/W) should be held accountable for ensuring that small and medium missions do not proliferate in program scope.</p> <p>2.c. Instead of opting to close small missions, the Agency must find more efficient ways of operating so that it can maintain the small programs and continue to achieve its development objectives.</p>

	<b>Workforce planning</b>	<b>Staff allocation variables</b>	<b>Mode of delivery</b>	<b>Staffing model</b>
	<p>2.h. Recognize the need for cultural change in the way the Agency does business and thinks about how to operate.</p> <p>2.i. Provide on-going training for all staff, including a true mentoring environment for IDIs so that a continuous stream of FSOs are developed with overseas experience and management skills needed by USAID now and in the future.</p>	<p>without sacrificing development objectives. For instance, missions should actively look for less staff intensive means of structuring programs, such as through the use of "umbrella" grants/contracts.</p>	<p><b>from Washington as communication technology improves.</b></p> <p>2.d. Reserve time at upcoming Directors' Conferences to share "best practices" for increasing efficiencies and creating overhead savings.</p>	
<b>3.Status of Recommendations</b>	<p>3.a. FSO world-wide availability agreement not being enforced.</p> <p>3.b. Small class of IDIs (5) will be recruited in 2003/04 and 7 cycles of NEPs recruited since 01.</p> <p>3.c. Cross training of EXO in CO functions has begun.</p>	<p>3.a. No general policy in place to guide Bureaus in the use of variables to make allocation decisions among their missions.</p> <p>3.b. Currently USAID is considering ICASS as both a recipient &amp; a supplier of services.</p>	<p>3.a.No clear agency-wide policy guidance on modes to implement recommendation of the report.</p> <p>3b.No serious effort has made to reduce work-load on small or other missions.</p> <p>3c.Regionalization of services has expanded world-wide in all service areas.</p>	<p>3a.Efforts by the Agency to make small missions more operationally efficient and limit the scope of their programs has been minimal although in most bureaus regionalization of services has helped to reduce the level of effort devoted in small missions to administrative requirements.</p>
<b>4.Results</b>	<p>4.a. &gt;80 overseas positions not filled for lack of candidates, although over 300 FSOs available in USAID/W.</p> <p>4.b. Due to lack of knowledge and experience, USAIDs are at times reluctant to take NEPs.</p>	<p>4.a. Without systematic &amp; consistent use of standard variables, staffing in Bureaus is still not transparent to the outside.</p>	<p>4a.Aspects of report being utilized by the LAC bureau in its "rightsizing" efforts.</p> <p>4b.Workload of all missions remains high, consuming much of the time of staff.</p>	<p>4a.Accountability requirements and ad hoc requests for information by USAID/W continue to burden the capacity of most missions overseas, leaving less time for development monitoring and oversight.</p>

**Presence and Non-Presence Programming, Draft Papers. Late 1990s.(the Crosswell Memoranda)**

**Objective:** Four papers, on 1) compatibility of USAID's development criteria and State's foreign policy importance; 2) policy analysis and implications; 3) a draft policy framework for graduation, non-presence and limited presence countries; and 4) a status report on the response of the Management Council. These memoranda comprise an effort to demonstrate that the rating system used by State to decide its staff in countries is not incompatible with USAID's development interests and could guide USAID in assigning staff, as well.

	<b>Workforce planning</b>	<b>Staff allocation variables</b>	<b>Mode of delivery</b>	<b>Staffing model</b>
<b>Findings</b>	<p>1.a. State and USAID staffing decisions can be compatible to a certain extent.</p> <p>1.b. Staff and program resources have declined sharply, while demands on these resources have expanded.</p> <p>1.c. Many limited and exit category countries still have considerable staff and program resources.</p> <p>1.d. USAID is not currently able to adequately track, account for and report on non-presence programs.</p> <p>1.e. Many positions overseas are unfilled.</p> <p>1.f. USAID has approached graduation haphazardly and expediently, rather than systematically.</p> <p>1.g. Process for arriving at the categories of full, limited, exit and non-presence were less than transparent, as are processes for adjusting these decisions; this</p>	<p>1.a State uses eight weighted factors to determine relative importance of posts. Factors used include: 1) Political Military; 2) Internal Political Developments; 3) Economic; 4) Building Market Economies; 5) Environment, Science and Technology; 6) Law Enforcement and Narcotics; 7) Refugees, Migration, and Humanitarian Aid; and 8) U.S. Domestic Interests. Countries are scored on these factors on a scale of 1-5.</p> <p>1.b. Uses these factors to decide how to allocate staff resources. Core staffing levels would be 4 for category 2, 6 for category 3, 10 for category 3+, 15 for category 4, etc. Category 3-5 would clearly require USAID's attention.</p>	<p>1.a. Countries would be designated as full (development, transition from Communism, transition from crisis) or limited/minimal. In the latter case, programs would be limited to global issues, pressing and unavoidable foreign policy concerns, and/or humanitarian relief from crisis.</p> <p>1.b. PPC recommended a strategic plan for each non-presence country managed by a regional bureau to justify the use of</p>	<p><b>1.a. The following mission categories established in 1996 guidance –</b></p> <p><b>Full Missions</b> conduct major programs, have SOs that support 3-4 agency goals, and include about 25-30 countries worldwide.</p> <p><b>Limited missions</b> support 1-2 goals and have fewer staff.</p> <p><b>Limited-Humanitarian missions</b> have small staff providing humanitarian and/or reconstruction assistance.</p> <p><b>Exit missions</b> are those where USAID expects to close programs, because of lowered need or poor partnership, or where USAID can no longer afford to maintain a presence.</p> <p><b>Non-presence countries</b> are those that never had a USAID DH representative or</p>

	<b>Workforce planning</b>	<b>Staff allocation variables</b>	<b>Mode of delivery</b>	<b>Staffing model</b>
	has handi- capped the implementation of the decisions.		staff or program resources	currently do not have such representation.
<b>2. Recommendations</b>	<p>2.a. There is room to change decision-making at USAID to reflect both foreign policy and development criteria; viewing development as USAID's primary concern, followed by transition from Communism and crisis. Global issues and specific foreign policy concerns would be lesser priorities.</p> <p>2.b. Maintain as many full-presence missions as resources will permit, in order for USAID to remain a global leader in development.</p> <p>2.c. Develop a more systematic, deliberate and disciplined approach to graduation and programming in countries designed as limited and non-presence.</p> <p>2.d. Cap resources allocated to non-presence programs (including graduates) to ensure that full-presence missions receive adequate priority.</p> <p>2.e. Limited presence and countries eligible for graduation would have rigorous weighting processes applied to decisions on how many resources to allocate, and staff and program resources would be minimized.</p>	<p>2.a. Allocate based on countries' commitment to self-help and population size; the higher the commitment and population, the higher the direct-hire presence.</p> <p>2.b. Would allocate additional resources for countries in crisis, based on population, severity and opportunity to have an impact.</p> <p>2.c. Take into account countries that qualify only in that they are important to foreign policy (e.g., Israel and Turkey); staff allocation would be minimal in such cases, unless there was a programmatic element, such as the need for anti-narcotics programming.</p> <p>2.d. Focus on countries in transition (e.g., from Communism) and argues for presence because of the need to make strategic decisions.</p> <p>2.e. Consider the role of global issues such as climate change and biodiversity, and suggests these need to be considered in the area of "need" .</p>	<p>2.a. USAID should determine how many positions in the field it can afford and the place top priority on adequately staffing missions in priority countries.</p> <p>2.b. Global issues and other foreign policy priorities should be handled, where possible, on a non-presence base.</p> <p>2.d. Limit or reserve discretionary funds to fully staffed missions.</p> <p>2.e.Reduce earmarks.</p> <p>2.f. Establish a tracking and reporting system to capture information about the number,</p>	<p><b>2.a. In 1996, decisions were made about status:</b></p> <p>-For Africa, full missions with no exit date were to include Benin, Ethiopia, Ghana, Guinea, Malawi, Mozambique, Senegal, Tanzania, Uganda and Zambia. -For ANE, these were Bangladesh, Cambodia, Egypt and West Bank/Gaza (leaving out a number of large, developmentally important countries in ANA, such as India, Indonesia, Morocco, etc. -For LAC, full missions included Bolivia, El Salvador, Guatemala, Haiti, Honduras, Nicaragua and Peru.</p>

	<b>Workforce planning</b>	<b>Staff allocation variables</b>	<b>Mode of delivery</b>	<b>Staffing model</b>
	2.f. Countries classified as “limited/ humanitarian” need a small USAID staff.		nature and funding levels of all USAID activities in non-presence countries.	
<b>3.Status of Recommendations</b>	<p>3.b. Full presence missions exist throughout the Agency, especially noteworthy in the LAC region</p> <p>3c. The agency does not have a clearly articulated approach to graduation or to programming in small &amp; non-presence countries.</p> <p>3.d. Resource caps on non-presence &amp; graduate programs are not in place.</p>	3.a. Some of the variables identified (countries in crisis or transition that have foreign policy importance, facing global issues) are increasingly of importance to the Agency. Others are of lesser use.	<p>3.a Agency does not have a systematic way of identifying priority countries.</p> <p>3.b. Global issues are not addressed by all mission modes.</p> <p>3.c.Earmarks continue unabated.</p>	3.a. The staffing model identified above is the “McGraw” model and was recommended for recinding due to its inflexibility and highly prescriptive nature.
<b>Results</b>	4.a. Agency continues to maintain an emphasis on “full presence” missions and lacks a clear approach to graduation and non presence programming.	4.a. Use of some of these variables by bureaus is changing the Agency’s focus overseas.	4.a. MCA may provide a framework for identifying Agency priorities.	None

**Small USAID Missions and the Future: Protecting and Upgrading our Overseas Capabilities. 2000. (Tennant Report)**

**Objective:** To purpose of this report is to study circumstances facing USAID’s smaller missions as they attempt to deal with staffing support limitations while addressing program performance & accountability requirements. The main focus is to make it easier for smaller missions to be effective, rather than to explore alternative mechanisms and operational patterns. The Management Council conclusion is to concentrate on improving what USAID already has in place rather than on developing alternatives.

	<b>Workforce planning</b>	<b>Staff allocation variables</b>	<b>Mode of delivery</b>	<b>Staffing model</b>
<b>1. Findings</b>	<p>1.a. As USAID faces limited OE funds, missions will be smaller in size than historical pattern.</p> <p>1.b. Focus groups reveal there has not been consistent Agency planning in the design of small missions.</p> <p>1.c. Tendency has been to assign junior, less experienced USDH technical staff to small missions, which lessens the availability of mentors for junior officers.</p> <p>1.d. The level of responsibility placed on the small number of direct hire Americans assigned to small missions is disproportionate to other sized missions.</p>	<p>1.a. While some missions with few direct hire employees can obtain needed services from PSC’s or FSN’s, others with the same number of USDHs do not have access to such additional resources and are much harder pressed. Factors affecting this are cost, security, nature and scope of the proposed development program, level of existing local services, and the level of regional support services.</p> <p>1.b. The move to smaller missions requires careful planning and attention to their specialized human resource requirements. In the absence of such planning, the Agency may be adopting and replicating models of operation drawn from historical “big” mission models which are not cost effective or well suited for management of development programs in</p>	<p>1.a. A major finding is that organizational decisions are not made systematically.</p> <p>1.b. <u>Co-location</u>: Missions housed in embassies. Has advantages, but also presents real challenges re. staffing USAID operations in accordance with historic patterns. Limited residential and office space on embassy compound could drive the way a program is run and how positions are designated.</p> <p>1.c. <u>One-person satellite office</u>: where the “core” mission is located in the capital and one-person offices are located in other regional countries – i.e., Central Asia.</p> <p>1.d. <u>Bilateral missions set up within other regional missions</u>: no</p>	<p>1.a. Focus of this study is on smaller missions. The modified definition of small/medium missions used in this report is: those with eight or fewer USDH.</p> <p>1.b. Small missions defined in ADS as managing start-up, ongoing, or terminating programs that are limited in size/breadth to 1-2 strategic goal areas. Typically staffed by senior manager and one or more technical/ program managers, with 1-4 USDH. Engage directly with host governments in planning/overseeing US assistance programs &amp; rely on AID/W, full missions or regional hubs for technical, program and administrative support services.</p> <p>1.c. Medium missions conduct major programs in 2-3 strategic goal areas. Managed by a technical/ program management staff. Usually consist of 5-8 USDH. Tend to rely on regional hubs, full missions or AID/W for program and PDO support and on ICASS/regional hubs for administrative support.</p> <p>1.d. Large missions typically have 9-15 USDH staff. Full support missions typically have 16 or more USDH staff. These comprise 42% (28 of 67)</p>

	<b>Workforce planning</b>	<b>Staff allocation variables</b>	<b>Mode of delivery</b>	<b>Staffing model</b>
		<p>small missions.</p> <p>1.c. Agency limited in total number of OE funded USDH overseas.</p>	<p>description offered other than the example of Somalia.</p> <p>1.e. <u>Freestanding missions</u>: such as Eritrea.</p>	<p>overseas mission operations, and have traditionally dominated programming. They also command the greatest attention in terms of staffing requirements. No further descriptive information is provided.</p>
<p><b>2. Recommendations</b></p>	<p>2.a. Pay greater attention to small mission needs/ requirements.</p> <p>2.b. FS Performance Boards should credit service in small missions as a factor that demonstrates officer's versatility.</p> <p>2.c. MDs urged to assure AID's views are factored into Post's annual FSN compensation questionnaire.</p> <p>2.d. MDs need tech expertise and administrative skills. Training could be met thru expanded administrative modules in MD course &amp; appropriate short courses.</p> <p>2.e. Develop Agency-specific policy on outsourcing selected administrative/support services consistent with OMB guidance on inherently governmental functions. New policy</p>	<p>2.a. Conduct organizational analysis for new missions before start-up. Review cost, security, nature and scope of development program, level of in-country/ regional support services, and suitability of proposed staffing configuration to program requirements. Should review options, advantages, and disadvantages of various mission configurations.</p>		<p>2.a. The report advocates a more comprehensive and systematic way of designing, implementing, and supporting smaller missions.</p> <p>2.a. Organizational design of smaller missions needs greater attention when being started up, and greater and quicker support from regional platforms and USAID/W once they are in place.</p>

	<b>Workforce planning</b>	<b>Staff allocation variables</b>	<b>Mode of delivery</b>	<b>Staffing model</b>
	<p>should give attention to the needs of small missions.</p> <p>2.f. M/HR should be tasked with maintaining an updated mission database, to include number of personnel by categories, administrative arrangements, budget, and number of SOs.</p> <p>2.g. Improve small mission capabilities by contracting for local support on on-call basis.</p>			
<b>3. Status of Recommendations</b>	<p>1. Limited attention has been paid to the needs of small missions</p>	<p>1. Some regional bureaus consider the needs of small missions at start-up such as costs, security, scope of intended program, etc. in deciding o proper staffing. However, no Agency-wide policy issued.</p>	NA	<p>1. The Agency does not have a comprehensive and systematic way of designing, implementing, and supporting smaller missions.</p> <p>2. It Appears that regional platforms are providing basic &amp; timely attention to smaller missions.</p>
<b>4. Results</b>	<p>1. Agency efforts fall short of the change of culture that was recommended by the report.</p>	<p>1. Agency does not appear to adequately recognize needs of small mission including reducing reporting requirements, timely support; senior, multi-talented staff, program simplicity.</p>	NA	<p>1. A questionnaire sent to all Missions in February 2003 indicated that missions receiving services were "satisfied" with those services (21 "satisfied" and 1 "unsatisfied").</p>

**Objective:** Identify ways that USAID can address its staffing issues, suggesting that the Agency should staff *programs*  
*Rationalizing USAID staff allocations: emphasis on the Africa bureau (2001) – Jock Conly*

	<b>Workforce planning</b>	<b>Staff allocation variables</b>	<b>Mode of delivery</b>	<b>Staffing model</b>
<b>1. Finding</b>	<p>1a. Flexibility must be built into any staffing plan</p> <p>1b. Think in terms of country (and regional) programs, rather than missions</p> <p>1c. Think in terms of all USDH field-based officers required to support a country program</p> <p>1d. Include non-presence programs in any analysis of staffing needs</p>	<p>1a. USDH staffing needs are best related to program size</p> <p>1b. USDH staffing should rise with, but more slowly than, program size</p> <p>1c. Posts with the best FSN staffs require fewer USDH</p> <p>1d. Program complexity should not be considered as a variable for determining appropriate staffing size</p>	<p>1a. Describes USAID mission structures as small, medium, full service and regional.</p> <p>1b. LAC model: LAC/AMS continually compares ratios of program funding to USDH staff ceilings and program funding to overall staff of its field missions. It then looks for outlier missions and shifts positions from the high outliers to the low outliers when good management so indicates.</p> <p>1c. E&amp;E model: Although program size is the most important factor affecting USDH staffing allocations, E&amp;E also looks at size and complexity of country program and level of reporting requirements</p> <p>1d. ANE model: ANE annually looks for which mission is most understaffed. A basic criterion for a country presence is a budget of</p>	<p>1a. Model:</p> <ul style="list-style-type: none"> <li>-Each country program with an in-country field presence starts with a core staff of 2.5 USDH. -</li> <li>--For non-presence programs with a budget of DA/DSC/DFA, start with 1.</li> <li>-For each \$5 million in funding, add 1 more USDH up to \$25 million. Add another USDH for each of the next 2 increments of \$10 million. Thereafter, add another USDH for each \$20 million in resources</li> </ul> <p>1b. Guidelines:</p> <ul style="list-style-type: none"> <li>-Count all dollar spigots.</li> <li>- For food aid, use only non-emergency food. Don't count transportation costs. Limit PL 480 to adding no more than 2 USDH to a country's program staffing level</li> <li>- Use a 3-year running</li> </ul>

			over \$10M.	average of program resources (current year plus next two planning years) to generate formula. - Don't "jerk" missions around. Allow some flexibility.
<b>2. Recommendations</b>	<p>2a. Perform comparisons across all bureaus to ascertain whether staffing levels were determined by need or by some other criteria</p> <p>2b. Examine current distribution of USDH staff in field missions and redistribute, where necessary, to maximize achievement of our foreign policy objectives</p> <p>2c. Look at the relationship between USDH staff devoted to each country program and the size of the program budget</p> <p>2d. Make the case to Congress and the OMB that our effective contribution to achieving US foreign policy goals depends on improved OE levels and the staff that goes with them</p> <p>2e. Carefully examine the costs and benefits of cutting positions in AID/W (particularly PPC, M, G,</p>	<p>2a. Identify more countries to be designated as advanced developing countries, so that staff can be reallocated to remaining programs (this decision should be based on an honest assessment of US strategic interests and humanitarian concerns, as well as a review of our effectiveness and likely impact in each country)</p> <p>2b. Staff in field missions should be based on the size of the program (count all spigots)</p>	<p>2a. Examine all possible options for furthering management efficiencies: regional platforms, small mission model, contracting out more functions, changing modes of assistance, using FSNs better, doing more with PSCs, etc.</p>	<p>2a. Develop a formula for an indicative staffing level for each country program. This level should allocate about 95% of the Agency's field-based positions. Each country program manager (CPM) takes his/her indicative staff level and performs a preferred allocation among skill areas. S/he must include all field-based support, including services provided from regional or twinning partner missions. The bureau then consults with the CPM and allocates these positions among field missions. The bureau can then add staff selectively, drawing on the 5% withheld from the indicative staffing allocation exercise.</p>

	BHR, and perhaps regional bureaus) rather than those in the field			
<b>3. Status of recommendations</b>	3a. Not apparent that recommendations were followed either in AFR or any other bureau.	3a. It appears that neither the Agency nor the regional bureaus use program size as a basic determinant for staff allocation.	3a. While it does not appear that the agency has issued guidelines that encourage bureaus to seek management efficiencies, bureaus have individually experimented with regional platforms, contracting out more functions and doing more with PSCs.	3a. Not Implemented.
<b>4. Results</b>	4a. It appears that, to a major degree, historical staffing levels still play a major role in allocating staff to the bureaus and from the bureau to the field missions	4a. The decision about the allocation of staff to the bureaus and from the bureaus to the field appears to use historical trends as a principle variable. Also in use are a number of other variables such as quality of FSNs, complexity of program, program performance, etc.	4a. Other opportunities for improving efficiency such as better use of FSNs and phasing in and out of countries through mode changes have not been pursued to any major extent.	None

**NOTE: The table in this annex is provided for illustrative purposes only. Among other things, data sources require confirmation.**

## Annex F

### U.S. Direct Hire Staff Allocation Template and Users Guide<sup>32</sup>

#### Bilateral Missions

- A. The template does not allocate positions for lawyers, contract officers or food for peace officers. These positions are allocated by their respective backstop offices.
- B. Initially, the template is not used to allocate NEPs and IDIs. NEPs and IDIs will carry their own positions. For illustrative purposes, the attached trial run of the template sets aside a fifty person NEP/IDI complement. The actual size of the NEP/IDI complement will be determined at a later date.
- C. To begin to put the template into operation, determine the three-year average of total U.S. dollars managed by all overseas units.<sup>33</sup>
- D. Divide that amount by the total number of available slots for distribution. For the attached illustrative template, the program dollar value which will generate one position in any given mission is approximately \$8m.<sup>34 35</sup>
- E. Beyond the first 10 positions (i.e. \$80m), to account for economies of scale, twice the initial budget increment (i.e. \$16m) will be required to generate any subsequent positions.
- F. Except at the written authorization of the Administrator, no mission will have more than 25 USDH employees.
- G. In accordance with their MCA ranking (based on the number of performance hurdles achieved), the allocation result attained through item D above will be modified. Those countries in the first and fourth groups (shown on the following table as "Qualified" and "Low Group") will be decreased by 10 percent of their allocated USDH staff. The result for those countries in the second ("High") and third ("Middle") groups will be increased by 10 percent.

#### Allocation of NEPs and IDIs

- A. The template is run a second time. This run includes the (50) positions previously withheld to establish the NEP/IDI complement.

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<sup>32</sup> It is assumed that the templates are used no more frequently than every two years. Prior to running them, program budget data would be verified for accuracy and completeness with each of the regional bureaus.

<sup>33</sup> The templates for both bilateral and regional missions are run separately for the E&E Bureau from the rest of the Agency (i.e. AFR, ANE and LAC). The decision to do this reflects E&E's distinctive business model which – in part – is the result of the unique attributes of that bureau's resources (e.g. the ability to contract PSCs in the U.S.). For the purposes of the template, E&E overseas staff levels were held constant at the FY '03 levels.

<sup>34</sup> For the E&E Bureau, the per capita figure is \$19.5 m.

<sup>35</sup> Because of adjustments due to 1) staff allocated to missions with more than 10 USDH and 2) staff allocated to regional support platforms to assist small and medium sized missions, the dollar value per USDH is not the exact result of simply dividing total overseas program dollars by available slots.

- B. Positions allocated for each of the geographic bureaus are totaled for this second run of the template.
- C. Comparisons of the totals of the two runs (i.e. with and without the NEP/IDI complement) are made for each of the geographic regions. The difference for each bureau represents their allocation of NEPs and IDIs.
- D. Placement of NEPs and IDIs within each bureau is made in consultation with HR.

### **Regional Service Platforms**

- A. USDH staff to support regional (i.e. multi-country) programs will be generated for regional service platforms in the same manner as described above for bilateral missions.
- B. Personnel to support small/non-presence (0-3) and medium size (4-9) missions will have staff generated in regional service platforms as follows.
  - Thirty (30) percent<sup>36</sup> of a small mission's program budget resources will count toward generating staff for its geographic bureau's regional service platforms. Thus, hypothetically, a small mission with a \$18m. program would generate 2 USDH positions in-country and would provide \$5.4m in staffing credit to its associated regional service platform.<sup>37</sup>
  - In a related way, for a medium size mission (4-9 USDH), fifteen (15) percent of its total program budget would be credited for staff generation for the associated regional services platform.
- C. Geographic bureau AAs will determine the structure and location of their regional service platforms.

### **Flexibility**

The list of variables provided in the body of this paper gives evidence to the variety of considerations that must be weighed in the determination of staff allocation. Regional Assistant Administrators will be given (with Agency approval) the latitude to shift positions among their field missions, without modification to the total amount of positions allocated to their regions. Such shifts must be justified in writing, using the list of variables to explain the reason for the modification. It is important to note that the Department of State provides the same type of flexibility in the administration of its own template allocation system.

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<sup>36</sup> Note: The choice of a 30 percent credit for small/non-presence missions and 15 percent for medium sized missions was based on informed opinion. Accordingly, the size of the credit can be adjusted as is considered appropriate without any invalidation of the template.

<sup>37</sup> For the trial run template table that follows, where no appropriate existing regional service platform exists, "virtual regional service" platforms have been included to accumulate USDH positions to respond to the needs of small and mid-sized missions. Each bureau can decide on the way it wishes to place those positions (e.g. by establishing new regional service platforms or by servicing smaller missions from larger neighbors).

## **Impacts from Applying the Illustrative Template**

The implications from the application of this template are:

- A. When the template is run, followed by the allocation of the NEPs and IDI's, the net changes in each of the geographic bureaus become LAC: -18, AFR: -3; E&E: 0; and ANE: +21. Note, that as used in this paper, the number "50" as the NEP/IDI complement should be considered illustrative and subject to adjustment.
- B. Egypt loses a total of 16 USDH staff (or -39%), coming down from 41 to 25 - the maximum number any mission was allowed under the template.
- C. In other bilateral missions, USDH staff **losses** of 50% or more include Honduras (-69%), Dominican Republic (-70%), Eritrea (-62%), Georgia (-53%), Jamaica (-76%), Macedonia (-52%), Nepal (-60%), Nicaragua (-58%), Romania (-56%), Senegal (-70%), South Africa (-57%), and Zimbabwe (-57%).
- D. USDH staff **gains** of 50% or more in bilateral missions include Afghanistan (+180%), Angola (+130%), Ethiopia (+69%) and Jordan (+61%).
- E. Thirty-two of 97 country programs (or 33%) were affected by one or fewer USDH positions.
- F. In their regional platforms, E&E loses 2 USDHs while LAC gains 19, ANE gains 21, and Africa gains eight.

Country	Performance Category <sup>1</sup>	Total Program Dollars <sup>2</sup>	USDH		
			Current <sup>3</sup>	USDH Template	Difference USDH
Angola	NA	54,906	3	6.8	3.8
Benin	Top Performers	19,344	5	2.2	-2.8
Burkina Faso	Middle Group	11,784	0	1.6	1.6
Burundi	Low Group	8,626	0	1.0	1.0
Cape Verde	Middle Group	3,795	0	0.5	0.5
Central Africa Rep	Low Group	167	0	0.0	0.0
Cote d'Ivoire	Low Group	233	0	0.0	0.0
Dem Rep of Congo	NA	32,134	5	4.0	-1.0
Eritrea	Low Group	13,694	4	1.5	-2.5
	Middle Group				
Ethiopia		140,902	9	15.1	6.1
Ghana	High Group	54,224	10	7.4	-2.6
Guinea	Middle Group	28,893	8	3.9	-4.1
Guinea Bissau	Low Group	514	0	0.1	0.1
Kenya	Low Group	69,819	6	7.8	1.8
Liberia	NA	11,389	1	1.4	0.4
Madagascar	Middle Group	25,126	6	3.4	-2.6
Malawi	Top Performers	38,534	7	4.3	-2.7
Mali	Middle Group	37,795	9	5.2	-3.8
Mozambique	Top Performers	67,219	12	7.5	-4.5
Namibia	High Group	10,773	4	1.5	-2.5
Nigeria	Middle Group	75,361	13	10.3	-2.7
Rwanda	Low Group	31,619	5	3.5	-1.5
Senegal	Top Performers	26,644	10	3.0	-7.0
Sierra Leone	Middle Group	34,298	0	4.7	4.7
Somalia	NA	15,703	0	1.9	1.9
South Africa	High Group	52,756	17	7.2	-9.8
Sudan	Low Group	53,339	0	5.9	5.9
Tanzania	Middle Group		8	5.1	-2.9

		37,683			
Uganda	Middle Group	78,348	10	10.7	0.7
Zambia	Middle Group	41,953	7	5.7	-1.3
Zimbabwe	Low Group	22,995	6	2.6	-3.4
AFR_REG services -- Subtotal		144,488	0	13.9	13.9
AFR REG virtual platform		144,488	0	13.9	
REDSO/ESA -- Subtotal		87,519	10	10.8	0.8
REDSO/ESA (Nairobi, Kenya)		25,742	10	3.2	
REDSO/ESA platform		61,777	0	7.7	
Reg. Center Southern Afr -- Subtotal		17,196	10	2.1	-7.9
Regional Center Southern Africa		15,580	10	1.9	
Southern Africa platform		1,616	0	0.2	
WARP and Sahel Regional -- Subtotal		42,523	4	5.3	1.3
West Africa Regional Program		27,169	4	3.4	
Sahel Regional		3,357	0	0.4	
WARP platform		11,998	0	1.5	
AFR Subtotal without IDIs/NEPS			189	167.9	-21.1
AFR Total with IDIs/NEPS			189	186.0	-2.9

<sup>1</sup> Performance criteria derived from MCA indicators set to all countries with incomes below \$10,000:

"Low Group" 0-3 hurdles, "Middle Group" 4-9 hurdles, "High Group" 10 or more hurdles

<sup>2</sup> Obligations (3-year average) includes PL480-II, Counterdrug Initiative CSH, DA, ESF, AEED and FSA

<sup>3</sup> "USDH Staff" excludes 3 backstop codes: Legal, Food, Contacts

Platform rows refer to support to small and medium missions

A agency-wide 50 person complement for NEPs and IDIs is used for illustrative purposes.

The actual size of this complement will depend on the need for NEP/IDI overseas placements.

Country	Performance Category <sup>1</sup>	Total Program Dollars <sup>2</sup>	USDH Current <sup>3</sup>	USDH Template	Difference USDH
Afghanistan	NA	150,000	5	14.3	9.3
Bangladesh	Middle Group	88,107	13	11.5	-1.5
Burma	Low Group	5,049	0	0.6	0.6
Cambodia	Middle Group	29,242	7	4.0	-3.0
East Timor	Low Group	22,597	0	2.5	2.5
Egypt*	High Group	680,344	41	25.0	-16.0
India	Middle Group	160,949	15	16.5	1.5
Indonesia	Middle Group	118,101	18	13.5	-4.5
Israel*	NA	835,736	0	0.0	0.0
Jordan	High Group	177,929	11	17.6	6.6
Laos	Low Group	1,429	0	0.2	0.2
Lebanon					
	Middle Group	17,201	2	2.3	0.3
Mongolia	Top Performers	11,989	0	1.3	1.3
Morocco	Middle Group	11,981	3	1.6	-1.4
Nepal	Middle Group	24,366	8	3.3	-4.7
Pakistan*	Low Group	209,528	8	8.0	0.0
Philippines	High Group	47,333	12	6.5	-5.5
Sri Lanka	Top Performers	6,475	2	0.7	-1.3
Thailand	High Group	402	0	0.1	0.1
Vietnam	Middle Group	6,856	0	0.9	0.9
West Bank/Gaza	Middle Group	174,129	16	17.4	1.4
Yemen	Middle Group	1,367	0	0.2	0.2
Asia/Near East Regional -- Subtotal		180,738	0	21.2	21.2
Asia/Near East Regional		84,871	0	10.3	
ANE_REG virtual platform		95,867	0	10.9	
RDO -- Subtotal		10,076	0	1.2	1.2

RDO Thailand planned		0	0.0	
RDO platform	10,076	0	1.2	
ANE Subtotal without IDIs/NEPS		161	170.4	9.4
ANE Total with IDIs/NEPS		161	181.0	20.7

<sup>1</sup> Performance criteria derived from MCA indicators set to all countries with incomes below \$10,000:

"Low Group" 0-3 hurdles, "Middle Group" 4-9 hurdles, "High Group" 10 or more hurdles

<sup>2</sup> Obligations (3-year average) includes PL480-II, Counterdrug Initiative CSH, DA, ESF, AEEB and FSA

<sup>3</sup> "USDH Staff" excludes 3 backstop codes: Legal, Food, Contacts

Platform rows refer to support to small and medium missions

A agency-wide 50 person complement for NEPs and IDIs is used for illustrative purposes.

The actual size of this complement will depend on the need for NEP/IDI overseas placements.

\*Israel, Ireland, Turkey, Russia, and Pakistan are limited to current staff levels

The maximum for USDH template is 25

Country	Performance Category <sup>1</sup>	Total Program Dollars <sup>2</sup>	USDH Current <sup>3</sup>	USDH Template	Difference USDH
Albania	Top Performers	43,441	4	2.0	-2.0
Armenia	Middle Group	94,895	7	5.3	-1.7
Azerbaijan	Middle Group	44,069	2	2.5	0.5
Belarus	Middle Group	8,516	0	0.5	0.5
Bosnia-Herzegovina	Middle Group	82,590	9	4.7	-4.3
Bulgaria	High Group	44,017	3	2.5	-0.5
Croatia	High Group	41,910	4	2.4	-1.6
Cyprus	NA	9,953	0	0.0	0.0
Georgia	Low Group	101,523	10	4.7	-5.3
Ireland*					
	NA	14,823	0	0.0	0.0
Kazakhstan	Middle Group	47,573	0	2.7	2.7
Kosovo	NA	141,563	5	7.3	2.3
Kyrgyzstan	Middle Group	40,902	0	2.3	2.3
Latvia	High Group	138	0	0.0	0.0
Lithuania	High Group	241	0	0.0	0.0
Macedonia (FYROM)	Middle Group	51,213	6	2.9	-3.1
Moldova	Middle Group	43,633	1	2.5	1.5
Montenegro	NA	67,718	0	3.5	3.5
Poland	High Group	2,481	0	0.1	0.1
Romania	Middle Group	38,202	5	2.2	-2.8
Russia*	Middle Group	184,797	15	15.0	0.0
Serbia	Middle Group	94,758	7	5.3	-1.7
Slovakia	High Group	1,552	0	0.1	0.1
Tajikistan	Middle Group	37,189	0	2.1	2.1
Turkey*	Middle Group	66,803	0	0.0	0.0
Turkmenistan	Low Group	8,067	0	0.4	0.4
Ukraine	Middle Group		13	9.6	-3.4

		170,076			
Uzbekistan	Middle Group	47,924	0	2.7	2.7
CAR Regional -- Subtotal		63,049	19	3.2	-15.8
	CAR Regional	35,800	19	1.8	
	CAR Regional platform	27,248		1.4	
EE Regional -- Subtotal		139,617	0	7.2	7.2
	Caucasus Regional	6,262	0	0.3	
	Central and Eastern Europe Reg	86265	0	4.4	
	Eurasia Regional	32,658	0	1.7	
	E&E REG virtual platform	14,433	0	0.7	
RSC services (Hungary) -- Subtotal		208,337	4	10.3	6.3
	RSC platform (Hungary)	208,337	0	10.3	
	E&E Subtotal without IDIs/NEPS		114	104.0	-10.0
	E&E Total with IDIs/NEPS		114	114.0	0.0

<sup>1</sup> Performance criteria derived from MCA indicators set to all countries with incomes below \$10,000:

"Low Group" 0-3 hurdles, "Middle Group" 4-9 hurdles, "High Group" 10 or more hurdles

<sup>2</sup> Obligations (3-year average) includes PL480-II, Counterdrug Initiative CSH, DA, ESF, AEEB and FSA

<sup>3</sup> "USDH Staff" excludes 3 backstop codes: Legal, Food, Contacts

Platform rows refer to support to small and medium missions

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The actual size of this complement will depend on the need for NEP/IDI overseas placements.

\*Israel, Ireland, Turkey, Russia, and Pakistan are limited to current staff levels

The maximum for USDH template is 25

Country	Performance Category <sup>1</sup>	Total Program Dollars 2	USDH		
			Current 3	USDH Template	Difference USDH
Bolivia	Top Performers	95,000	16	9.8	-6.2
Brazil	High Group	13,875	3	1.9	-1.1
Colombia	Middle Group	119,602	10	13.6	3.6
Dominican Republic	High Group	17,625	8	2.4	-5.6
Ecuador	Middle Group	26,750	5	3.6	-1.4
El Salvador	High Group	67,852	13	9.2	-3.8
Guatemala	Middle Group	58,164	11	7.9	-3.1
Guyana	High Group	4,031	1	0.5	-0.5
Haiti	Low Group	69,522	11	7.8	-3.2
Honduras	Top Performers	32,638	12	3.6	-8.4
Jamaica					
	High Group	13,525	8	1.8	-6.2
Mexico	High Group	20,353	4	2.8	-1.2
Nicaragua	Middle Group	36,082	12	4.9	-7.1
Panama	High Group	5,898	2	0.8	-1.2
Paraguay	Middle Group	8,593	2	1.2	-0.8
Peru	High Group	124,000	15	13.9	-1.1
LAC -- Regional -- Subtotal		153,169	0	19.0	19.0
LAC -- Total regional programs		73,637	0	9.1	
LAC REG virtual platform		79,532	0	9.9	
LAC Subtotal without IDIs/NEPS			133	104.7	-28.3
LAC Total with IDIs/NEPS			133	115.2	-17.8

<sup>1</sup> Performance criteria derived from MCA indicators set to all countries with incomes below \$10,000:

"Low Group" 0-3 hurdles, "Middle Group" 4-9 hurdles, "High Group" 10 or more hurdles

<sup>2</sup> Obligations (3-year average) includes PL480-II, Counterdrug Initiative CSH, DA, ESF, AEEB and FSA

<sup>3</sup> "USDH Staff" excludes 3 backstop codes: Legal, Food, Contacts

Platform rows refer to support to small and medium missions

A agency-wide 50 person complement for NEPs and IDIs is used for illustrative purposes.

The actual size of this complement will depend on the need for NEP/IDI overseas placements.