

**UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT (USAID)  
CONGRESSIONAL NOTIFICATION**

**Merger and Restructuring of the Offices of U.S. Foreign Disaster Assistance and  
Food for Peace into the Bureau for Humanitarian Assistance**

Pursuant to Sections 7015(a) and 7081 of the Department of State, Foreign Operations and Related Programs Appropriations Act, 2018 (P.L. 115-141, Division K), this notification advises that USAID intends to merge and restructure the Offices of U.S. Foreign Disaster Assistance (OFDA) and Food for Peace (FFP) to form the Bureau for Humanitarian Assistance (HA). The proposed Bureau for HA would elevate and consolidate humanitarian assistance from two offices into one Bureau to strengthen the coherence and impact of USAID's work to respond to natural disasters, famines and man-made crises.

**Problem Statement**

Unlike every other major donor nation, USAID makes an arbitrary distinction between food aid and non-food emergency aid, and therefore plans, manages, and delivers humanitarian assistance through two Offices that have duplicative structures.

**Rationale**

USAID is the world's premiere development and humanitarian assistance agency, and proposes a Washington-based restructuring to ensure it remains as such. Development and humanitarian assistance are fundamental to U.S. national security, and a pillar of U.S. foreign policy. USAID has not undergone an Agency-wide restructuring in decades. In consultation with Agency staff, partners, and other external stakeholders, the Administrator proposes a series of structural changes to create a more field-driven, functionally aligned, and responsive organization. This proposed restructuring would enable the Agency to keep pace with the quick-changing international environment. USAID must remain dynamic and relevant by transforming our structure, workforce and programs to advance host-country partners on their journey to self-reliance.

The new USAID Mission Statement notes the importance of humanitarian assistance: *“On behalf of the American people, we promote and demonstrate democratic values abroad, and advance a free, peaceful, and prosperous world. In support of America's foreign policy, the U.S. Agency for International Development leads the U.S. Government's international development and disaster assistance through partnerships and investments that save lives, reduce poverty, strengthen democratic governance, and help people emerge from humanitarian crises and progress beyond assistance.”*

The magnitude, political complexity, and protracted nature of complex emergencies pose challenges to the United States' traditional humanitarian-response toolkit. The current structure of humanitarian assistance at USAID is based on an artificial and outdated bifurcation of emergency food and non-food assistance, which impedes a fully integrated and effective response to the challenges we face. Specifically, segregating the humanitarian portfolio in this manner requires two management structures with separate policies, procedures, systems, support structures and staff to address the same problem sets. It also weakens what would otherwise be a unified and singular USAID humanitarian voice on the global stage, allowing for confusion among partners and other actors on USAID's approach to humanitarian assistance. USAID proposes to establish a single Bureau for Humanitarian Assistance that would bring together the unique programmatic assets and capacities of OFDA and FFP and integrate and streamline their necessary support structures into one, eliminating confusion and unnecessary duplication in the field and in Washington. By unifying humanitarian assistance into one Bureau, USAID would also elevate and empower its humanitarian influence by standing as a singular and cohesive humanitarian assistance leader.

This proposal responds to reports produced by external stakeholders, suggestions from staff, and recommendations from the Office of the USAID Inspector General and the Governmental Accountability Office, as reflected in the attached chart, and is limited to the USAID-related elements of these reports and recommendations.

### **Summary of Proposed Changes**

The Bureau for Humanitarian Assistance would consolidate the two Offices of OFDA and FFP, and merge them into one cohesive Bureau.

The leadership of the Bureau would consist of an Assistant to the Administrator (AtA), and three Deputy Assistant Administrators (DAAs). HA would have eight Offices that support 24/7 humanitarian preparedness and response, build resilience, and deploy transition and mitigation capacity globally. The merger of OFDA and FFP into one Bureau would accomplish the following:

1. Consolidate and elevate 13 Divisions in OFDA and FFP into eight Offices in the HA Bureau:
  - a. The new Office of Africa would merge one Division of Africa in OFDA and two Divisions for Africa in FFP;
  - b. The new Office of Asia, Latin America, and the Caribbean would merge those geographic functions currently in OFDA's Division of Asia, Latin America, and Europe, Middle East, and Central Asia (EMCA) and in FFP's Global Division;
  - c. The new Office of Middle East, North Africa, and Europe would merge the functions for Europe, North Africa, and Middle East currently in OFDA's Asia, Latin America, and EMCA Division and FFP's Global Division;
  - d. The three geographic Offices in the new HA Bureau would manage any Title II funding appropriated. These Title II programs are currently spread among the three FFP geographic Divisions, with requisite administrative, management, logistics, technical, and policy support from the remaining Offices;

- e. The new Office of Humanitarian Business and Management Operations would merge the Divisions of Program Support in OFDA and Award-Management and Personnel in FFP;
- f. The new Office of Field and Response Operations would merge the Divisions for Operations in OFDA and FFP;
- g. The new Office of Technical and Program Quality would merge the Divisions of Preparation, Strategic Planning and Mitigation in OFDA and Technical, Learning and Planning in FFP;
- h. The new Office of U.S. Partnerships and Strategic Communications (PSC) would incorporate the functions of managing relationships with the interagency and relevant stakeholders, including the private sector, and communications in FFP's Division of Policy, Partnerships, and Communications, as well as those same functions in OFDA's Humanitarian-Policy and Global-Engagement Division; and
- i. The new Office of Humanitarian Policy, Programs, and Partnerships (HP3) would incorporate functions of international relationship-management and donor-engagement currently in OFDA's Humanitarian-Policy and Global-Engagement Division, as well as in FFP's Policy, Partnership, and Communications Division<sup>1</sup>.

### **Detailed Description**

*(A detailed description of, and justification for, the proposed action, including any policies or procedures currently or expected to be used to implement Executive Order 13781.)*

Responding to humanitarian crisis is a statutory mandate and core competency of USAID. However, the humanitarian-relief landscape has dramatically changed in the last decade. The number of global crises has grown in recent years, and the nature of emergencies is more multi-faceted, given their lengthening scale, scope, and duration. The magnitude, political complexity, and protracted nature of these emergencies pose challenges to the United States' traditional humanitarian-response toolkit. USAID must provide a more-coordinated effort to achieve greater results, and present a unified voice to the U.S. Government interagency, international organizations, and other partners and donors.

The current structure of humanitarian assistance in USAID is based on an outdated bifurcation of emergency food and non-food assistance, which impedes a fully effective response to the challenges we face. Specifically, while OFDA is responsible for non-food humanitarian assistance and FFP delivers emergency and non-emergency food assistance, the two Offices have, in part, been sharing the same funding stream from the International Disaster Assistance (IDA) account since 2010 and are often working to address related aspects of the same humanitarian assistance challenges and problem sets. Moreover, the majority of program funding goes to the same set of countries, emergencies, and, in some cases, partners. Operating as two distinct organizational units to address a common set of humanitarian issues is inherently inefficient as it requires two sets of management and support structures with separate policies, processes, systems, tools and staffs.

Organizationally, humanitarian assistance is nested in the Bureau for Democracy, Conflict, and Humanitarian Assistance (DCHA), which prevents DCHA leadership from being able to have

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<sup>1</sup> Some policy-oriented staff in OFDA's Humanitarian-Policy and Global-Engagement Division and FFP's Policy, Partnership, and Communications Division may move to a new Multilateral Organizations Office within the proposed Bureau for Policy, Resources, and Performance.

full focus on humanitarian crises. DCHA is a conglomeration of several different offices with separate mandates and its leaders must pivot among varying priorities. DCHA's leaders work across a tremendous breadth of programs, and daily pivot from long-, medium-, and short-term priorities across the Bureau's portfolio, which challenges USAID's ability to fully focus on humanitarian work.

USAID therefore proposes to create a single Bureau for Humanitarian Assistance that would bring together OFDA and FFP. By unifying and elevating humanitarian assistance, USAID would eliminate the artificial distinction between food and non-food, create a strong platform for USAID humanitarian leadership and policy, and optimize resources to ensure concentrated, undivided work on effective and fully accountable humanitarian programs. It would enhance the provision of the full-spectrum of humanitarian-assistance activities to include prevention, mitigation, and disaster risk-reduction, to enable communities to recover from, and respond to, emergencies on their own, and over time reduce the need for expensive humanitarian assistance, particularly in areas of recurrent crises.

The new business model would allow USAID to adopt the best methods and processes from each office and apply them to a more operationally effective entity, saving programmatic and operational costs as well as duplicative support costs. In fact, a McKinsey & Company report commissioned in 2016, which (only) analyzed support costs, found one of the key benefits of an integrated entity in the long run would be more-efficient processes (saving time and money), and less duplication (and redundant costs) within policy, technological, and operations/program-support functions. (McKinsey did not consider the even larger programmatic and operational cost savings that will occur.)

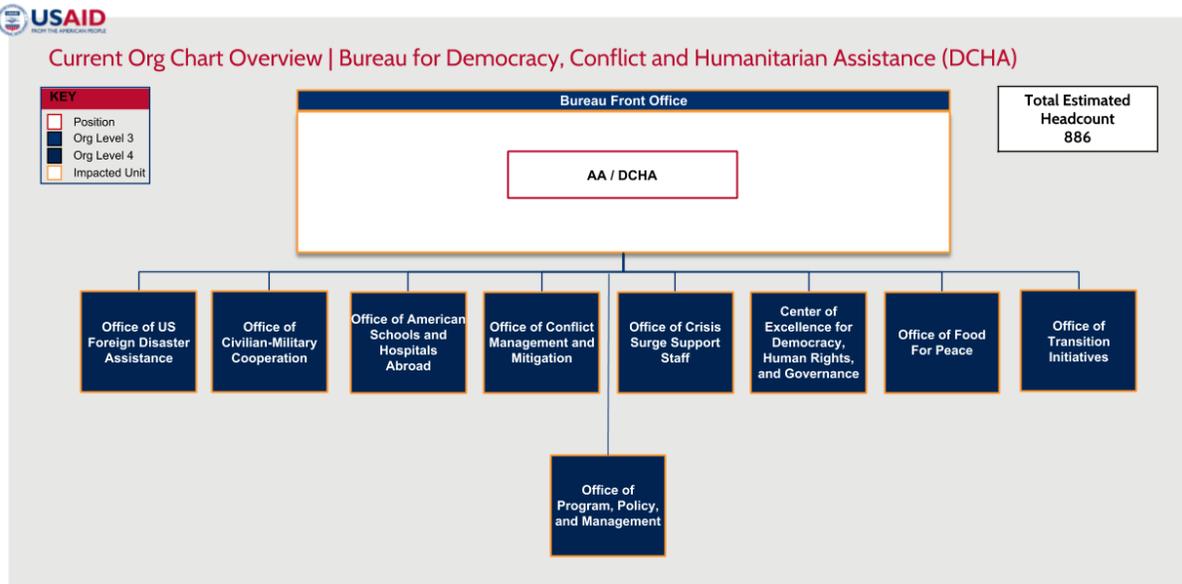
*The objectives of the HA Bureau are the following:*

- *Strengthen USAID's role as the lead Federal coordinator for international disaster assistance by consolidating core capabilities - including technical, policy, and operational expertise - into one, seamless entity, well-positioned to achieve maximum efficiency, effectiveness, and accountability;*
- *Elevate, unify, and strengthen USAID's humanitarian voice in the U.S. Government interagency, and with all international partners;*
- *Broaden the Agency's donor base of both traditional and emerging donors to help address global humanitarian needs more effectively to advance humanitarian action, improve response coordination, and increase resources in the global system to respond, thereby reducing the share of USAID contributions as a percent of all donor resources; while USAID is also working to increase the resources provided by non-U.S. donors;*
- *Provide a cohesive and efficient approach to USAID's programming, across the spectrum of preparing for, responding to, mitigating, and preventing disasters;*
- *Create efficiencies by reducing redundancies between OFDA and FFP in program-design and -implementation, supply-chains and logistics, procurement, formulating and executing budgets, reporting, and monitoring and evaluation; and*
- *Achieve cost-savings through shared platforms for information technology, budget, administration, operations, and management - internal systems that both offices use.*

## **Current Structure**

*(The current organizational chart, showing the Operating Units of the respective department, agency or organization and a brief description of each Operating Unit; the number of employees for each Operating Unit.)*

*Table 1: Current Organizational Chart for the Bureau for Democracy, Conflict and Humanitarian Assistance*



The following Operating Units in DCHA would move in full or in part to the HA Bureau:

The **DCHA Office of the Assistant Administrator (AA/DCHA)**, which currently provides technical leadership and expertise in coordinating USAID's democracy programs; international disaster assistance, emergency and developmental food aid; and programs to manage and mitigate conflict and assist countries that are transitioning out of crisis. The Office also oversees aid to American non-governmental organizations (NGOs) that have partnerships with schools and hospitals abroad. The Office offers technical advice and support to the USAID Administrator, the Agency's Regional Bureaus, field Missions, and other operational offices with regard to these programs. The new HA Bureau would replace the AA/DCHA with an Office of the Assistant to the Administrator (HA/AtA).

The **Office of Program, Policy, and Management (DCHA/PPM)** is composed of the Office of the Director; the Acquisition, Finance, and Budget Team; the Management and Administration Team; and the Program Planning, Support, and Evaluation Team. Designated Administrative Management Services (AMS) staff from DCHA/PPM would move to the new Bureau.

The **Office of U.S. Foreign Disaster Assistance (DCHA/OFDA)** meets the needs of disaster victims by providing all forms of relief and rehabilitation. DCHA/OFDA offers technical support to the Administrator, who serves by Executive Order as the President's Special Coordinator for International Disaster Assistance. The Office formulates U.S. foreign disaster-assistance policy, and helps shape the international system in coordination with other U.S. Government Departments and Agencies. DCHA/OFDA works with public international organizations, NGOs, and the private sector in preventing, mitigating, preparing for, and responding to,

disasters, as well as helping with rehabilitation afterward. DCHA/OFDA funds and procures relief supplies and administrative support for short- and long-term disaster situations, and provides humanitarian relief, rehabilitation, and reconstruction assistance to victims of foreign disasters. In the proposed new structure, DCHA/OFDA would merge with the Office of Food for Peace.

The **Office of Food for Peace** (DCHA/FFP) provides leadership, coordination, and operational support for international food-aid activities. DCHA/FFP develops U.S. Government policy, formal positions, and funding levels for grants and cooperative agreements to the World Food Program (WFP), NGOs, and, in selected instances, governments, to implement feeding programs. DCHA/FFP provides technical and policy support to both emergency and development programs for international food activities. In the proposed new structure, DCHA/FFP would merge with DCHA/OFDA.

**Proposed Structure**

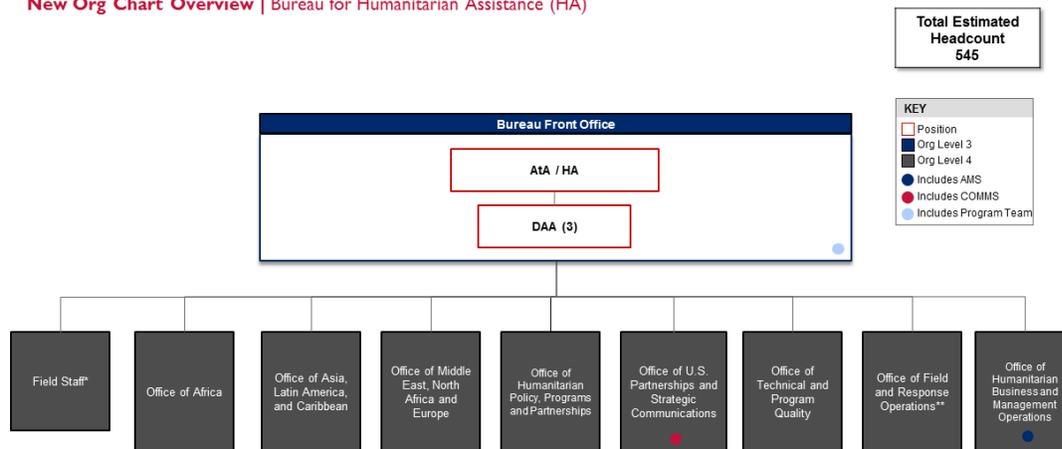
*(The proposed new organizational chart with descriptions of each new Operating Unit; and the number of employees once the proposed reorganization is complete.)*

The **HA Bureau** would help fulfill USAID’s role as the lead U.S. Government Agency for disasters overseas. The HA Bureau would provide a unified voice and holistic approach to USAID’s programming, across the spectrum of preparing for, responding to, mitigating, and preventing disasters, by eliminating the arbitrary bifurcation of food versus non-food assistance.

The information provided in this Congressional Notification related to staffing numbers and hiring types is intended to provide Congress with as complete a picture as possible of the resources in place at this moment to carry out the work of the Agency on behalf of the American people. It is not intended to set in place caps or limits for individual Operating Units (OUs). USAID could adjust staffing numbers and hiring types between OUs as needed to fulfill our mandate effectively and effectively.

Table 2: Proposed Organizational Chart for the Bureau for Humanitarian Assistance

New Org Chart Overview | Bureau for Humanitarian Assistance (HA)



\*This structure includes field based personnel that report to DC  
 \*\*The relatively higher number in this office reflects USFSC surge staff

*\*Note: “Field Staff” is an administrative unit to reflect field-based HA staff that are part of the overall estimated headcount.*

The **Office of the Assistant to the Administrator (AtA/HA)** would provide senior-level advice and guidance on humanitarian assistance to the Administrator of USAID, as well as to other Federal Departments, Agencies and stakeholders. The Office of the Assistant to the Administrator for HA would oversee the key functions of the Bureau, and provide strategic and policy guidance to Office Directors. The AtA would report directly to the Presidentially nominated, Senate-confirmed R3 Associate Administrator, who would report directly to the USAID Administrator.

The three **Offices of Africa; Asia, Latin America and the Caribbean; and Middle East, North Africa and Europe** would design, provide, and assess humanitarian assistance for their respective regions, including assistance related to responding to, recovering from, and reducing the risk of, man-made and natural disasters, while linking with other USAID investments that build resilience. Humanitarian experts based overseas, who coordinate with local authorities and USAID Missions, and in Washington, who coordinate with USAID Regional and Pillar Bureaus, would manage funding and programmatic activities overseas implemented by NGOs; international organizations, including United Nations (UN) agencies; and other partners in the region for both natural disasters and complex emergencies. The Office(s) would represent humanitarian programs within the U.S. Government interagency, as well as in interactions with beneficiary populations, host governments, implementing partners, UN agencies, and other donors.

**The Office of Humanitarian Policy, Programs and Partnerships (HP3)** would shape and influence USAID’s role and engagement on a range of programmatic and operational issues across the humanitarian system, to position USAID to influence collective response to emergency needs and expand the global resource base. HP3 would engage with relevant donors and implementers, manage global initiatives and policies, seek to increase the system’s overall impact, and improve the effective use of U.S. taxpayer money. HP3 would work within the international system to promote best practices and humanitarian policy that supports efficient and transparent assistance operations overseas. HP3 would also interface with traditional and emerging donors to promote USAID’s interests to advance humanitarian action, improve response coordination, and expand resources. HP3 would train the U.S. interagency, partner organizations, and national actors to enhance leadership, capacity, and coordination within the system. HP3 would coordinate closely with other USAID Bureaus, particularly the Multilateral Organizations Office in the proposed Bureau of Policy, Resources and Performance and State’s Population, Refugees, and Migration Bureau and Bureau of International Organizations to ensure strong policy-alignment especially with regards to international organizations.

The **Office of U.S. Partnerships and Strategic Communications (PSC)** would manage strategic engagement with the U.S. Government interagency and the private sector to promote USAID’s lead coordinator role in international disasters. PSC would lead policy discussions with key Federal partners, support the Bureau’s coordination and contingency-planning with the U.S. Government interagency and relevant stakeholders, stimulate innovation, and share best practices. Additionally, closely coordinating with the Bureau for Legislative and Public Affairs (LPA), PSC would produce a full range of public information, graphic and visual

communications, to allow USAID to tell our humanitarian story. PSC would also coordinate closely with LPA to support Congressional and public engagement on a wide range of USAID's humanitarian assistance, as well as narrate the impact of humanitarian programs to legislative and intergovernmental audiences.

The **Office of Technical and Program Quality (TPQ)** would lead the Bureau's efforts to provide high-quality programmatic and technical leadership, oversight, and guidance. In addition, TPQ would lead the Bureau's external engagement with academia and coordinate research to advance the effectiveness, efficiency, and impact of humanitarian and multi-year programming. The Office would disseminate technical best practices and contextually appropriate programmatic approaches across the Bureau, focused on food security, humanitarian risk-analysis and early-warning; monitoring and evaluation; data-collection, technical standards and evidence; and applied learning and adaptive management.

The **Office of Humanitarian Business and Management Operations (HBMO)** would have the responsibility of giving the Bureau all the necessary capacities to maintain 24/7 operability by providing leadership, planning, quality-assurance, technical expertise, and processes. HBMO would lead the Bureau's support resources, including workforce-planning and personnel, financial, facilities, data, and information-management and technology infrastructure, in addition to critical business functions, such as acquisition, assistance, administrative services, and support, training, programmatic risk, and audit. HBMO would serve as a primary liaison to its Agency counterparts, including the Bureaus for Management and PRP, and would leverage its business expertise and stakeholder relationships to ensure that the Bureau is effective, efficient, and adaptive to global humanitarian needs.

The **Office of Field and Response Operations (FARO)** would lead and manage operational assistance and the purchasing and delivery of goods and services in response to declared foreign disasters and international humanitarian needs through key functional areas, including supply-chain management, procurement, logistics, oversight, and operational coordination with the U.S. military. FARO would ensure the Bureau's capacity to meet dynamic international humanitarian-assistance requirements through preparedness; planning; rapid mobilization; field-based response platforms; response systems; human and institutional capacity-development; and operational relationships. Through these functions, FARO would enable the Bureau to project its staff and resources immediately and directly into the field to implement disaster response, and connect USAID's programmatic needs with other operational actors.

### **Assessment of Improvements**

*(An assessment of how the proposed action will improve the efficiency, effectiveness, performance, and accountability (including through modernizing information technology platforms and streamlining administrative functions) of the department, agency, or organization.)*

In developing the HA Bureau, USAID considered the Framework for Analysis of Alignment of Agency Functions presented in Office of Management and Budget Memorandum M-17-22 to identify and address overlapping and outdated programs, rules, and processes and create a lean, accountable, more efficient Government that works for the American people.

The HA Bureau would deploy appropriately blended resources at the right place and time, and share information and analysis within the Bureau, the broader Agency, and the U.S. Government, to create a more-strategic approach to global needs. This new configuration would provide the following benefits:

- Stand-alone Bureau that optimizes resources and capabilities for humanitarian aid to allow USAID nimbly and quickly to fulfill its mandate as the lead Federal coordinator for international disaster assistance;
- Holistic set of disaster assistance and resources achieved through the elimination of the artificial bifurcation of food and non-food assistance;
- Strong and unified humanitarian voice with domestic and international partners;
- Concentration and locus of technical expertise on preparing for, responding to, and mitigating the impact of disasters;
- Consolidation of core capabilities into one, seamless entity to create maximum efficiencies, effectiveness, and accountability; and
- Single, unified reporting and accountability to and from partners.

The new business model would allow USAID to adopt the best methods and processes from each office and apply them to a more operationally effective entity, saving programmatic and operational costs as well as duplicative support costs. In fact, the McKinsey and Company report commissioned in 2016, which only analyzed support costs, found one of the key benefits in an integrated entity in the long-run would be more-efficient processes (saving programmatic and operational costs), and less duplication (reducing support costs) within policy, technological, and operations/program-support functions. The analysis considered three options based on relative costs and benefits, to include the fully integrated approach. (McKinsey did not consider the even larger programmatic and operational cost savings that will occur.)

After significant consultations with internal and external stakeholders, analysis of data on programming patterns, resource-management, and other functions, McKinsey and Company concluded that non-structural changes alone would not maximize the potential benefits and impact. To realize maximum potential, removing the food/non-food distinction would be necessary. A completely integrated Humanitarian Bureau represents the high-benefit option across three critical categories: delivering effective assistance in the field, optimizing an operating model within USAID, and collaborating internally and externally. Following the release of the McKinsey and Company report, OFDA and FFP began a deliberate effort to increase coordination and integration of programs and staff in 2016, to respond to the increasingly complex nature of emergencies. The consolidations proposed in the new HA Bureau would continue and formalize this trend.

The proposed Offices in the new HA Bureau represent the consolidation of critical functions and requirements to improve efficiency, performance, and accountability. These include geographic response teams; international and partner engagement; technical and program quality; policy, outreach, and communications; the management of finances, data, and information; human resources and administrative support; audit-coordination and risk-management; and overseas preparedness and response operations.

### **National Interest**

*(An analysis of the impact of any such change on the ability to advance the national interest of the United States through diplomacy and development.)*

Development and humanitarian assistance are integral components of U.S. foreign policy and national security, and USAID's programming and policies support the four pillars of the *National Security Strategy* (NSS). USAID helps to increase America's economic prosperity; reduce threats to U.S. national security; extend the influence of the United States abroad; and promote burden-sharing and American values. USAID helps partner countries address their social and economic challenges and unlock the potential of all their citizens, in order to improve global stability and create new markets for American goods and firms.

Through the creation of the HA Bureau, the U.S. Government's humanitarian-assistance capacity would be stronger. By its visible presence on the ground in times of disaster, humanitarian assistance can preserve stability, demonstrate American ideals, and build goodwill on behalf of the United States around the world, which directly contributes to the NSS and security and stability in the Homeland. The HA Bureau would also directly support the State-USAID *Joint Strategic Plan's* Goal to "Promote American Leadership through Balanced Engagement," including the underlying objective to "project American values and leadership by preventing the spread of disease and providing humanitarian relief."

### **Monitoring and Oversight**

*(An analysis of the impact of any such change to conduct adequate monitoring and oversight of foreign assistance programs.)*

We expect improvements in monitoring and oversight through the creation of the HA Bureau. The new Bureau would take on all operational aspects of OFDA and FFP, including the models of the Disaster-Assistance Response Teams (DARTs) and Response-Management Teams (RMTs) for dealing with sudden or large-scale emergencies, as well as any Title II U.S. in-kind food assistance. Title II non-emergency programs, if funded by Congress, would also be a part of the HA Bureau, but would link more closely to the Agency's programming in long-term development through the proposed Bureau for Resilience and Food Security, to provide a platform to strengthen communities' ability to respond to emergencies on their own, improve food-security and nutritional outcomes, and over time reduce the need for humanitarian assistance in areas of recurrent crisis.

The proposed TPQ Office would provide the structure, processes, and technical expertise to monitor and evaluate the efficacy of HA's humanitarian assistance programs more closely than ever before. TPQ would be responsible for assessing the full spectrum of humanitarian assistance, across prevention, response, mitigation and risk-reduction, through a holistic approach that would integrate learning into the design and implementation of programs. The proposed FARO Office would provide the necessary platforms and resources in-country to enable monitoring and direct oversight, while adapting as necessary and possible to non-permissive environments.

The HA Bureau would continue to maintain 24/7 response capabilities. If Congress approves the HA Bureau, OFDA and FFP would move towards integrating operations and functions while maintaining full capacity to respond to ongoing and unanticipated emergencies around the world.

### **Legislative Changes**

No statutory changes are necessary for these proposals.

## **Cost and Timeline**

*(The estimated cost and timeline to complete the proposed action.)*

The costs of the operational activities and personnel actions required to implement the entire Agency-wide restructuring, once approved, are estimated at approximately \$6 million over a period of two years. Some of the activities included in this amount are the following: (1) rewriting and classifying position descriptions; (2) personnel actions to re-assign staff to new Bureaus; (3) the co-location/movement of staff to new Bureaus; (4) updating corporate systems; and, (5) revising operational policy.

The proposed HA Bureau could be in place in six to nine months after the Congressional Notification clears.

## **Efficiencies**

*(An assessment of any cost savings and efficiencies achieved through implementation of each element of the proposed action.)*

The new HA Bureau would consolidate the core functions from 13 Divisions into eight Offices. More important, it would provide a unified approach to USAID's programming across the spectrum of preparing for, responding to, mitigating, and preventing disasters, by eliminating the artificial bifurcation of food versus non-food assistance. The Bureau would provide immediate efficiencies by reducing redundancies between OFDA and FFP in developing and implementing programs, managing supply-chains and logistics, procuring goods, formulating and executing budgets, reporting on progress, and monitoring and evaluating outcomes. The HA Bureau would also strengthen USAID's role as the lead Federal coordinator for international-disaster assistance by consolidating core capabilities - including technical, policy, and operational expertise - into one seamless entity, to ensure maximum efficiencies, effectiveness, and accountability for U.S. taxpayer money invested in international humanitarian assistance. Finally, it would provide cost-savings, including but not limited to, the use of shared platforms on information technology, budget, administration, operations, and management - internal systems that both Offices use.

## **Budget**

Please refer to the below narrative and table that summarize the proposed changes' impact on Operating Expense (OE) and Program Budgets.

Based on the Fiscal Year (FY) 2018 enacted level, the estimated OE budget for the HA Bureau would be \$10.0 million, which would consist of \$9.2 million for U.S. Direct-Hire (USDH) salaries and benefits (S&B), and \$832,000 for other direct costs (ODCs). The USDH S&B level would support approximately 53 OE-funded USDH staff (42 Civil Service [CS] and 11 Foreign Service [FS]). The ODC level would fund travel, training, supplies, advisory and assistance services, and other costs. The estimated cost for the salaries and benefits of approximately 492 Program-funded staff (1 CS, 4 Foreign Service Limiteds [FSLs], 12 Fellows, 60 staff on Participating Agency Service Agreements [PASAs], and 415 U.S. Personal Service Contractors [USPSCs]) would be \$78.4 million. This estimate includes the overhead cost for PASAs.

*Table 3: Program Budget Table*

**E estimated Program Funded Amounts Accruing to Future Organizations Under Redesign**

*\$ in thousands for all items*

Future Bureau	Current Bureau	Current Office/Center	FY 2017 653(a)*	FY 2018 President's Budget (Program Funds)**	FY 2019 President's Budget (Program Funds)
<b>Bureau for Humanitarian Assistance***</b>			6,035,800	2,508,200	3,557,412
Bureau for Humanitarian Assistance	Bureau for Democracy, Conflict and Humanitarian Assistance	Office of Foreign Disaster Assistance	2,251,800	1,003,278	1,003,278
Bureau for Humanitarian Assistance	Bureau for Democracy, Conflict and Humanitarian Assistance	Office of Food for Peace	3,776,200	1,504,922	1,554,134
Bureau for Humanitarian Assistance	Bureau for Democracy, Conflict and Humanitarian Assistance	Office of Food for Peace/FEWS Net****	8,000	0	0

Notes:  
 \*Includes ESDF, IDA, TI, GH-USAID, and GH-State. USAID Operational Accounts are not reflected in this total. State Bureaus are not reflected in this total.  
 \*\*Resource allocations are based on the President's Request levels. While Congress has passed an appropriation for FY 2018, allocations are still being finalized.  
 \*\*\*The FY 2019 Humanitarian Assistance request maintains \$1 billion in unallocated funds to strategically leverage other donors' contributions and catalyze reform at the UN and other implementing partners. The FY 2017 allocation includes SAAA and famine funding.  
 \*\*\*\*Funding for FEWS NET in FY 2018 and FY 2019 is provided within the IDA account.

## Attachment One: Chart of related reports and recommendations

Connection to Joint State/USAID Recommendation	GAO Reports	External Reports and Legal Requirements
Foreign Assistance: Better coordination on Humanitarian Assistance	<p>a) USAID and State Could Strengthen Oversight of Partners' Due Diligence Procedures (GAO-17-648) (<a href="https://www.gao.gov/products/GAO-17-648">https://www.gao.gov/products/GAO-17-648</a>)</p> <p>b) Some Risks of Providing Aid inside Syria Assessed, but U.S. Agencies Could Improve Fraud Oversight (GAO-16-629) (<a href="https://www.gao.gov/products/GAO-16-629">https://www.gao.gov/products/GAO-16-629</a>)</p> <p>c) USAID Has Controls for Implementation and Support Costs but Should Strengthen Financial Oversight (GAO-17-224) (<a href="https://www.gao.gov/products/GAO-17-224">https://www.gao.gov/products/GAO-17-224</a>)</p>	<p>a) USGLC (<a href="http://www.usglc.org/media/2017/09/USGLC-Report-on-Reports-September-2017.pdf">http://www.usglc.org/media/2017/09/USGLC-Report-on-Reports-September-2017.pdf</a>)</p> <p>b) Brookings (<a href="https://www.brookings.edu/blog/up-front/2018/04/18/a-first-look-at-usaids-redesign-plan/">https://www.brookings.edu/blog/up-front/2018/04/18/a-first-look-at-usaids-redesign-plan/</a>)</p> <p>c) InterAction (<a href="https://www.interaction.org/document/united-states-government-humanitarian-reform-outcomes">https://www.interaction.org/document/united-states-government-humanitarian-reform-outcomes</a>)</p> <p>d) Center for Global Development (<a href="https://www.cgdev.org/sites/default/files/practical-vision-us-development-reform.pdf">https://www.cgdev.org/sites/default/files/practical-vision-us-development-reform.pdf</a>)</p> <p>e) Heritage Foundation (<a href="https://www.heritage.org/international-economies/commentary/13-recommendations-reforming-americas-foreign-aid">https://www.heritage.org/international-economies/commentary/13-recommendations-reforming-americas-foreign-aid</a>)</p> <p>f) Center for Strategic and International Studies (<a href="https://csis-prod.s3.amazonaws.com/s3fs-public/publication/170718_Runde_ReformReorgUSDevelopment_Web.pdf?qH7jDPtbfu2ts1IpJkevg.qI8FpoNhXU">https://csis-prod.s3.amazonaws.com/s3fs-public/publication/170718_Runde_ReformReorgUSDevelopment_Web.pdf?qH7jDPtbfu2ts1IpJkevg.qI8FpoNhXU</a>)</p>

**UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT (USAID)  
CONGRESSIONAL NOTIFICATION**

**Merger and Restructuring of the Bureau for Food Security and the Office of Water  
into the Bureau for Resilience and Food Security**

Pursuant to Sections 7015(a) and 7081 of the Department of State, Foreign Operations and Related Programs Appropriations Act, 2018 (P.L. 115-141, Division K), this notification advises that USAID intends to merge and restructure the Bureau for Food Security and the Office of Water in the Bureau for Economic Growth, Education and Environment (E3), to form the Bureau for Resilience and Food Security (RFS). The proposed RFS Bureau would build resilient communities and countries, and increase their water security to reduce hunger, poverty, malnutrition and improve well-being.

**Rationale**

USAID is the world's premiere development agency, and proposes a Washington-based restructuring to ensure it remains as such. Development and humanitarian assistance are fundamental to U.S. national security, and a pillar of U.S. foreign policy. USAID has not undergone an Agency-wide restructuring in decades. In consultation with Agency staff, partners, and other external stakeholders, the Administrator proposes a series of structural changes to create a more field-driven, functionally aligned, and responsive organization. This proposed restructuring would enable the Agency to keep pace with the quick-changing international environment. USAID must remain dynamic and relevant by transforming our structure, workforce and programs to advance host-country partners on their journey to self-reliance.

USAID's current food-security efforts reduce global poverty, hunger and malnutrition, and help countries drive the inclusive economic growth that enables self-reliance. However, shocks and stresses, as well as conflict, frequently lead to backsliding on development gains, and perpetuate a cycle of chronic vulnerability, poverty, and hunger. Increased focus on building resilience is needed to break this cycle, reduce the need for recurrent humanitarian assistance, and accelerate progress on the journey to self-reliance. Food-security and agricultural resilience programs are implemented through [Feed the Future](#), the U.S. Government's global hunger and food security initiative. Feed the Future is guided by the whole-of-government [Global Food-Security Strategy](#) (GFSS) which seeks to sustainably reduce global poverty, hunger and malnutrition. In addition, current food-security and resilience programs have linkages to the [Multi-Sectoral Nutrition Strategy](#) and [U.S. Global Water Strategy](#).

USAID defines "resilience" as "the ability of people, households, communities, countries and systems to reduce, mitigate, adapt to and recover from shocks and stresses in a manner that

reduces chronic vulnerability and facilitates inclusive growth.” In short, it is the ability to reduce and manage adversity and change without compromising current and future well-being.

Data show resilience programs can reduce the need for humanitarian assistance in regions subject to recurrent humanitarian crises and better equip communities and countries to manage shocks like drought when they do occur. Our challenge is that the current USAID structure disperses key technical resources in agriculture, water, nutrition and resilience across multiple Pillar and Regional Bureaus, which can result in silos of expertise, inconsistency in guidance to the field, outmoded programming and poor coordination. Technical experts and resource streams divided across multiple Bureaus are subject to competing management priorities, leading to fragmentation in the support services and communications provided to the field. Establishing the proposed RFS Bureau would elevate resilience as an Agency priority and centralize technical expertise to break down stovepipes and create a better link between emergency assistance and long-term investments in food and water security development. In addition, the proposed RFS Bureau would create formal connections to programs in public health, education, governance, the management of natural resources, and women’s and girls’ empowerment. RFS would help affected populations and partner countries break the cycle of crisis, chronic vulnerability, and poverty, which would reduce humanitarian need, increase stability and thereby contribute to U.S. national security and economic prosperity.

This proposal responds to reports produced by external stakeholders, suggestions from staff, and recommendations from the Office of the USAID Inspector General and the Government Accountability Office, as reflected in the attached chart.

### **Summary of Proposed Changes**

The new Bureau would combine the capabilities of the current Bureau for Food Security (BFS) (including the Center for Resilience); the Office of Water within the Bureau for Economic Growth, Education, and the Environment (E3/W); and the E3 Climate Adaptation (E3/AD) team.

The leadership of the Bureau would consist of an Assistant to the Administrator (AtA), three Deputy Assistants to the Administrator (DAAs), the Resilience Coordinator, and the Chief Scientist for Food and Agricultural Development. Other changes include the following:

1. The Administrator would continue as the Feed the Future Coordinator, and the AtA for RFS would assume the responsibilities of the Deputy Coordinator;
2. E3/Water staff and functions would move to RFS to form the Center for Water Security, Sanitation, and Hygiene;
3. The statutorily required Global Water Coordinator designation and duties would move from E3 to RFS, assigned to an RFS DAA;
4. The E3/GCC’s Adaptation team and functions would move from the E3 Office of Global Climate Change to the RFS Center for Resilience;
5. The role of Resilience Coordinator would be elevated to DAA-equivalent, to oversee the Center for Resilience;
6. Existing BFS Offices, together with the E3 units, would form four new Centers and three functional Offices:
  - a. The new RFS Center for Agricultural-Led Growth would incorporate agricultural technical capabilities from the current BFS Offices of Market and Partnership

- Innovations (BFS/MPI), Country Strategy and Implementation (BFS/CSI), and Agricultural Research and Policy (BFS/ARP);
- b. The new RFS Center for Resilience would incorporate the current Center for Resilience team in the BFS Office of the AtA, along with the E3/AD team, and the resilience technical capabilities from BFS/ARP, BFS/CSI, and BFS/MPI;
  - c. The new RFS Center for Nutrition would incorporate the current BFS/CSI Nutrition Division, along with relevant cross-cutting and nutrition capabilities from the BFS/CSI Technical Division, BFS/ARP, and BFS/MPI;
  - d. The new RFS Center for Water Security, Sanitation and Hygiene would incorporate the current E3/Water staff and functions;
  - e. The new RFS Office of Policy and Analysis would incorporate the current BFS/ARP Policy Division, and learning and analysis capabilities from the current BFS Office of Strategic Planning and Performance-Management (BFS/SPPM);
  - f. The new RFS Office of Country Support would incorporate the two current Country-Support Divisions of BFS/CSI and the current monitoring-and-evaluation and country-support capabilities from BFS/SPPM; and
  - g. The new RFS Program Office would retain and consolidate the current budget-execution, budget-formulation and strategic-planning capabilities of BFS/SPPM, while incorporating a team focused on external and internal communications and outreach.

To create a field-focused Operating Unit, the Agency is seeking to consolidate the staff dedicated to serving these functions, including some positions currently in Regional Bureaus, in RFS so staff in the field have more clarity about where they can turn for support.

As with the other Centers proposed in the USAID Transformation, the Centers in the RFS Bureau would *“provide integrated Agency-wide support and services for field-led program design, innovation and implementation; technical leadership and expertise; critical programming, coordination, and global engagement to advance high priority key focus areas with significant Agency-wide importance.”*

### **Detailed Description**

***(A detailed description of, and justification for, the proposed action, including any policies or procedures currently or expected to be used to implement Executive Order 13781.)***

The proposed RFS Bureau would strengthen USAID’s Mission-led investments in people, communities, and countries to accelerate and protect progress on their journey to self-reliance in the face of shocks and stresses that threaten to undermine development with a focus on increasing stability and economic growth, ending hunger, extreme poverty, water-scarcity, malnutrition, and improving well-being. In the current configuration, uncoordinated and fragmented USAID agriculture, resilience, water and nutrition expertise and resource streams inhibit the Agency’s ability to make significant progress against scourges like hunger and poverty against a backdrop of ever-more-frequent and severe crises that cause people to backslide into hunger and poverty at alarming rates. RFS would better equip the Agency to meet these challenges.

This new Bureau and its placement under the proposed Associate Administrator for Relief, Response and Resilience (R3) would better connect relief and development efforts to help

countries move from vulnerability to self-reliance. RFS transformation would accomplish the following:

- Strengthen USAID’s capabilities in resilience, water, and food security with a continuing focus on economic growth and increased focus on helping reduce the need for humanitarian assistance particularly in areas subject to recurrent crises;
- Bring together the resources necessary for the Agency to improve multi-sectoral coordination between community-level programs in water, family health, agriculture, and women’s empowerment;
- Reorient the Agency to serve the field and provide expertise; and
- Elevate the monitoring and evaluation of, and learning from, resilience programs, and strengthen our analytic capabilities.

The RFS Bureau would be the Agency’s central home for expertise in resilience, agriculture, nutrition, water and sanitation. The proposed Bureau structure would reorganize capabilities around key sectoral expertise to achieve the goals and objectives of the U.S. Government’s *Global Food Security, Water, and Multi-Sectoral Nutrition Strategies*, and to coordinate implementation of the U.S. Government’s Feed the Future initiative.

To build resilience, help prevent recurrent food crises in countries that receive significant U.S. humanitarian assistance, and expand on the critical work of Feed the Future, a more-formalized approach to multi-sectoral coordination is necessary. Lessons learned from the first phase of the implementation of Feed the Future (2010-2016) also highlighted a need for more-tightly integrated programming, a shift in approach reflected in the GFSS. Responding to these needs requires the organizational changes proposed above.

*The objectives of the proposed RFS Bureau would be the following:*

1. *Provide technical and programmatic leadership in integrated agriculture, resilience, nutrition, and water and sanitation programs to address the global, inter-related challenges of hunger, poverty, malnutrition, fragility, and improvement of well-being;*
2. *Support field Missions to design and implement world-class programs based on proven, evidence-based approaches;*
3. *Deliver a pipeline of innovations, tools and approaches to promote prosperity and self-sufficiency in the face of complex, dynamic challenges;*
4. *Mobilize diverse partners to invest in sustainable solutions to help countries progress toward self-reliance; and*
5. *Ensure the effectiveness of USAID’s resilience, agriculture, nutrition, and water and sanitation programs, and keep them accountable to the American taxpayer through a rigorous system of monitoring, evaluation, and learning (MEL).*

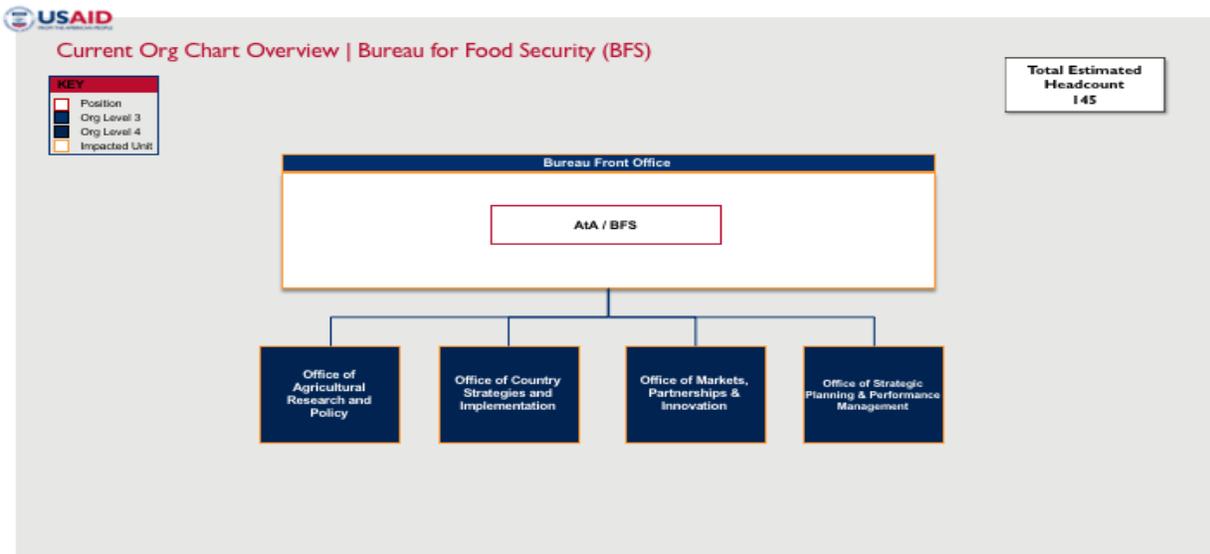
The proposed RFS Bureau would strengthen linkages among resilience, agriculture, nutrition, water, sanitation and health investments to accelerate and protect development gains and reduce recurrent food crises. The RFS Bureau would enable USAID and the interagency to deliver on the GFSS and the U.S. Global Water Strategy, as required by the Global Food Security Act of 2016 and the Senator Paul Simon Water for the World Act of 2014, respectively. RFS would serve as a strategic and technical-assistance resource hub to the entire Agency and our field Missions, including USAID Feed the Future and Water programs. The four Centers (Agricultural-led Growth, Nutrition, Resilience, and Water Security, Sanitation and Hygiene)

would build on the progress of the first phase of Feed the Future and the previous *Water and Development Strategy* (2013-2018). The Centers for Nutrition, Resilience, and Water Security, Sanitation and Hygiene would chair cross-bureau Leadership Councils to facilitate stronger coordination in Washington and the field, while overseeing budget, geographic targeting, programming and external engagement across the Agency.

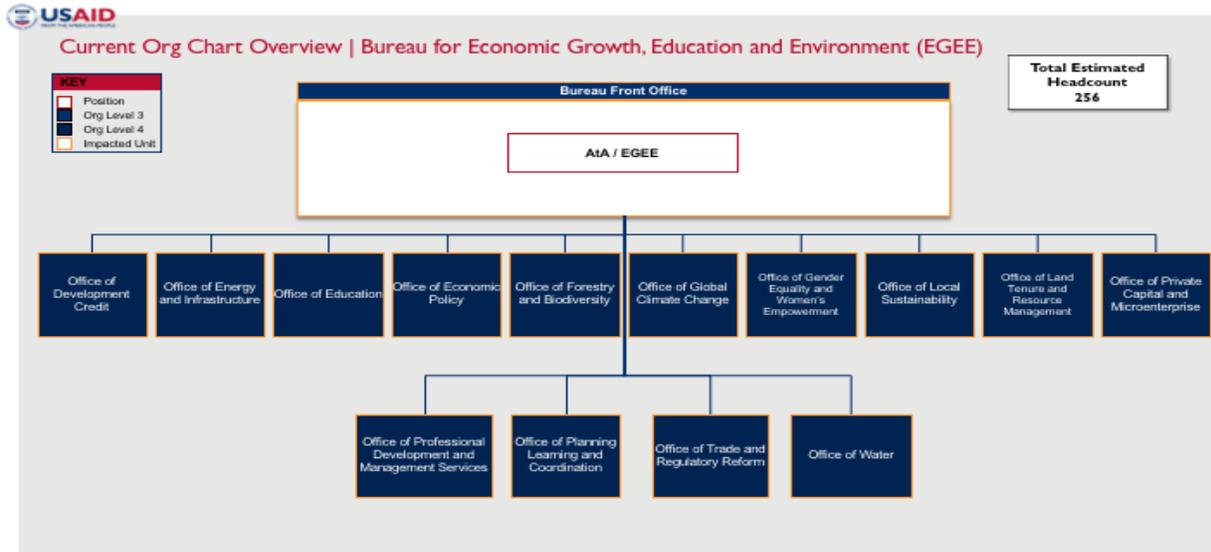
**Current Structure**

*(The current organizational chart, showing the Operating Units of the respective department, agency or organization and a brief description of each Operating Unit; the number of employees for each Operating Unit.)*

*Table 1: Current Organizational Chart for USAID Bureau for Food Security*



*Table 2: Current Organizational Chart for the Bureau for Economic Growth, Education, and Environment*



Note: Only the Water Office and Climate Adaptation team within the Office of Global Climate Change will move to RFS

USAID/BFS supports agricultural-led economic-growth systems that reduce global hunger, malnutrition, and poverty worldwide. USAID leads the U.S. Government alliance to end global hunger and malnutrition, Feed the Future. BFS collaborates with a diverse group of private-sector and civil-society partners to align resources to achieve these objectives. BFS works to reduce long-term vulnerability to food-insecurity, specifically in the Horn of Africa and the Sahel, through programs that build household and community resilience to disruptions in production, income, and markets. The Bureau currently has five Offices which would all be moved, along with their associated personnel, into the proposed Bureau for Resilience and Food Security:

The **Office of the AtA for BFS** provides senior-level advice and guidance on food-security issues to the Administrator of USAID, as well as other Federal Departments and Agencies and Feed the Future partners and stakeholders. The Office includes three DAAs, a Senior Scientist, a Chief of Staff, Administrative Management and Support (AMS) Staff, a Communications and Outreach Team, the Global Engagement and Strategy Team, and the Agency's Resilience Coordinator.

The **Office of Agricultural Research and Policy** provides guidance and technical support for the design and implementation of programs in agricultural research, and capacity-development and policy. These programs aim to improve agricultural productivity, increase incomes, and enhance household nutrition through focused research into, and the dissemination of, improved agricultural technologies and best practices; the implementation of enhanced agricultural policies; and targeted human and institutional capacity-building.

The **Office of Country Strategy and Implementation (CSI)**, in coordination with USAID's Regional and Pillar Bureaus, provides leadership on country-level strategic planning related to Feed the Future. In addition, the Office oversees the implementation of the Feed the Future country programs, and provides technical support to the field. BFS/CSI also oversees the design and implementation of region-wide food-security agendas and strategies. BFS/CSI is the

Bureau's central point of contact on food-security technical issues, and manages consultations with partners and stakeholders on Feed the Future country programs.

The **Office of Market and Partnership Innovations** strives to reduce poverty, fight hunger and improve nutrition by increasing the productivity and profitability of smallholder farmers around the world through a diverse portfolio that combines market-led innovation and the dissemination of technology; partnerships and private-sector engagement; and activities that enable and accelerate private investment, improve access to finance, and enhance risk-management.

The **Office of Strategic Planning and Performance-Management** provides leadership, guidance, and oversight for the Bureau's budget functions; formulates the budget for Feed the Future; and conducts performance-monitoring, evaluation, and knowledge-management for the Bureau and Feed the Future.

The **Office of Water in E3** works to support a more water-secure world through improved management across competing user groups, strengthened services and practices related to drinking water, sanitation and hygiene, and more sustainable use of water (including conservation of water sources) for productive activities.

### **Proposed Structure**

*(The proposed new organizational chart with descriptions of each new Operating Unit; and the number of employees once the proposed reorganization is complete.)*

The **Bureau for Resilience and Food Security (RFS)** would provide worldwide leadership and integrated technical expertise to USAID's programs for resilience, agriculture, nutrition, and water. RFS would lead the Agency's efforts to help people and partner countries break the cycle of crisis, chronic vulnerability, and poverty, with the goal of increasing stability and contributing to U.S. national security and economic prosperity.

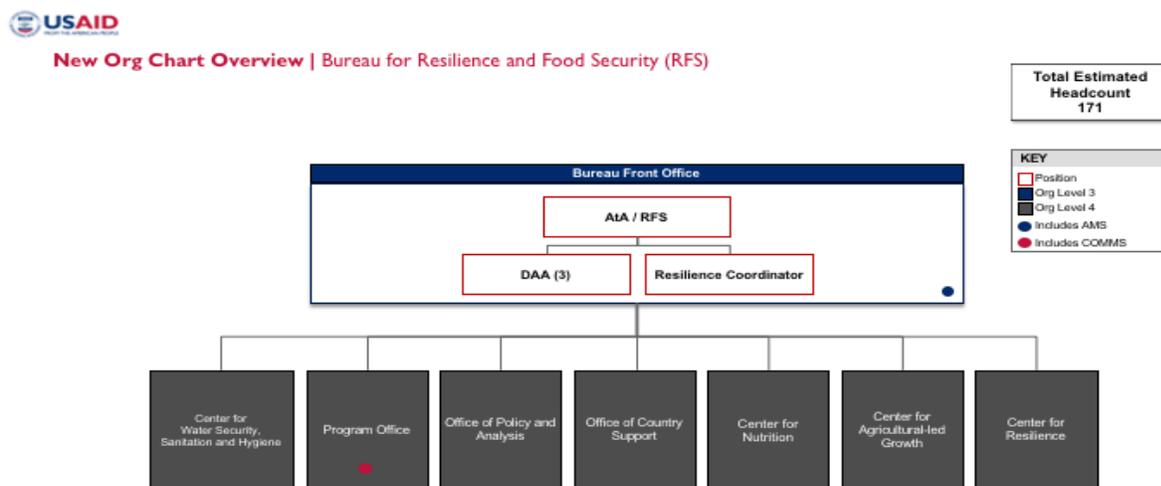
RFS would coordinate across sectors and engage the U.S. Government interagency, USAID Bureaus and Missions, public- and private-sector actors, and civil-society partners to align and mobilize resources to increase stability and economic growth, reduce poverty, hunger, water-scarcity, and malnutrition, and improve well-being in a sustainable manner. RFS would be responsible for the strategic planning, design, oversight, technical guidance, interagency coordination, and monitoring-and-evaluation efforts of the U.S. Government's global hunger and food security initiative, Feed the Future, guided by the whole-of-government GFSS. RFS would also be responsible for USAID's contribution to the U.S. *Global Water Strategy*, as stipulated in the Water for the World Act, and chair the Nutrition Leadership Council (NLC), a cross-Agency body to manage the implementation of the USAID *Multi-Sectoral Nutrition Strategy*. Similarly, RFS would chair USAID's Leadership Councils focused on resilience and water-security, sanitation, and hygiene.

An AtA, who would also serve as the Deputy Feed the Future Coordinator for Development, would lead the new Bureau. RFS would have two cross-cutting Offices, four Centers and a supporting Program Office.

The staffing information provided in this Congressional Notification (CN) related to staffing numbers and hiring types is intended to provide Congress with as complete a picture as possible

of the resources in place at this moment to carry out the work of the Agency on behalf of the American people. It is not intended to set in place caps or limits for individual Operating Units. USAID could adjust staffing numbers and hiring types between Operating Units as needed to fulfill its mandate effectively and efficiently.

Table 3: Proposed Organizational Chart for Bureau for Resilience and Food Security



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The **Office of the AtA for RFS** would provide senior-level advice and guidance on resilience and food-security issues to the Associate Administrator for R3 and the Administrator of USAID, as well as other Federal Departments and Agencies and other stakeholders. The Office would lead RFS staff in fulfilling the Bureau’s Agency-wide responsibilities for all development aspects of the GFSS and USAID’s Water and Development Plan. The Office would include three DAAs; the Resilience Coordinator; and a Chief Scientist for Food and Agricultural Development, who would serve as the Research Coordinator. The Resilience Coordinator would be responsible for ensuring maximum alignment of Feed the Future with Title II non-emergency resources through the country-selection and geographic-targeting processes. The Office would be home to the USAID Global Water Coordinator, who would be dual-hatted as an RFS DAA, and would lead the implementation of the Agency’s portion of the *Global Water Strategy*, as stipulated in the Water for the World Act. The Office would also lead Interagency coordination. To facilitate Bureau-wide coordination and learning on cross-cutting priorities, RFS would participate in Communities of Practice that report at the DAA level on Research, Women's, Youth, Innovative Finance, Trade, and Digital. The Office would also include the Bureau’s AMS Team, which would provide a suite of operational and human-capital services across the Bureau.

The **Center for Resilience**, as the chair of the Resilience Leadership Council (RLC), would provide strategic, programmatic, technical, and analytic leadership for USAID’s resilience priorities. The Center would support the Agency’s response to emerging threats and help reduce recurrent crises by addressing risk and resilience in the development of strategies and programming, and the dissemination of learning. The Center would be responsible for ensuring

the full incorporation of resilience into Agency-level policy, strategy, and programs. The Center would work to build a cadre of staff with the capacity to help develop, implement, evaluate and scale field-led multi-sector programs that build resilience in partnership with governments, the private sector and local communities. The Center would lead coordination with other U.S. Government Departments and Agencies on resilience and resilience-related matters.

The **Center for Agricultural-led Growth** would provide analytic and technical leadership for the design and implementation of programs across the Agency that foster inclusive, sustainable, agricultural-led economic growth. The Center would contribute to creating an enabling environment for growth and investment, and to delivering innovations to improve the productivity and profitability of smallholder farmers in sustainable ways. The Center would develop resilient production strategies, and strengthen delivery pathways of technologies, in addition to supporting the design and implementation of activities that enable and accelerate private investment, improve access to finance, enhance risk-management, and facilitate access to local and international markets. The Center would provide technical field support, and invest in programs that develop improved crop and seed systems; sustainable production systems; and enhanced markets, finance and trade.

The **Center for Nutrition**, under guidance from the NLC, would provide leadership and technical assistance for nutrition strategies, policies, and programs related to resilience and food security. The Center would be responsible for strengthening linkages between agriculture, nutrition, and health, and for promoting investments that enhance the quality and diversity of diets, particularly in the first 1,000 days of a child's life. The Center would also be the technical lead for food safety and standards. The Center would be the central point of contact for consultation with external partners and stakeholders on nutrition programs and projects. The Center would also serve as the Bureau's home for inclusive development, which incorporates gender and youth best practices for food security and resilience into the development and implementation of programs. Chaired by an RFS DAA, the NLC would elevate nutrition and strengthen nutrition results across USAID's multi-sectoral programming. The NLC would support synergy and effective coordination between emergency and development nutrition programs by harmonizing strategies and resources while providing technical guidance, oversight and programmatic coordination to the field.

The **Center for Water Security, Sanitation and Hygiene** would work to advance sustainable results under the U.S. *Global Water Strategy*, by deploying evidence-based policy, knowledge, and technical assistance to USAID personnel, implementing partners, and the global community. The Center would lead the Agency's work to implement the Water for the World Act of 2014 and water, sanitation and hygiene; and broader water-related activities within Washington Operating Units and field Missions. The Center would serve as the technical coordination platform for all water-related issues across the Agency, and support the USAID Global Water Coordinator in the execution of his/her duties to guide, oversee, and direct water programming Agency-wide.

The **Office of Policy and Analysis** would coordinate across RFS, the U.S. Government interagency and external partners to set and adjust strategic and policy priorities, generate evidence, and disseminate learning. The Office would lead and support the Bureau and Feed the Future to move countries towards self-reliance. The Office would be responsible for the following: 1) mobilizing diverse partners to engage in a shared agenda; and, 2) managing the

overall performance, analytics and learning for Feed the Future and resilience, and water-related programs. The Office would lead the Bureau's strategic engagement with public and philanthropic groups, development partners (*i.e.*, traditional donors, multilateral organizations, foundations and U.S. non-governmental organizations), intergovernmental and regional organizations, and U.S. advisory councils to develop and strengthen partnerships to implement the GFSS and *Water Strategy*. The Office would provide thought-leadership on moving countries to self-reliance through resilience, water, nutrition, and food-security activities, including by strengthening country policy systems and public investments. The Office would lead performance-management for Feed the Future, by undertaking strategic analysis, and coordinating learning and knowledge-management across the Bureau and the interagency.

The **Office of Country Support**, in coordination with USAID Regional and Pillar Bureaus, would support regional and country strategic-planning and program-implementation processes under the GFSS and the *Global Water Strategy*. The Office would serve as the focal point for disseminating information between Washington and the field. The Office would be the point of contact for USAID field Missions, and facilitate demand-driven support from across RFS, the rest of USAID and the interagency to resilience, agriculture, food-security, nutrition and water programs. The Office would provide technical assistance to support the performance-monitoring systems for resilience, agriculture, nutrition and water programs in Missions, and would manage the oversight of Feed the Future country programmatic performance. The Office would work closely with the RFS Office of Policy and Analysis to analyze and disseminate learning, and with the Centers for Resilience, Agricultural-led Growth, Nutrition, and Water Security, Sanitation and Hygiene to incorporate state-of-the-art approaches and innovations into country programs.

The **Program Office** would oversee operational functions, resource-allocation, procurement and program support for RFS. The Office would manage systems for efficient strategic planning and programming, including through innovative design advice for activities and projects, and would coordinate Bureau input on Missions' Feed the Future programming through their Operational Plans. The Office would work across the Bureau to facilitate all stages of the procurement process, and serve as the primary liaison with the Office of Acquisition and Assistance (OAA) in the Bureau for Management. The Office would oversee the formulation, allocation, and execution of RFS's Program budget, including compliance with Congressional earmarks and required reporting and notification, as well as manage all Operating Expense (OE) funds. The Office would house the RFS Communications Team, which is responsible for, and advises the Office of the AtA on, internal and external strategic communications and outreach for the Bureau and Feed the Future, in conjunction with the Bureau for Legislative and Public Affairs.

### **Assessment of Improvements**

***(An assessment of how the proposed action will improve the efficiency, effectiveness, performance, and accountability (including through modernizing information technology platforms and streamlining administrative functions) of the department, agency, or organization.)***

Considering the relevant factors of Efficiency and Effectiveness and Customer Service as laid out in Office of Management and Budget (OMB) memorandum M-17-22, analyses conducted by USAID resulted in a decision to restructure to improve efficiency and effectiveness.

The proposed RFS Bureau would enhance the efficiency of resilience and food-security programming by directing decision-making and design towards the field, with greater technical support that integrates innovation across all programs. Linking resilience and food security with USAID's humanitarian and stabilization efforts would strengthen coordination, and lead to more-purposeful transitions between humanitarian interventions and long-term resilience and food-security programming.

The four Centers within the proposed RFS Bureau would house world-class technical leadership on agriculture, nutrition, water and resilience, and provide the field with a single touchpoint for strategic planning, the design of projects and activities, and centrally managed support programs. This would enhance administrative efficiency by providing the field with well-structured, customer-oriented resources, rather than forcing Missions to rely on *ad-hoc* networks of expertise across the Agency. The Office of Country Support would help liaise with the field, and coordinate expertise across the four Centers to ensure the field has direct access to the very best technical and programmatic resources, both within RFS and across USAID's Regional and Pillar Bureaus.

### **National Interest**

***(An analysis of the impact of any such change on the ability to advance the national interest of the United States through diplomacy and development.)***

Development and humanitarian assistance are integral components of U.S. foreign policy and national security, and USAID's programming and policies support the four pillars of the *National Security Strategy* (NSS). USAID helps to increase America's economic prosperity; reduce threats to U.S. national security; extend the influence of the United States abroad; and promote burden-sharing and American values. USAID helps partner countries address their social and economic challenges and unlock the potential of all their citizens, in order to improve global stability and create new markets for American goods and firms as well as helping reduce the number and scope of recurrent humanitarian crises.

The proposed RFS Bureau would enable USAID to advance resilience and food security development and humanitarian assistance with important connections to national security. USAID's resilience and food-security programs help address conditions that extremist groups exploit for recruitment, such as lack of economic opportunity and scarcity of food and water. To this end, RFS would support, directly and indirectly, each of the State-USAID *Joint Strategic Plan's* Goals, including the Goal to "Protect America's Security at Home and Abroad," by countering instability, increasing capacity, and strengthening the resilience of our partners, as well as the Goal to "Renew America's Competitive Advantage for Sustained Economic Growth and Job Creation," by promoting healthy and productive populations in partner countries and opening new markets for trade and U.S. business investments

### **Monitoring and Oversight**

***(An analysis of the impact of any such change to conduct adequate monitoring and oversight of foreign assistance programs.)***

The proposed organizational changes would strengthen USAID's ability to conduct our monitoring and oversight of resilience programs. The establishment of an Office of Country Support within the RFS Bureau with dedicated resources to support monitoring and evaluation

by field Missions would enhance the quality of our supervision of programs under Feed the Future, and permit better integration of programming on water. The establishment of the Nutrition Leadership Council, chaired by the Bureau for RFS, would enhance oversight of the Agency's multi-sectoral programs, which also involve the Bureau for Global Health. The Center for Water Security, Sanitation and Hygiene, formerly the Office of Water, would not be affected programmatically and would continue to engage in program monitoring and oversight.

### **Legislative Changes**

No statutory changes are necessary for these proposals.

### **Cost and Timeline**

*(The estimated cost and timeline to complete the proposed action.)*

The cost of the operational activities and personnel actions required to implement the entire Agency-wide restructuring, once approved, are estimated at approximately \$6 million over a period of two years. Some of the activities included in this amount are the following: (1) rewriting and classifying position descriptions; (2) personnel actions to re-assign staff to new Bureaus; (3) co-location/movement of staff to new Bureaus; (4) updating corporate systems; and, (5) revising operational policy.

The proposed RFS Bureau could be in place in 9-12 months after the Congressional Notification clears.

### **Efficiencies**

*(An assessment of any cost savings and efficiencies achieved through implementation of each element of the proposed action.)*

The proposed RFS Bureau would improve the efficiency of USAID resilience and food-security programming by reorienting technical expertise and decision-making towards the field, with enhanced support that would integrate innovation across four Centers: Agricultural-Led Growth, Nutrition, Resilience, and Water Security, Sanitation and Hygiene. This would provide USAID Missions with access to a wider range of technical resources through a single touchpoint, to ensure the field receives a single, accurate and timely solution, rather than relying on *ad-hoc* networks of technical experts, dispersed across the Agency. Using an approach based on customer-service metrics, RFS would develop streamlined systems for identifying and responding to needs among Missions. The Country Support Office would work across the four Centers to implement a demand-based operating model to ensure the Bureau is innovative and agile in its delivery of support to the field.

While difficult to quantify in dollar terms, this structure would ultimately reduce the time needed to design and implement world-class resilience, food-security, and water programs, which would improve operational efficiency. More important, this new structure would facilitate more-sustainable development outcomes and significant reduction in the need for humanitarian assistance, particularly in areas subject to recurrent crises, because of a greater deployment of cutting-edge approaches, which would produce a better return on investment for the U.S. taxpayer.

**Budget**

Please refer to the below narrative and table that summarize the proposed changes’ impact on OE and the Program Budget.

Based on the Fiscal Year (FY) 2018 enacted level, the estimated OE budget for the BFS Bureau would be \$12.1 million, which would consist of \$11.3 million for U.S. Direct-Hire (USDH) salaries and benefits (S&B), and \$808,000 for other direct costs (ODCs). The USDH S&B level would support approximately 53 OE-funded USDH staff (42 Civil Service [CS] and 11 Foreign Service [FS]). The ODC level would fund travel, training, supplies, advisory and assistance services, other costs, and four non-USDH staff (four Fellows).

The estimated cost for the salaries and benefits of approximately 105 Program-funded staff (31 Foreign Service Limiteds [FSLs], three Fellows, 69 individuals hired under Participating Agency Service Agreements [PASAs], and two U.S. Personal Service Contractors [USPSCs]) would be \$18.9 million. This estimate includes overhead costs for PASAs.

*Table 4: Program Budget Chart*

**E stimated Program Funded Amounts Accruing to Future Organizations Under Redesign**

*\$ in thousands for all items*

Future Bureau	Current Bureau	Current Office/Center	FY 2017 653(a)*	FY 2018 President's Budget (Program Funds)**	FY 2019 President's Budget (Program Funds)
<b>Bureau for Resilience and Food Security</b>			306,274	117,360	143,026
Bureau for Resilience and Food Security	Bureau for Food Security	All offices	290,000	91,000	121,000
Bureau for Resilience and Food Security	Bureau for Economic Growth, Education and Environment	Office of Global Climate Change	2,829	3,550	3,550
Bureau for Resilience and Food Security	Bureau for Economic Growth, Education and Environment	Water	13,445	22,810	18,476
Notes: *Includes ESDF, IDA, TI, GH-USAID, and GH-State. USAID Operational Accounts are not reflected in this total. State Bureaus are not reflected in this total. **Resource allocations are based on the President's Request levels. While Congress has passed an appropriation for FY 2018, allocations are still being finalized.					

**Attachment One: Chart of related reports and recommendations**

Connection to Joint External Reports and Legal Requirements  
State/USAID  
Recommendation

Foreign Assistance/Optimize Global Food Security Assistance	a) USGLC ( <a href="http://www.usglc.org/media/2017/09/USGLC-Report-on-Reports-September-2017.pdf">http://www.usglc.org/media/2017/09/USGLC-Report-on-Reports-September-2017.pdf</a> )
	b) Brookings ( <a href="https://www.brookings.edu/blog/up-front/2018/04/18/a-first-look-at-usaids-redesign-plan/">https://www.brookings.edu/blog/up-front/2018/04/18/a-first-look-at-usaids-redesign-plan/</a> )
	c) InterAction ( <a href="https://www.interaction.org/document/unit-ed-states-government-humanitarian-reform-outcomes">https://www.interaction.org/document/unit-ed-states-government-humanitarian-reform-outcomes</a> )
	d) Center for Global Development ( <a href="https://www.cgdev.org/sites/default/files/practical-vision-us-development-reform.pdf">https://www.cgdev.org/sites/default/files/practical-vision-us-development-reform.pdf</a> )

**UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT (USAID)  
CONGRESSIONAL NOTIFICATION**

**Merger and Restructuring of the Office of Civilian-Military Cooperation, the Office of Transition Initiatives, and the Office of Conflict-Management and Mitigation into the Bureau for Conflict-Prevention and Stabilization**

Pursuant to Sections 7015(a) and 7081 of the Department of State, Foreign Operations and Related Programs Appropriations Act, 2018 (P.L. 115-141, Division K), this notification advises that USAID intends to merge and restructure the Offices of Civilian-Military Cooperation, Transition Initiatives, and Conflict-Management and Mitigation to form a Bureau for Conflict-Prevention and Stabilization (CPS). The proposed CPS Bureau would have a field-driven focus, and house USAID's expertise on fragility, conflict, violence-prevention, stabilization, and preventing violent extremism, as well as manage civilian-military coordination to inform and support U.S. foreign-policy and national-security priorities.

**Problem Statement**

USAID's current structure of a dispersed series of small offices that manage programs aimed at preventing conflict and instability currently hinders efficiency and coordination and the Agency's implementation of the Stabilization Assistance Review (SAR).<sup>2</sup>

**Rationale**

USAID is the world's premiere development and humanitarian assistance agency, and proposes a Washington-based restructuring to ensure it remains as such. Development and humanitarian assistance are fundamental to U.S. national security, and a pillar of U.S. foreign policy. USAID has not undergone an Agency-wide restructuring in decades. In consultation with Agency staff, partners, and other external stakeholders, the Administrator proposes a series of structural changes to create a more field-driven, functionally aligned, and responsive organization. This proposed restructuring would enable the Agency to keep pace with the quick-changing international environment. USAID must remain dynamic and relevant by transforming our structure, workforce and programs to advance host-country partners on their journey to self-reliance.

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<sup>2</sup> The SAR, which outlines the ways in which the United States can more effectively leverage diplomatic engagements, defense, and foreign assistance to support stabilization in conflict-affected areas, was developed by the Department of State, USAID, and Department of Defense, and released in June 2018. As USAID looks to implement the lessons learned in the SAR, including increasing coordination with State and DOD, it behooves the Agency to be further integrated and coordinated internally, which the proposed CPS Bureau would help achieve.

The majority of countries where USAID implements programs are considered fragile or vulnerable to conflict. Over time, the Agency has created new organizational units to better adapt to crisis and stabilization programming: The Offices of Transition Initiatives (OTI), Conflict-Management and Mitigation (CMM), and Civilian-Military Cooperation (CMC), as well as a Coordinator for Countering Violent Extremism (CVE). These units have different policies, procedures, and support systems while working on similar issues and frequently in the same country. This current structure of small, separate Offices that are not fully integrated hinders the Agency's efforts to address and prevent violent conflict, and USAID has no single central point of contact to manage our responsibilities established under the SAR. This structure also creates duplication of efforts and confusion within the U.S. Government as well as with other donors and the partner community on policies and responses around conflict and stabilization programming. USAID proposes combining the above-mentioned Operating Units into the CPS Bureau to create a field-focused Bureau; capitalize on the Agency's three decades of working in conflict-affected countries; elevate our fragility and conflict-analysis capabilities; and better coordinate these efforts with prevention, stabilization, and response work across the U.S. Government.

This proposal responds to reports produced by external stakeholders, suggestions by staff, and recommendations of the Office of the Inspector General and the Government Accountability Office, as reflected in the attached chart.

### **Summary of Proposed Changes**

The proposed CPS Bureau would bring together four of the nine Offices that are currently part of the Bureau for Democracy, Conflict, and Humanitarian Assistance (DCHA), as well as other DCHA staff, including personnel dedicated to countering violent extremism (CVE). The DCHA Offices and functions that would move to the new CPS Bureau are the following:

1. The Office of Policy, Program and Management (PPM);
2. CMC;
3. CMM; and
4. OTI.

The leadership of the Bureau would consist of an Assistant to the Administrator (AtA) and two Deputy Assistant Administrators (DAAs). The CVE Coordinator, an existing position in DCHA, would sit in the Office of the Assistant to the Administrator. The Office of Crisis Surge Support Staff (CS3), currently in DCHA, would be eliminated.

The structure of the CPS Bureau would serve the Agency's goal to reorient our corporate focus to field-driven support and programming on fragility, conflict, preventing violence and violent extremism, as well as improve the civilian-military coordination that informs and supports U.S. foreign-policy and national-security priorities. The five units within CPS would be the following:

1. A Center for the Prevention of Conflict and Violence (CVP), which would merge the functions of CMM and move other DCHA Front Office CVE staff and capabilities into CPS;
2. CMC;

3. OTI;
4. An Office of Administrative Management Services (AMS); and
5. A Program Office (PO).

As with the Centers proposed in other Congressional Notifications for USAID's Transformation, the CVP Center would provide integrated Agency-wide support and services for field-led program design, innovation, and implementation; technical leadership and expertise; critical cross-regional programming, and coordination; and global engagement to advance high priority focus areas with significant Agency-wide importance.

### **Detailed Description**

***(A detailed description of, and justification for, the proposed action, including any policies or procedures currently or expected to be used to implement Executive Order 13781.)***

Violent conflict reverses development gains, and the majority of countries where USAID implements programs are considered fragile or vulnerable to conflict. USAID must adapt our approach to programming to respond to this current and future reality. The existing structures and operating units within USAID that work on conflict and stabilization have different policies, procedures, and support systems while working on similar issues and frequently in the same country. This current structure of small, separate Offices that are not fully integrated hinders the Agency's efforts to address and prevent violent conflict, and USAID has no single central point of contact to manage our responsibilities established under the Stabilization Assistance Review (SAR). This structure also creates duplication of efforts and confusion within the U.S.

Government as well as with other donors and the partner community on policies and responses around conflict and stabilization programming.

The CPS Bureau would be a more deeply integrated Operating Unit aligned with the Administrator's goal of ending the need for foreign assistance and supporting USAID's mission to "promote and demonstrate democratic values abroad, and advance a free, peaceful, and prosperous world." The proposed structure would better enable the Agency to respond flexibly to the challenge of preventing and mitigating violent conflict by strengthening USAID's capacity to prevent conflict, address fragility, respond to global crises, and act as a stabilizing force in times of transition. The new CPS Bureau would capitalize on the Agency's three decades of working in conflict-affected countries to contribute to security in the homeland and champion American values to support the President's *National Security Strategy* (NSS). In addition, the CPS Bureau would lead the U.S. Government's civilian component that provides short-term support and programming to help set the conditions for longer-term development efforts and political stability as outlined and defined in the recently conducted SAR. CPS would also directly support the State-USAID *Joint Strategic Plan*'s Goal to "Protect America's Security at Home and Abroad" by countering instability and violence that threaten U.S. interests, and the underlying joint objective to "increase capacity and strengthen the resilience of our partners and allies to deter aggression, coercion, and malign influence by state and non-state actors." CPS would elevate the Agency's fragility and conflict-analysis capabilities, and better coordinate them with our prevention, stabilization, and response efforts. Finally, the CPS Bureau would enhance USAID's operational capabilities in responding to crisis, including through a strengthened focus on preventing violent extremism and stabilization programming.

*The objectives of the proposed CPS Bureau are as follows:*

- *To be field-driven and operationally responsive, and provide integrated technical assistance and services to USAID Missions;*
- *To implement in-country programs to address destabilizing crises, violence, and conflict;*
- *To be the U.S. Government’s technical lead on peace-building, preventing conflict and violence, and implementing civilian assistance programs to support political transition and stabilization in high-priority countries;*
- *To help transform USAID’s development response in countries in crisis, by working with Missions, or in support of Missions, to provide solutions to intractable conflict- and crisis-related problems.*
- *To improve civilian-military coordination in support of foreign-policy and national-security priorities.*

While the proposed Bureau for Development, Democracy and Innovation (DDI) would be the technical home of Backstop (BS) 76 for Foreign Service Officers (FSOs), who cover crisis, stabilization, democracy, and governance, there would be deliberate linkages (e.g. backstop coordination and working groups) back to CPS as well as the proposed Bureau for Humanitarian Assistance (HA), which also has BS-76 staff that work on Food for Peace programming. Staff within CPS, particularly the new CVP Center, will have strong linkages to DDI and technical expertise that includes governance capabilities around responding to crises, along with CVE and conflict-prevention, and will be a resource within the Bureau to identify, and account for, governance issues as they arise.

The proposed Bureau would coordinate closely with the proposed Bureaus for Humanitarian Assistance and Resilience and Food Security, as well as with USAID field Missions to ensure the appropriate technical assistance or programming for preventing and responding to conflict and crisis is available to enable humanitarian and longer-term development assistance to succeed. Moving the necessary technical experts and skills into one, integrated Bureau would improve coordination and programming; simplify and streamline management and operational lines and structures; and reduce stovepiping and isolation of information, analysis, and ideas. This would create more flexible and responsive programs, and ensure greater sharing of information and analyses within the Bureau and across the broader Agency and U.S. Government.

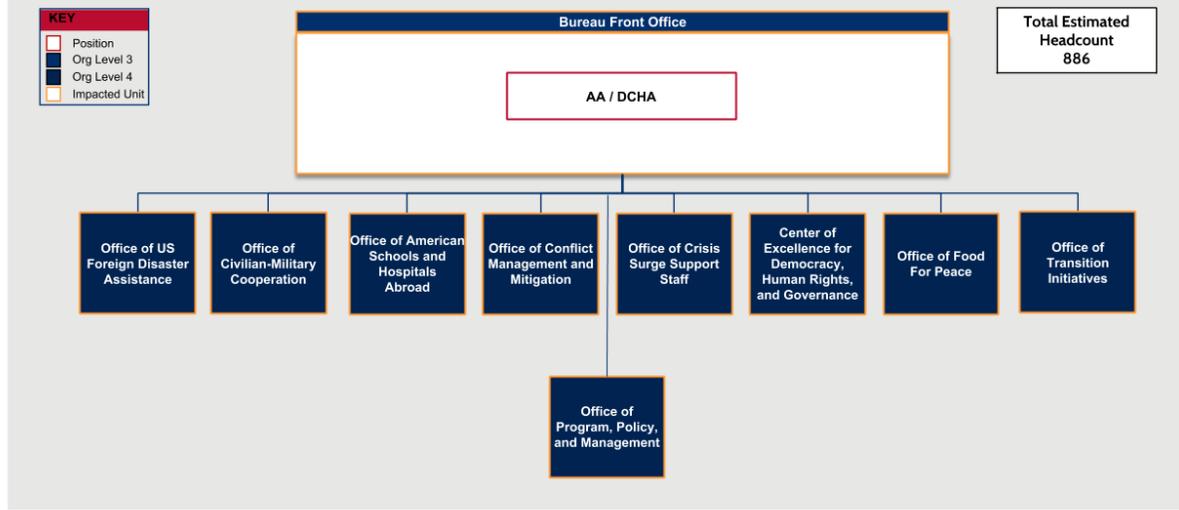
### **Current Structure**

***(The current organizational chart, showing the Operating Units of the respective department, agency or organization and a brief description of each Operating Unit; the number of employees for each Operating Unit.)***

*Table 1: Current Organizational Chart for the Bureau for Democracy, Conflict, and Humanitarian Assistance (DCHA)*



## Current Org Chart Overview | Bureau for Democracy, Conflict and Humanitarian Assistance (DCHA)



The following Operating Units within DCHA would move to the new CPS Bureau:

A portion of the **DCHA Office of the Assistant Administrator (AA/DCHA)**, which provides technical leadership and expertise in coordinating USAID's democracy programs; international disaster assistance, emergency and developmental food aid; and programs to manage and mitigate conflict and assist countries that are transitioning out of crisis. The Office also oversees aid to American non-governmental organizations (NGOs) that have partnerships with schools and hospitals abroad. The Office offers technical advice and support to the USAID Administrator, the Agency's Regional Bureaus, field Missions, and other operational Offices with regard to these programs. The DCHA Bureau also is the institutional home of the CVE Coordinator, and provides support to the Agency on CVE issues. The CVE Coordinator who currently resides in the DCHA Front Office would move to the CPS Bureau.

The **Office of Program, Policy and Management (DCHA/PPM)**, which has the following functions: Acquisition, finance and budget, AMS support, program-planning, and evaluation.

The **Office of Transition Initiatives (DCHA/OTI)**, which seizes emerging political windows of opportunity to promote stability and peace by providing rapid funding to local initiatives through adaptive and agile programming. At the request of, and in coordination with, USAID colleagues in Washington, Congress, the Department of State, and relevant in-country U.S. Ambassadors and USAID Missions, OTI offers fast, flexible, short-term assistance on the ground that promotes positive political momentum. These programs continue until reasonable progress or stability is established and we and local authorities have determined an appropriate and effective exit strategy that factors in longer-term institutional development efforts.

The **Office of Conflict-Management and Mitigation (DCHA/CMM)**, which provides technical leadership and field support for USAID programs designed to help countries at risk of violent conflict. The Office offers expert advice directly to USAID Missions and the Department of State, and represents the Agency in international fora on conflict.

The **Office of Civilian-Military Cooperation (DCHA/CMC)**, which addresses areas of common interest between defense and development, with a focus on improving civilian-military field readiness, programs, and coordination. Program areas include, but are not limited to, the following: humanitarian assistance, preventing and mitigating conflict, counterinsurgency, post-conflict stabilization, and transformational development. The Office serves as the Agency-wide unit for managing the day-to-day aspects of the USAID-military relationship.

### **Proposed Structure**

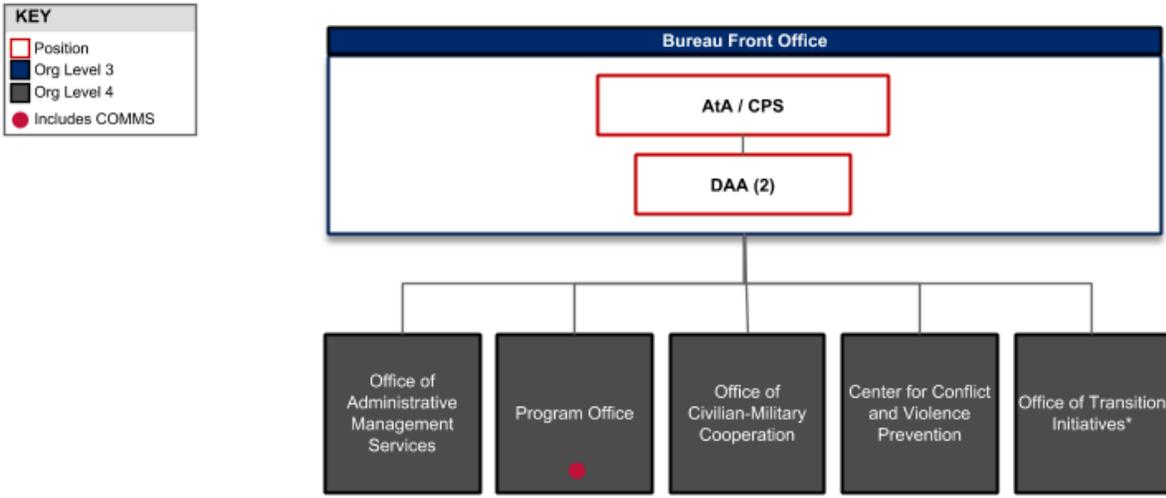
*(The proposed new organizational chart with descriptions of each new Operating Unit; and the number of employees once the proposed reorganization is complete.)*

The **CPS Bureau** would be the U.S. Government's technical lead on civilian assistance for conflict and violence-prevention, and the implementation of political transition and stabilization programs in high-priority countries, as outlined and defined in the SAR. The CPS Bureau would also manage any resources from the Complex Crises Fund (CCF), if appropriated. With a field-driven focus, CPS would house the U.S. Government's preeminent expertise and services on fragility, peace-building, and preventing conflict, violence, and violent extremism, as well as encourage civilian-military coordination to inform and support U.S. foreign-policy and national-security policy. CPS would serve as USAID's lead in applying analytical tools to identify emerging crises and transnational threats and then through or with Missions, funding and managing field programs to respond to them. The CPS Bureau would provide technical advice and policy support to the proposed Associate Administrator for Relief, Response, and Resilience (R3), who will sit in the Agency's Office of the Administrator, and to the Administrator, the Agency's Regional and Pillar Bureaus, field Missions, and other USAID Offices and Operating Units.

The information provided in this Congressional Notification (CN) related to staffing numbers and hiring types is intended to provide Congress with as complete a picture as possible of the resources in place at this moment to carry out the work of the Agency on behalf of the American people. It is not intended to set in place caps or limits for individual Operating Units. USAID could adjust staffing numbers and hiring types between Operating Units as needed to fulfill its mandate effectively and efficiently.

*Table 2: Proposed Organizational Chart for the Bureau for Conflict-Prevention and Stabilization*

New Org Chart Overview | Bureau for Conflict-Prevention and Stabilization (CPS)



\*Includes field based personnel

The **Office of the Assistant to the Administrator (AtA/CPS)** would provide overall strategic guidance for the CPS Bureau, and policy and technical guidance for programs and activities within the areas of responsibility for CPS. The AtA would report directly to the proposed Associate Administrator for R3. The Office of the Assistant to the Administrator for CPS would serve as the principal advisor to the Agency and the proposed R3 Associate Administrator on the policies and broad technical and operational matters relating to the mandate of the Bureau. The AtA and staff would ensure the activities of the Bureau complement and support the broader goals of the Agency, and that the Bureau’s technical expertise and analysis are available to the rest of the USAID to further our objectives. The Office would include the AtA, two Deputy Assistant Administrators (DAAs), and the CVE Coordinator.

The **Program Office (CPS/PO)** would provide oversight, guidance, coordination, and support for the Bureau’s strategy and management of programs and operations. CPS/PO would include the following functions:

- Budget, Finance, and Reporting: Bureau-wide budget and financial strategy, planning, management, and reporting guidance and support to the Bureau’s leadership and offices;
- Policy, Guidance, and Compliance: Provide policy support to the Bureau’s leadership and Offices, as well as to the proposed R3 Associate Administrator; formulate Bureau programmatic policies, objectives, and guidelines; review assistance programs and projects; and coordinate information-technology (IT) investments, budgeting, and compliance;
- Learning and Monitoring and Evaluation (M&E): Establishment of policies and procedures for capturing results and evaluating activities, and conducting assessments;
- Communications: Internal and external communications, in coordination with the Bureau for Legislative and Public Affairs (LPA).

The **Office of Administrative Management Services (CPS/AMS)** would oversee and facilitate Bureau-level administrative and financial operations. CPS/AMS would provide advice regarding Bureau staffing, processes, and resources, and develop administrative policies and procedures for the Bureau. CPS/AMS would handle the following functions:

- Managing the Bureau's financial assets; allocating the Bureau's funds; and handling field requests for travel funding, supplies, and other small purchases;
- Reconciling and certifying bills received for purchases made through the Agency credit-card system; and providing financial planning for, and the allotment of, administrative funds; and
- Serving as the liaison between all CPS Offices and Agency service Offices; performing follow-up for services requested, but not immediately delivered; eliminating duplication of effort; coordinating between Bureau Offices; vetting the propriety of requests and ensuring compliance with due dates.

The **Center for Preventing Conflict and Violence (CPS/CVP)** would provide cutting-edge technical assistance on analyzing and preventing conflict and violence; conflict-sensitivity; governance; CVE; Women, Peace and Security (WPS); fragility; reconciliation; and post-transition programming. CVP would conduct early-warning analysis, and support USAID Missions to facilitate a smooth hand-off following stabilization programming.

The Center would be responsible for developing new business models and engendering a new corporate culture, to enable USAID to provide smart, rapid investments in complex environments. Through technical assistance, flexible procurement mechanisms, and world-class assessment and analytical tools, CVP would provide USAID Missions what they need to be agile and responsive when dealing with instability. To advance USAID's role in preventing violent extremism, CVP would lead related policy and strategic engagement within the U.S. Government interagency, with international partners, and within USAID; conduct related training, research and analysis; and provide USAID Missions with the tools, analysis, and technical assistance necessary for effective engagement in this area. To create a field-focused Operating Unit, the Agency is seeking to consolidate the staff dedicated to serving these functions, including some positions currently in Regional Bureaus, in CPS/CVP so Missions have more clarity about where they can turn for support.

As is the case now, the **Office of Transition Initiatives (CPS/OTI)** would seize emerging political windows of opportunity to promote stability and peace by providing rapid funding to local initiatives through adaptive and agile programming, in support of U.S. foreign policy. At the request of, and in coordination with, USAID colleagues in Washington, Congress, the Department of State, and relevant in-country U.S. Ambassadors and USAID Missions, OTI offers fast, flexible, short-term assistance on the ground that promotes positive political momentum. These programs continue until reasonable progress or stability is established and we and local authorities have determined an appropriate and effective exit strategy that factors in longer-term institutional development efforts.

The **Office of Civilian-Military Cooperation (CPS/CMC)** would lead USAID communications, coordination, and collaboration with the U.S. Department of Defense (DoD) on matters of policy, planning, training, and outreach. CPS/CMC would advocate for USAID

interests in DoD's policy and planning; and aim to align development and defense, by leveraging the unique capabilities and skill sets of both organizations to achieve better development outcomes in pursuit of U.S. national-security goals and values through the following:

- Joint/combined planning (steady-state and crisis/contingency);
- Joint development of policy/doctrine; and
- Joint/combined training, education, and engagement.

CPS/CMC would serve as the Agency-wide unit for managing the day-to-day aspects of the USAID-DoD relationship. The Office would be the central link between USAID and the Pentagon, and between the USAID Regional Bureaus and their counterpart Geographic Combatant Command and Special Operations Command, and would have a cadre of career Senior Foreign Service Officers assigned as Senior Development Advisors (SDAs) to Combatant Commands. The Agency will explore ways to establish better formal, institutional linkages between the SDAs and the USAID Regional Bureaus.

### **Assessment of Improvements**

*(An assessment of how the proposed action will improve the efficiency, effectiveness, performance, and accountability (including through modernizing information technology platforms and streamlining administrative functions) of the department, agency, or organization.)*

Based on the factors of Efficiency and Effectiveness and Customer Service as laid out in Office of Management and Budget (OMB) Memorandum M-17-22, USAID decided to restructure for better service-delivery in the area of conflict prevention and stabilization.

The proposed CPS would ensure the sharing of information and analysis within the Bureau, the broader Agency and the U.S. Government, to provide a more-strategic approach that would have the following benefits:

- A stand-alone Bureau to focus on the non-humanitarian aspects of crises;
- The creation of a clear Agency lead for the implementation of the SAR;
- A holistic USAID response capability for conflict and violence;
- Elevated expertise on preventing violent extremism and instability;
- A concentration of current technical expertise on preventing and responding to conflict with flexible program mechanisms for fast and agile responses;
- Strong and institutional linkages to the proposed Center for Democracy, Rights and Governance in the new Bureau for Democracy, Development, and Innovation; and
- Strengthened linkages with USAID Missions and Bureaus on stabilization, prevention of conflict, and response.

The restructuring of existing Operating Units and the creation of the new Bureau for CPS would improve the efficiency, effectiveness, and accountability of core USAID functions. The merging of OTI, CMM, CMC, and the CVE Coordinator into one Bureau under a single, more-streamlined and integrated management structure is the best option to achieve the Agency's objectives while maintaining current operational capabilities.

The current Office of PPM in DCHA joins together Program Office and Administrative and Management Services (AMS) functions. The new CPS Bureau would separate out these two functions into a Program Office (PO) and a true AMS Office for more-effective management and service-delivery. This change would align with the standard units in the Agency, and allow for better management of these functions and support for the technical Operating Units and the CPS Front Office.

Additionally, CPS would conduct an inventory of IT programs that already exist in the proposed new Operating Units and their functionality for information-management as well as effective programmatic oversight and reporting, to determine if there are platforms the entire CPS Bureau could share to reduce costs.

### **National Interest**

*(An analysis of the impact of any such change on the ability to advance the national interest of the United States through diplomacy and development.)*

Development and humanitarian assistance are integral components of U.S. foreign policy and national security, and USAID's programming and policies support the four pillars of the *National Security Strategy* (NSS). USAID helps to increase America's economic prosperity; reduce threats to U.S. national security; extend the influence of the United States abroad; and promote burden-sharing and American values. USAID helps partner countries address their social and economic challenges and unlock the potential of all their citizens, in order to improve global stability and create new markets for American goods and firms.

Strengthening USAID's capacity to prevent conflict, address fragility, respond to global crises, and act as a stabilizing force in times of transition through the creation of CPS would directly contribute to security and stability in the homeland, and thereby support the NSS, the SAR, and the *U.S. Government Strategy on Women, Peace, and Security* (WPS) being developed in response to the 2017 WPS Act. CPS would also directly contribute to the State-USAID *Joint Strategic Plan's* Goal to "Protect America's Security at Home and Abroad" by countering instability and violence that threaten U.S. interests.

The CPS Bureau would help counter threats to the homeland before they mature. Preventing and responding to conflict earlier increases America's prosperity and influence abroad. In fragile and unstable regions, CPS would increase and maintain stability, through programming such as support to local governance and the provision of basic non-humanitarian services. CPS would help extend security for the U.S. homeland by reducing countries' risk of conflict and the rise of extremist organizations by strengthening government systems, supporting free media and civil society, and enhancing their ability to manage rising challenges. Counteracting the drivers of violence, extremism, and other destabilizing forces is far more cost-effective than responding after crises have exploded; it saves money as well as lives.

### **Monitoring and Oversight**

*(An analysis of the impact of any such change on the ability to conduct adequate monitoring and oversight of foreign assistance programs.)*

The merging of OTI, CMM, CMC, and other functions, including CVE, into one Bureau and under a single, more-streamlined and integrated management structure would lead to improved

systems, including improved monitoring, oversight and adaptation of conflict-prevention and stabilization programs.

### **Legislative Changes**

No statutory changes are necessary for these proposals.

### **Cost and Timeline**

*(The estimated cost and timeline to complete the proposed action.)*

The cost of the operational activities and personnel actions required to implement the entire Agency-wide restructuring, once approved, are estimated at approximately \$6 million over a period of two years. Some of the activities included in this amount are the following: (1) rewriting and classifying position descriptions; (2) personnel actions to re-assign staff to new Bureaus; (3) co-location/movement of staff to new Bureaus; (4) updating corporate systems; and, (5) revising operational policy.

The proposed CPS Bureau could be in place in 12-15 months after the Congressional Notification clears.

### **Efficiencies**

*(An assessment of any cost-savings and efficiencies achieved through implementation of each element of the proposed action.)*

Preventing or reversing conflict and its impact would save resources in the longer term. The majority of countries where USAID implements programs are considered fragile or vulnerable to conflict; creating the new CPS Bureau would elevate and enhance the Agency's ability to conduct effective research and analysis and support Missions' programming in these areas.

Moving the necessary technical experts and skills into one Bureau would improve technical coordination and programming; simplify and streamline management, operational lines, and structures; and reduce stovepiping and the isolation of information, analysis, and ideas. As noted above, the CPS Bureau would determine if there are information technology (IT) platforms the reconfigured Offices could share to find cost-savings and operational efficiencies.

### **Budget**

Please refer to the below narrative and table that summarize the proposed changes' impact on Operating Expense (OE) and the Program Budget.

Based on the Fiscal Year (FY) 2018 enacted level, the estimated OE budget for the Bureau for Conflict-Prevention and Stabilization would be \$15.6 million, which would consist of \$14.3 million for U.S. Direct-Hire (USDH) salaries and benefits (S&B), and \$1.3 million for other direct costs (ODCs). The USDH S&B level would support approximately 83 OE-funded USDH staff (44 Civil Service [CS] and 39 Foreign Service [FS]). The ODC level would fund travel, training, supplies, advisory and assistance services, and other costs.

The estimated cost for the salaries and benefits of approximately 166 program-funded staff (seven Foreign Service Limiteds [FSLs], seven Fellows, two hires under Participating Agency

Service Agreements [PASAs], and 150 U.S. Personal Service Contractors) would be \$26.2 million. This estimate includes overhead costs for PASAs.

Table 3: Program Budget Chart

**Estimated Program Funded Amounts Accruing to Future Organizations Under Redesign**

*\$ in thousands for all items*

Future Bureau	Current Bureau	Current Office/Center	FY 2017 653(a)*	FY 2018 President's Budget (Program Funds)**	FY 2019 President's Budget (Program Funds)
<b>Bureau for Conflict Prevention and Stabilization</b>			157,334	97,543	92,543
Bureau for Conflict Prevention and Stabilization	Bureau for Democracy, Conflict and Humanitarian Assistance	Office of Conflict Management and Mitigation	3,600	5,600	5,600
Bureau for Conflict Prevention and Stabilization	Bureau for Democracy, Conflict and Humanitarian Assistance	Office of Transition Initiatives	122,834	92,043	87,043
Bureau for Conflict Prevention and Stabilization	Bureau for Democracy, Conflict and Humanitarian Assistance	CMM - Reconciliation Programs	21,000	0	0
Bureau for Conflict Prevention and Stabilization	Bureau for Democracy, Conflict and Humanitarian Assistance	Complex Crises Fund	10,000	0	0
Notes:					
*Includes ESDF, IDA, TI, GH-USAID, and GH-State. USAID Operational Accounts are not reflected in this total. State Bureaus are not reflected in this total.					
**Resource allocations are based on the President's Request levels. While Congress has passed an appropriation for FY 2018, allocations are still being finalized.					

## Attachment One: Chart of related reports and recommendations

### External Reports and Legal Requirements

a) InterAction

(<https://www.interaction.org/document/united-states-government-humanitarian-reform-outcomes>)

b) Brookings

(<https://www.brookings.edu/blog/up-front/2018/04/18/a-first-look-at-usaids-redesign-plan/>)

c) Stabilization Assistance Review

(<https://www.state.gov/documents/organization/283589.pdf>)

d) Devex (SAR Implementation)

(<https://www.devex.com/news/investment-in-diplomacy-development-more-effective-than-defense-says-senior-us-military-official-92956>)

**REORG  
CN #4  
August 3, 2018**

**UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT (USAID)  
CONGRESSIONAL NOTIFICATION**

**Merger and Restructuring of the Bureau for Policy, Planning and Learning; the Office of Budget and Resource Management; the Budget Division in the Bureau for Management; and the Office of Evaluation and Impact Assessment in the U.S. Global Development Lab into the Bureau for Policy, Resources and Performance**

Pursuant to Sections 7015(a) and 7081 of the Department of State, Foreign Operations and Related Programs Appropriations Act, 2018 (P.L. 115-141, Division K), this notification advises that USAID intends to merge and restructure the Bureau for Policy, Planning and Learning; the Office of Budget and Resource Management; the Office of Evaluation and Impact Assessment, which currently resides in the Global Development Lab; the Budget Division for the Agency's Operating Expenses, which currently resides in the Bureau for Management (M); part of the audit-management function that currently resides in the Office of the Chief Financial Officer (CFO) in the M Bureau; and staff that work on multilateral policy in various Bureaus to form the Bureau for Policy, Resources and Performance (PRP). The proposed PRP Bureau would align the Agency's development policy, resource-management and evidence-based programming to advance and support partner countries' journey to self-reliance.

**Problem Statement**

In USAID's current structure, the responsibilities for the Agency's Program budget, Operating Expenses (OE) budget, strategic planning, and program performance are disconnected from one another; whereas resources should align with strategy and performance.

**Rationale**

USAID is the world's premiere development and humanitarian assistance agency, and proposes a Washington-based restructuring to ensure it remains as such. Development and humanitarian assistance are fundamental to U.S. national security, and a pillar of U.S. foreign policy. USAID has not undergone an Agency-wide restructuring in decades. In consultation with Agency staff, partners, and other external stakeholders, the Administrator proposes a series of structural changes to create a more field-driven, functionally aligned, and responsive organization. This proposed restructuring would enable the Agency to keep pace with the quick-changing international environment. USAID must remain dynamic and relevant by transforming our structure, workforce and programs to advance host-country partners on their journey to self-reliance.

USAID's policy, strategic-planning, budget and program-performance functions are currently spread among five different Bureaus: The U.S. Department of State's Bureau of Foreign Assistance Resources

(State/F); USAID's Bureau for Policy, Planning, and Learning (PPL); the USAID Office of Budget and Resource Management (BRM); the USAID Bureau for Management (M); and the USAID Global Development Lab (Lab). This has led to a disconnection between policy, resources, and evidence-based programming, as well as inconsistent messaging and approach inside the Agency, across the interagency, and with other external stakeholders. USAID proposes the PRP Bureau to align USAID's development policy, Program and OE budgets, and program-performance functions, and to house new units to measure partner countries' self-reliance and unify the Agency's policy response to multilateral organizations.

### **Summary of Proposed Changes**

The proposed PRP Bureau would combine the capabilities of USAID's PPL Bureau and BRM, along with parts of M and the Lab and small numbers of staff across several Bureaus who are devoted to policy issues at multilateral organizations.

An Assistant to the Administrator (AtA) would lead the Bureau, supported by three Deputy Assistants to the Administrator (DAAs), one of whom would be dual-hatted as the Agency's Chief Strategy Officer, a second dual-hatted as the Agency's Chief Budget Officer, and the third dual-hatted as the Agency's Chief Evaluation Officer. Other changes include the following:

1. The current Director of BRM would report to the PRP AtA, rather than to the Administrator;
2. PRP's Office of Development Policy would absorb the current PPL Office of Policy and be the home of new functions to manage the Agency-wide Self-Reliance Metrics and produce and analyze Country Roadmaps to assess country progress on the journey to self-reliance;
3. PRP's Office of Bilateral and Multilateral Engagement (BME) would include PPL's Office of Development Cooperation and a new unit to support the Agency's corporate policy engagement with multilateral organizations to ensure coherence and accountability;
4. PRP's Office of Program Cycle Policy and Support would incorporate the current PPL Office of Strategic and Program Planning; part of PPL's Office of Learning, Evaluation and Research; part of the Lab's Office of Evaluation and Impact Assessment; the Lab's iDesign team from the Center for Development Innovation; and the Lab's Futures Team from the Center for Digital Development;
5. PRP's Office of Budget would consolidate the current BRM and the M Bureau's Budget Division (M/MPBP/BUD), which coordinates the OE budget of the Agency;
6. PRP's Office of Learning and Evaluation would be comprised of part of PPL's current Office of Learning, Evaluation and Research (LER) and part of the Global Development Lab's Office of Evaluation and Impact Assessment (EIA)
7. PRP's Office of Performance would be comprised of part of PPL/LER and part of the M Bureau's Office of the CFO audit team, which would become a new unit focused on managing interactions on performance audits undertaken by the Office of the USAID Inspector General (OIG) and the Government Accountability Office (GAO);
8. PRP's Office of Program and Management Operations would be comprised of part of PPL's current Front Office and Program Office, including Administrative Management Services;
9. The Director of the Foreign Assistance Bureau at USAID, who also holds the title of Managing Director for Planning, Performance, and Systems at the Department of State's Office of U.S. Foreign Assistance Resources (State/F), would report to the PRP AtA, rather than to the Administrator as is currently the case. The Director would also continue to receive daily direction from the Director of State/F. USAID staff working in State/F that report to the Director of the Foreign Assistance Bureau would have close ties with numerous parts of the PRP Bureau, based on their responsibilities, but this proposal does not include any structural or functional changes within State/F itself; and

10. The existing USAID Senior Advisor for Clear Choices would be renamed the Clear Choice Coordinator to bolster USAID's efforts to support countries in making informed decisions about competing development models based on tried and tested approaches.

### **Detailed Description**

*(A detailed description of, and justification for, the proposed action, including any policies or procedures currently or expected to be used to implement Executive Order 13781.)*

USAID currently spreads its policy, strategic-planning, budget, and program-performance responsibilities across five different Bureaus and Offices: USAID's PPL Bureau; BRM; the M Bureau; the Lab; and State/F. BRM and State/F formulate and allocate USAID's Program budget. While M/MPBP/BUD formulates and allocates the OE budget, it is disconnected from the program budget process and structures. PPL leads development policy, donor cooperation, strategic and program planning, and monitoring, evaluation, and learning functions, while portions of the Lab, including the Office of EIA, provide related support for developing and testing innovative approaches to program planning, monitoring, and evaluation.

The dispersal of these functions across Bureaus creates challenges for the Agency when trying to align budget with policy, programs, and performance, and for USAID Missions in reconciling competing budget priorities and timelines in support of USAID Country Development Cooperation Strategies (CDCS). A 2014 audit by the Office of the Inspector General (OIG) of USAID Country Development Cooperation Strategies confirmed that Missions were unclear about the budget's role in the CDCS process, and that budget allocations did not always align with CDCS development objectives. As various interagency policy and assistance reviews continue to take place, reconciling the overlapping roles and responsibilities of the disparate parts of USAID that touch policy and budgeting to produce a single institutional position has proven a challenge. The lack of a unified voice inside the Agency, across the interagency, and with other external stakeholders, such as the Office of Management and Budget (OMB), Congress, and the donor community, has also led to missed opportunities when trying to strengthen U.S. development and humanitarian assistance.

To ensure a corporate view of all budget resources (Program and OE), and to improve the alignment of our foreign-assistance budgets with policy and evidence-based programming, USAID proposes to merge PPL, BRM, M/MPBP/BUD and parts of the Lab, to create the new PRP Bureau. The proposed PRP Bureau would also serve as a strong partner and liaison with State/F, the White House (OMB and the National Security Council (NSC)), and Congress.

*The objectives of the proposed PRP Bureau would be to accomplish the following:*

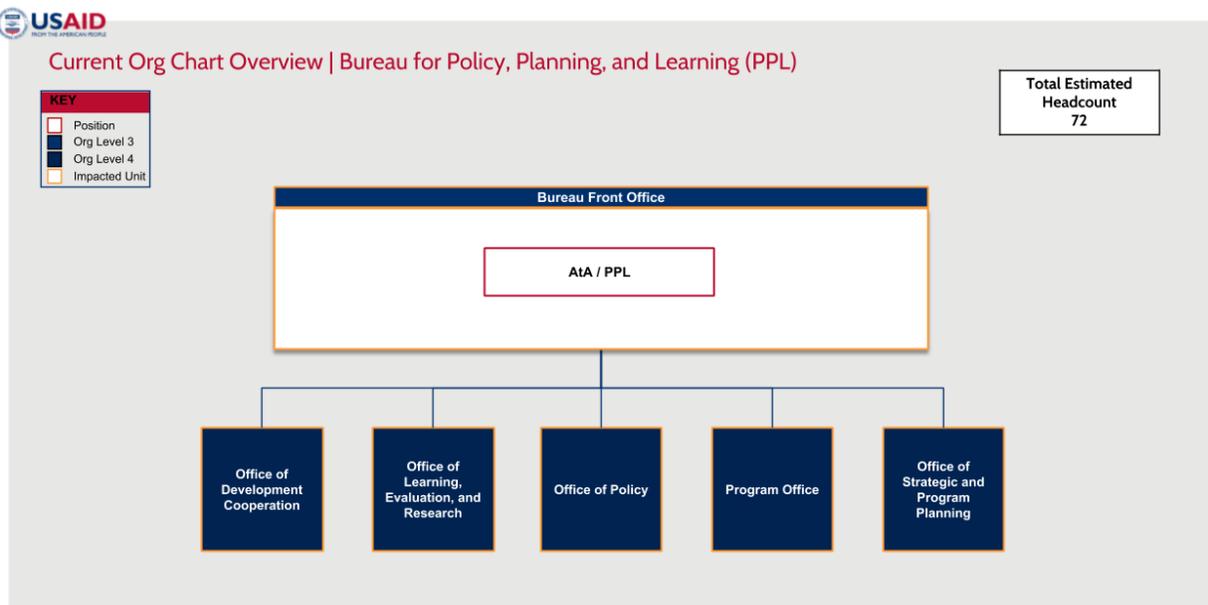
- *Align the Agency's Program and OE resources with Administration policy priorities, evidence-based country strategies, and the evaluation of program performance to maximize the impact of USAID assistance;*
- *Promote a culture of learning, evidence-based decision-making and accountability across the Agency to improve the effectiveness of USAID development programs;*
- *Project a unified Agency voice with the Department of State, the Department of the Treasury, OMB, the NSC, Congress and other stakeholders on all matters related to the Agency's policy, budget, and program-performance, as well as policy-related interactions with multilateral organizations;*

- Unify responsibility and accountability for interacting with, responding to, and following up on the implementation of the programmatic recommendations of the Agency’s oversight bodies, the Office of the USAID Inspector General (OIG) and the Government Accountability Office (GAO); and
- Streamline planning and reporting processes to improve efficiency and reduce burden on overseas and Washington Operating Units.

**Current Structure**

*(The current organizational chart, showing the Operating Units of the respective department, agency or organization and a brief description of each Operating Unit; the number of employees for each Operating Unit.)*

*Table 1: Current Organizational Chart for the Bureau for Policy, Planning and Learning*



*Table 2: Current Organizational Chart for the Office of Budget and Resource Management*

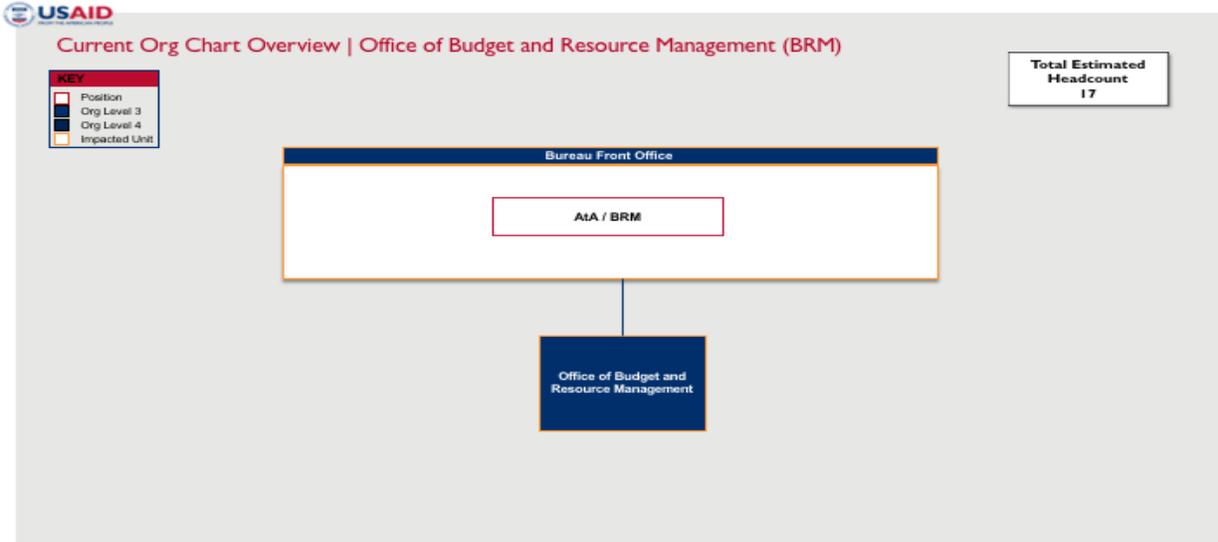


Table 3: Current Organization Chart for the U.S. Global Development Lab

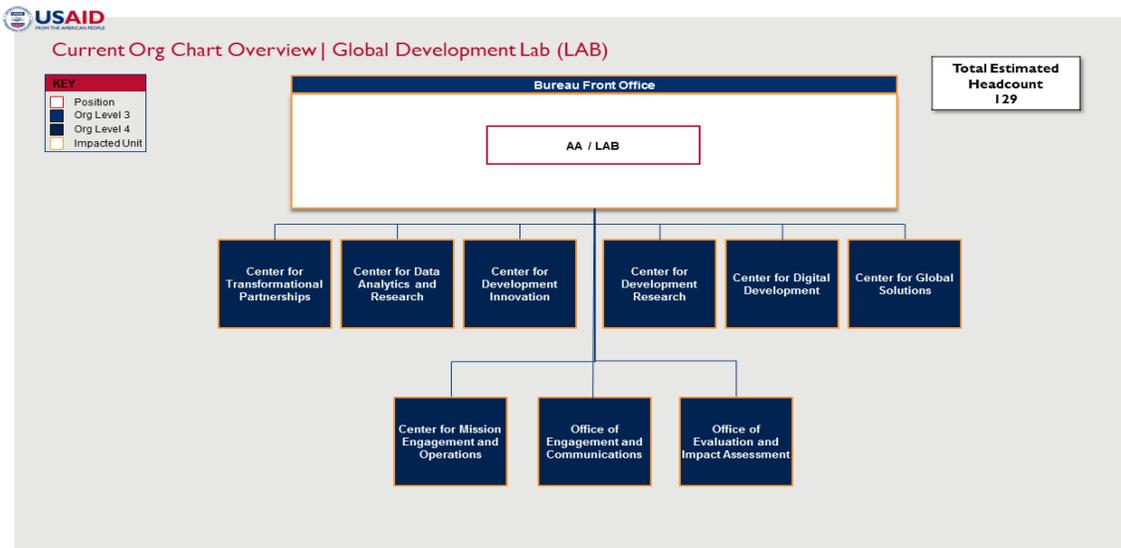
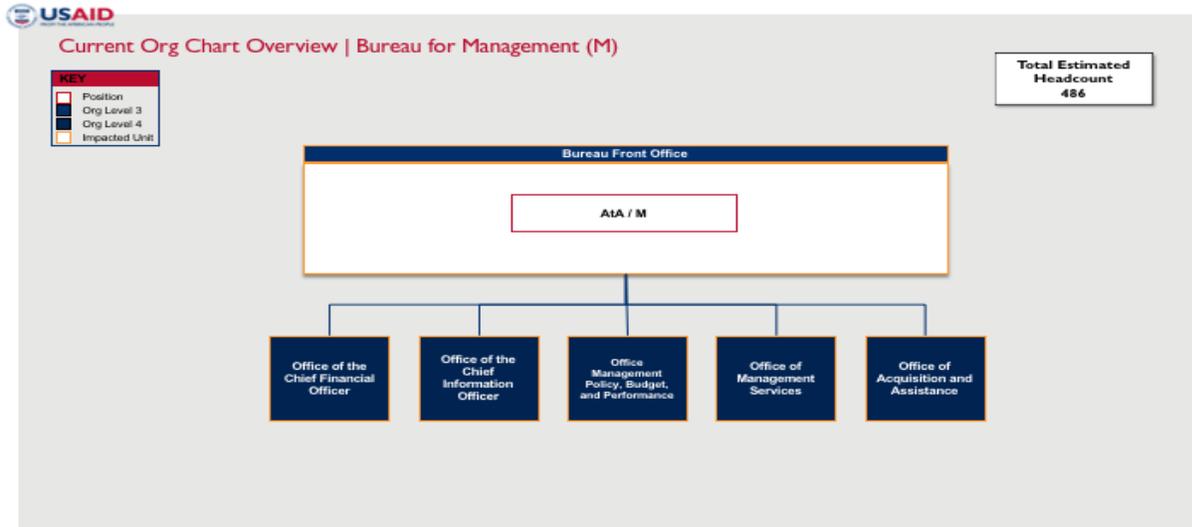


Table 4: Current Organizational Chart for the Bureau for Management



*\*Note - Only one Division within MPBP is proposed for PRP*

**PPL** shapes USAID’s development policy and programming guidance to ensure the Agency’s work relies on evidence and reflects the most-advanced thinking in international development. The Bureau facilitates Agency and interagency collaboration and consensus, and influences global development policy and practice through engagement with bilateral and multilateral organizations and other development partners. PPL consists of the Assistant to the Administrator’s Office, the Program Office, and four technical Offices: Policy; Development Cooperation; Strategic and Program Planning; and Learning, Evaluation and Research.

The **PPL Office of Policy (P)** plays a leading role in setting USAID’s policy direction by working collaboratively across USAID and with the Agency’s leadership to coordinate, analyze, and devise effective policy solutions to development challenges. These efforts enable USAID to shape and support the broader national-security and foreign-policy objectives of the U.S. Government, and to be a thought leader within the global development community. PPL/P also ensures that policies remain relevant, and conducts assessments of the Agency’s implementation of policy to learn lessons that can improve their effectiveness.

The **PPL Office of Development Cooperation (ODC)** strengthens the Agency’s partnerships with bilateral donors to bring new resources and alternative development approaches to our work. PPL/ODC also coordinates USAID’s engagement in some multilateral policy fora, such the United Nations (UN) General Assembly and the Organisation for Economic Co-operation and Development (OECD), on global policy issues that affect U.S. national security. ODC is also responsible for collecting and reporting statistics regarding Official Development Assistance on behalf of the U.S. Government.

The **PPL Office of Strategic and Program Planning** develops, disseminates, and oversees the implementation of the Agency’s policies related to strategic planning and the design of projects and activities as part of USAID’s business process known as the Program Cycle. This Office supports these operational policies through capacity-building and peer-to-peer learning. In addition, the Office helps mainstream key Agency reforms into USAID development and operational policies and

practices. Collectively, these efforts ensure the Agency's investments are effective and sustainable over the long term.

The **PPL Office of Learning, Evaluation and Research** aims to catalyze USAID's transformation into an effective learning organization. The Office sets USAID operational policy on monitoring, evaluation, and learning within the Program Cycle, and works to provide USAID staff with the guidance, enabling environment, systems, resources, and skills needed to plan for, manage, and use monitoring, evaluation, and collaboration, learning and adaptation practices effectively for learning and accountability. The Office also maintains relationships on behalf of the Agency with external stakeholders focused on monitoring, evaluation, and learning.

The **PPL Program Office** provides administrative, budget, and program-management support to the Bureau so it can be successful in shaping USAID's development policy and programming guidance. It also serves as the Agency's technical and operational home for Foreign Service Program Officers who are working across the Agency.

The **Office of Budget and Resource Management (BRM)** is responsible for strengthening USAID's resource-planning processes and budget capabilities, prioritizing investments informed by policy priorities, and anticipating policy implications for the resource-allocation process. BRM supports the Administrator, in close coordination with the Department of State, to recommend Program budgets, and to analyze and resolve trade-offs in resource allocations. BRM's objectives are the following: Establish resource-planning parameters, frameworks and guidance to inform long-term and annual planning at the country, regional, and functional initiative levels; recommend an annual Agency-level development and humanitarian-assistance budget based on the Administrator's direction and reviews of plans and Bureau recommendations; recommend an allocation of Program resources, and ensure the quick allotment and reprogramming of Program Funds for implementation; and ensure linkages between the Program and OE budgets.

The **Division of Budget in the Office of Management Policy, Budget, and Performance within the Bureau for Management (M/MPBP/BUD)** prepares the Agency's OE budget. It also prepares and oversees the budget justification, execution, and status-reporting for OE funds. The Budget Division ensures the compilation of financial data to enable effective performance-measurement and management decision-making. M/MPBP/BUD plans, coordinates, evaluates, and advises senior Agency and Bureau for Management leaders on the formulation, development, and execution of Agency-wide policies, planning, and programming guidelines, objectives, and standards relating to OE, administrative expenses, and workforce budget.

The **U.S. Global Development Lab, Office of Evaluation and Impact-Assessment (EIA)** conducts rigorous, evidence-based analysis to determine whether science, technology, innovation and partnership approaches and interventions are delivering development impact more quickly, cost-effectively, sustainably, at greater scale, and are reaching more beneficiaries. It leads the Lab and independent advisors in determining which innovations have the greatest potential for transformative impact at a global scale, by working extensively with USAID Pillar and Regional Bureaus, Missions, and external experts. The EIA Office collaborates with other parts of the Lab to help set policy and standards for monitoring and evaluating Lab programs to promote continuous learning.

The **Lab’s Center for Digital Development, Futures Function** applies future analysis to identify and prepare for long-term trends, such as urbanization and demographic shifts, and to identify the most-effective responses to them as part of the strategic-planning process.

The **Lab’s Center for Development Innovation, Innovative Design Function** helps Mission teams and Washington Offices apply innovative approaches and tools throughout the Program Cycle. This includes incorporating collaborative design processes, system-thinking, human-centered design, and adaptive principles into programs.

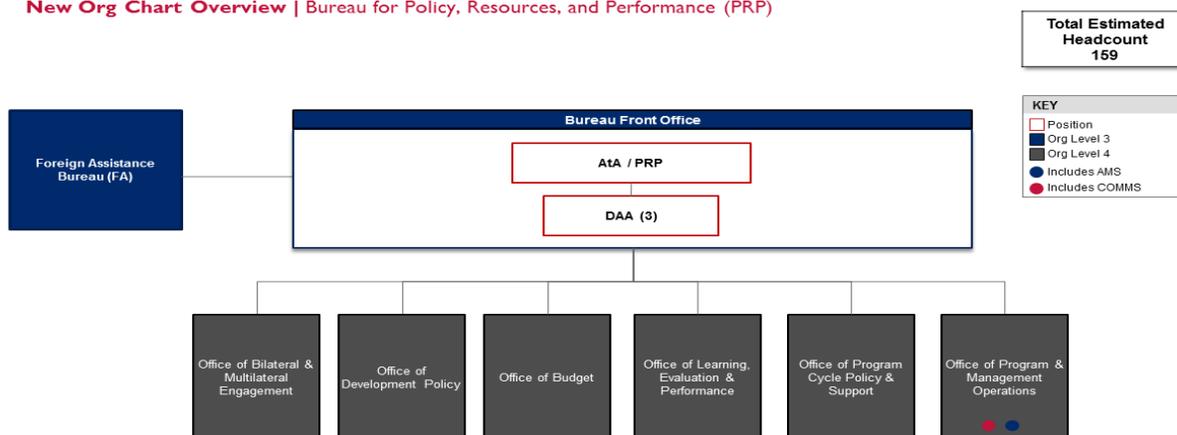
### **Proposed Structure**

*(The proposed new organizational chart with descriptions of each new Operating Unit; and the number of employees once the proposed reorganization is complete.)*

The proposed PRP Bureau would enhance the Agency’s leadership and effectiveness by aligning development policy, resource-management, and evidence-based programming to advance the Administration’s development and humanitarian-assistance objectives and support partner countries’ journey to self-reliance. PRP would be responsible for the following: 1) defining the Agency’s development policy priorities on behalf of the Administrator; 2) leading the planning and allocation processes for the Agency’s Program and OE budgets; 3) expanding and deepening a culture of evaluation, learning, and accountability for Agency-wide performance; 4) establishing coherent, Agency-wide policy positions on multilateral issues; and 5) providing increased responsiveness and accountability to the OIG and the GAO. To this end, the Bureau would lead Agency policy-development internally and externally; strengthen partnerships with bilateral donors and multilateral organizations; monitor policy and performance, and provide oversight guidance and cohesion for the Agency’s activities with Public International Organizations (PIOs); manage all planning and allocation for the Agency’s Program and OE budgets; maintain strategic and program-planning guidance and institutional support for all Agency Program Cycle functions; and advance a holistic approach to performance, evaluation, and learning that includes Agency-wide metrics and knowledge-management. PRP would contain the Offices described below.

The information provided in this Congressional Notification (CN) related to staffing numbers and hiring types is intended to provide Congress with as complete a picture as possible of the resources in place at this moment to carry out the work of the Agency on behalf of the American people. It is not intended to set in place caps or limits for individual Operating Units. USAID could adjust staffing numbers and hiring types between Operating Units as needed to fulfill its mandate effectively and efficiently.

*Table 5: Proposed Organizational Chart for the PRP Bureau*



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The **Office of the AtA** would include the AtA and three Deputy Assistants to the Administrator (DAAs), who would provide oversight and management of the Bureau’s core functions, and ensure the Agency’s resources align with U.S. development and foreign policy priorities and support evidence-based programming. The Office of the AtA would work in close collaboration with USAID Bureau leadership and the interagency to ensure the overall coherence and effectiveness of Agency-wide efforts. The Office of the AtA also would represent the U.S. Government in international fora to advance U.S. development interests.

One PRP DAA would be dual-hatted as USAID’s Chief Strategy Officer, to improve Agency-wide strategic planning and coordination. The second PRP DAA would be the Agency’s Chief Evaluation Officer, who also would serve as USAID’s Program Management Improvement Officer (in compliance with the Program Management Improvement and Accountability Act of 2015), to promote a culture of learning, evidenced-based decision-making, and accountability. The third PRP DAA would carry the title of Chief Budget Officer.

The AtA/PRP would also house the Clear Choice Coordinator, renamed from the existing Senior Advisor for Clear Choice, who would report to the Chief Strategy Officer and bolster USAID’s efforts to support countries in making informed choices about competing development models in order to advance their own self-reliance based on tried and tested approaches. The AtA also would supervise the USAID Director of the Foreign Assistance Bureau at USAID to ensure coherence across related policy, planning, and performance functions, and to enhance collaboration with the USAID positions that report to the Director, yet work in State/F

The **Office of Development Policy (DP)** would lead Agency-level strategic planning, such as the *Joint Strategic Plan (JSP)* with the Department of State; help define and promote the Agency’s overarching policy agenda, including through the USAID Policy Framework; and coordinate with other Bureaus to advance a consistent development-policy voice in the interagency. DP would set standards and procedures for policy-formulation to ensure quality and evidence in sector policies and strategies, and coordinate with Bureaus to align policies with the Administrator’s overarching goals and vision. DP periodically would assess the implementation of development policy, share lessons learned and best

practices, and conduct policy analysis and research on development trends to keep USAID at the forefront of development policy and practice. DP would manage, analyze, coordinate, and institutionalize the Agency's self-reliance metrics that illustrate a country's development journey, and ensure USAID Bureaus and Missions use the metrics cohesively, consistently, and clearly. DP also would work closely with the Office of Budget to provide data-driven analysis to enhance decision-making, and improve both the policy concerning, and the formulation of, budgets.

The **Office of Bilateral and Multilateral Engagement (BME)** would set Agency policy and standards, identify best practices, and support USAID Operating Units in engaging with bilateral donors and multilateral organizations. BME would coordinate closely with the Bureaus for Humanitarian Assistance (HA) and Development, Democracy, and Innovation (DDI), as well as other Operating Units across the Agency, to advance USAID's international policy leadership and ensure coherence and accountability across the Agency's engagement with donor partners and in multilateral venues. BME would maintain and strengthen corporate-level relationships with the Bureau for International Organization Affairs at the Department of State and the rest of the U.S. Government Interagency as well as donor partners and multilateral organizations to promote alignment with U.S. Government interests, influence partner decision-making, and enhance long-term partnerships and burden-sharing. BME would coordinate with technical and regional bureaus to monitor the performance of public international organizations (PIOs) and define Agency policy towards partnering with multilateral organizations. BME would lead USAID's engagement in intergovernmental negotiations on issues related to Official Development Assistance (ODA), development finance and effectiveness (in coordination with relevant stakeholders, including the proposed new Private-Sector Engagement Hub in the Bureau for Development, Democracy and Innovation), and aid transparency. BME would be responsible for fulfilling USAID's statutory requirements for collecting and reporting ODA statistics on behalf of the U.S. Government.

The **Office of Budget (B)** would oversee the formulation, justification, and allocation processes for Program funds, OE, and capital investment funds for the Agency. This would include, but not be limited to, Mission Resource Requests; Bureau Resource Requests; the formulation of the annual USAID Development and Humanitarian Assistance Budget and the USAID OE budget; OE status-reporting; producing mandated Congressional reports on USAID budget matters, and the annual submission to OMB and response to the OMB "passback"; and associated activities in support of the President's Budget Request, including Congressional and public outreach and engagement. In terms of allocation, B would work with the State Department to construct the annual 653(a) allocation report to Congress, with the Office of the Chief Financial Officer (M/CFO), to distribute OE funds to Bureaus and Independent Offices, process allocation memos, and monitor funds to ensure compliance with Congressional directives. The Office of Budget would serve as an adjudicator if/when internal disagreements over budget levels occur between Bureaus, including Regional and Functional Bureaus, and coordinate closely with other Offices in PRP to ensure that resource-allocations align with Agency policy priorities, evidence-based country strategies and programs, and performance information. To further inform strategic decision-making, the Office of Budget would conduct analyses of obligated funds, historical funding levels, and the resource implications of Agency policy and appropriations directives on Agency programs. The Office of Budget also would track salary, benefits, and funded-position vacancies to inform the Agency's human-resources and workforce planning.

The **Office of Learning and Evaluation (LE)** would promote a culture of learning and evidence-based decision-making across the Agency to improve the effectiveness of USAID development programs. The

Office would establish and regularly update an Agency-wide learning and evaluation agenda to integrate best practices, rigorous data, and evidence into high-level decisions. The Office would set and manage the Agency Evaluation Policy, as well as Agency-wide learning and knowledge-management requirements, to ensure a basis for Agency learning and evidence-based decision-making and to keep USAID in compliance with the Foreign Aid Transparency and Accountability Act and other relevant laws. The Office would manage cross-Agency evaluations, including impact evaluations, and other studies prioritized under an Agency learning or evidence agenda linked to policy and program objectives, such as the Journey to Self-Reliance. This would include aligning investments in data-collection, evaluation, studies, research, and other analysis, with information needed to achieve Agency objectives. The office would partner with the Chief Information Officer (CIO) to ensure USAID's information-technology (IT) systems are supportive of learning and knowledge-management practices, and facilitate the expansion of a culture of learning across USAID and our partners.

The **Office of Performance (PERF)** would lead Agency-wide policies and processes related to accountability, tracking the performance of programs, reporting, and decision-making. The Office would work with other Bureaus to align performance metrics and reporting systems across the Agency, and to reduce duplicative reporting requirements, as appropriate, while maintaining a high level of accountability. The Office also would manage strategic reviews of progress towards objectives defined in the JSP, facilitate portfolio reviews to meet requirements of the Program Management Improvement Accountability Act, produce the Agency's *Annual Performance Plan and Report* and manage the associated process and systems, and ensure new management information systems meet data and business-process requirements. To this end, the Office would collaborate with the Chief Data Officer and the Enterprise Reporting Team to prioritize the appropriate collection, analysis, visualization, and use of data to ensure the Agency can monitor performance towards Agency-wide objectives, and communicate effectively with internal and external stakeholders. Collaborating with the audit team of the Chief Financial Officer (CFO), the Office also would interact with the Government Accountability Office and the Office of the USAID Inspector General, and ensure the Agency addresses the recommendations of performance audits completely and in a timely manner.

The **Office of Program Cycle Policy and Support (PCPS)** would establish and maintain the policies and processes to help the Agency translate development vision into action. PCPS would provide guidance and institutional support to Operating Units on strategic planning, the design of projects and activities, program-monitoring, evaluation, and learning (collectively known as the "Program Cycle") to ensure field-based programs are based on evidence, respond to changes in country context, and ultimately build partners' capacity to lead their own development journey. This includes providing guidance on evolving our relationships with partner countries, and the development of legacy programs. PCPS would develop training and innovative tools for Agency staff and implementing partners, and maintain systems and communities to promote learning throughout the Program Cycle. PCPS also would stay at the cutting edge of development practice, including by drawing upon new tools and practices from Bureaus, Missions and other development practitioners, to ensure Agency policy and procedures reflect innovative approaches and lessons learned for achieving more effective and sustainable results.

The **Office of Program and Management Operations (PMO)** would support the Bureau's leadership in aligning development policy, resources, and programming by supporting coordination and integration across Offices and functions. PMO would be responsible for managing the Bureau's planning processes, promoting collaboration and innovation across the Bureau, and establishing internal Bureau policies and

procedures to ensure effective and efficient operations, including by facilitating the development of Bureau-wide strategic-planning and performance-management processes and leading planning and execution processes for the Bureau's budgetary and human resources. PMO also would be responsible for coordinating internal and external communication and outreach efforts in coordination with the Bureau for Legislative and Public Affairs (LPA). As the home Bureau for Foreign Service Backstop 02 Program Officers, PMO would provide professional development and capacity-building support to over 350 Program Officers. The Office also would be responsible for the full range of Administrative Management Services (AMS) functions for the Bureau, including by providing administrative and management advice and assistance regarding workforce-planning and the management of personnel, budgeting for personnel and administrative costs, planning for and allocation of space, and asset-management.

### **Assessment of Improvements**

***(An assessment of how the proposed action will improve the efficiency, effectiveness, performance, and accountability (including through modernizing information technology platforms and streamlining administrative functions) of the department, agency, or organization.)***

By linking development policy and resources more closely to program and performance information, and elevating evaluation and learning, PRP would enhance evidence-based decision-making at USAID. Bringing these functions into a single Bureau would improve the Agency's systems for policy, strategic planning, budgeting, and program-performance that are currently housed in different units, each with different, discrete lines of communication with the USAID Front Office, the Department of State, and OMB. PRP would enhance accountability by ensuring the alignment of the Agency's budgets, policies, and strategies; grounding them in evidence that demonstrates how our programs are working; and making appropriate adjustments to budgets and policies if we find they are not working. In addition, to improve efficiency while maintaining accountability, the PRP Bureau would better align reporting requirements across initiatives and Bureaus, and work to reduce the reporting burden on overseas Operating Units.

### **National Interest**

***(An analysis of the impact of any such change on the ability to advance the national interest of the United States through diplomacy and development.)***

Development is an integral component of U.S. foreign policy and national security, and USAID's programming and policies support the four pillars of the *National Security Strategy* (NSS). USAID helps to increase America's economic prosperity; reduce threats to U.S. national security; extend the influence of the United States abroad; and promote burden-sharing and American values. USAID helps partner countries address their social and economic challenges and unlock the potential of all their citizens, in order to improve global stability and create new markets for American goods and firms.

The proposed PRP Bureau would support better decision-making, informed by evidence and aligned to budget, and strengthen USAID's contributions to interagency decisions on national security issues. This includes leading the Agency to formulate and implement development and operational policy more effectively to advance the objectives of the NSS and JSP. PRP would also manage the use, analysis, and communication of self-reliance metrics, which would help USAID make better investments to advance U.S. national interests by advancing partners' progress toward self-reliance.

### **Monitoring and Oversight**

*(An analysis of the impact of any such change to conduct adequate monitoring and oversight of foreign assistance programs.)*

The new structure would bring together the functions of program-monitoring, evaluation and learning into one unit with strategic planning, and the design and implementation of projects and activities to form the Office of Program Cycle Policy and Support. This would ensure Missions and Bureaus design projects and activities with clear, measurable results and targets that can be monitored, so managers can learn what works and adapt programs as needed to be more effective. The new Office of Performance in PRP would oversee USAID's Performance Plan and Report (done at the Operating Unit level) and the *Agency Performance Plan and Report* (done at the Agency level) and would track progress toward Agency-wide programmatic objectives. The new Office of Learning, Evaluation and Performance would support development of a new Agency-wide learning agenda to guide investments in evidence and evaluation. In addition, the PRP Bureau would serve as the Agency's primary interface with State/F, and reduce the need to coordinate across a variety of Offices and Bureaus, which would make oversight of foreign-assistance programs more efficient.

### **Legislative Changes**

No statutory changes are necessary for these proposals.

### **Cost and Timeline**

*(The estimated cost and timeline to complete the proposed action.)*

The cost of the operational activities and personnel actions required to implement the entire Agency-wide restructuring, once approved, are estimated at approximately \$6 million over a period of two years. Some of the activities included in this amount are the following: (1) rewriting and classifying position descriptions; (2) personnel actions to re-assign staff to new Bureaus; (3) co-location/movement of staff to new Bureaus; (4) updating corporate systems; and, (5) revising operational policy.

The proposed PRP Bureau could be in place in 15-18 months after the Congressional Notification clears.

### **Efficiencies**

*(An assessment of any cost savings and efficiencies achieved through implementation of each element of the proposed action.)*

The consolidation of core functions related to policy, resources, and performance in a single Bureau would simplify internal management and operational structures, by eliminating the need for cumbersome coordination mechanisms across multiple Bureaus and Offices. Specifically, the creation of the new Office of Performance in PRP would enable the Agency to align some reporting requirements across Bureaus and initiatives, and work to reduce the number of specific indicators on which Missions report, which could potentially save staff time. Bringing together the functions for planning and allocating OE and Program funds in a single Office for Budget would help identify opportunities to align budget timelines and procedures and allow the various parts of the Agency to interact with a single entity for building and allocating their budgets. Bringing together the functions for strategic planning, designing projects and activities, and monitoring, evaluation and learning into the Office of Program-Cycle Policy

and Support would promote more-seamless program planning and management, and allow Missions to interact with a single entity for guidance and training. The new Office of Learning and Evaluation would also improve the accessibility of evaluation findings and other learning around cross-Agency priorities to inform policy, budget, and programming decisions within the Bureau and across the Agency, which would lead to the more efficient and effective use of foreign-assistance resources.

Similarly, consolidating these functions in a single Bureau would streamline communications and collaboration with the interagency, OMB, and Congress.

## **Budget**

Please refer to the below narrative and table that summarize the impact of the proposed changes on OE and the Program Budget.

Based on the Fiscal Year (FY) 2018 enacted level, the estimated OE budget for the PRP Bureau would be \$34.8 million, which would consist of \$24.2 million for U.S. Direct-Hire (USDH) salaries and benefits (S&B) and \$10.6 million for other direct costs (ODCs). The USDH S&B level would support approximately 137 OE-funded USDH staff (105 Civil Service [CS] and 32 Foreign Service [FS]). The ODC level would fund travel, training, supplies, advisory and assistance services, other costs, and five non-USDH staff (two Fellows and three hired under Participating Agency Service Agreements [PASAs]). The Agency has identified a need to decrease its reliance on PASAs as a hiring mechanism; part of the transformation effort is to identify more effective mechanisms to replace the Agency's use of PASAs over time.

In FY 2019, subject to the availability of appropriations, additional USAID staffing could be reassigned to help manage the new functions of PRP (*i.e.*, the Self-Reliance Metrics, Agency-wide performance, multilateral organizations and audit-tracking functions) and associated support.

*Table 6: Program Budget*

### **Estimated Program Funded Amounts Accruing to Future Organizations Under Redesign**

*\$ in thousands for all items*

Future Bureau	Current Bureau	Current Office/Center	FY 2017 653(a)*	FY 2018 President's Budget (Program Funds)**	FY 2019 President's Budget (Program Funds)
<b>Bureau for Policy, Resources and Performance</b>			16,500	11,036	8,129
Bureau for Policy, Resources and Performance	Global Development Lab	iDesign component of Center for Development Innovations; Office of Evaluation and Impact Assessment; Futures analysis component of Center for Digital Development	4,000	1,000	0
Bureau for Policy, Resources and Performance	Bureau for Policy, Planning and Learning	Bureau for Policy, Planning and Learning	12,500	10,036	8,129
Notes: *Includes ESDF, IDA, TI, GH-USAID, and GH-State. USAID Operational Accounts are not reflected in this total. State Bureaus are not reflected in this total. **Resource allocations are based on the President's Request levels. While Congress has passed an appropriation for FY 2018, allocations are still being finalized.					



UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT (USAID)  
CONGRESSIONAL NOTIFICATION

**Merger and Restructuring of the Bureau for Asia and the Office of Afghanistan and  
Pakistan Affairs into a New Bureau for Asia**

Pursuant to Sections 7015(a) and 7081 of the Department of State, Foreign Operations and Related Programs Appropriations Act, 2018 (P.L. 115-141, Division K), this notification advises that USAID intends to merge and restructure the Bureau for Asia and the Office of Afghanistan and Pakistan Affairs into a new Bureau for Asia. The proposed expanded Bureau for Asia would provide a single bureau to advance the U.S. Government's foreign policy in the broader Asia region.

**Problem Statement**

The President's *South Asia* and *Indo-Pacific Strategies* have asked the U.S. Government to create a holistic approach to planning and programming for the entire Asian continent, a task made more difficult by maintaining separate, independently managed entities for Afghanistan and Pakistan and the rest of Asia.

**Rationale**

USAID is the world's premiere development and humanitarian assistance agency, and proposes a Washington-based restructuring to ensure it remains as such. Development and humanitarian assistance are fundamental to U.S. national security, and a pillar of U.S. foreign policy. USAID has not undergone an Agency-wide restructuring in decades. In consultation with Agency staff, partners, and other external stakeholders, the Administrator proposes a series of structural changes to create a more field-driven, functionally aligned, and responsive organization. This proposed restructuring would enable the Agency to keep pace with the quick-changing international environment. USAID must remain dynamic and relevant by transforming our structure, workforce and programs to advance host-country partners on their journey to self-reliance.

A Bureau for Asia that re-integrates the Office of Afghanistan and Pakistan Affairs would ensure maximum coordination to meet national-security and development goals across the entire Asia region and support the Administration's *South Asia* and *Indo-Pacific Strategies*.

## **Summary of Proposed Changes**

The re-integration of the Office of Afghanistan and Pakistan Affairs (OAPA) into the Bureau for Asia would make the following changes to ensure maximum coordination within the broader Asia region on development and economic assistance in support of the President's *South Asia* and *Indo-Pacific Strategies*:

1. Reduce reporting to the Administrator by eliminating the current OAPA Assistant to the Administrator (AtA) position;
2. Redirect reporting on Afghanistan and Pakistan to the Senate-confirmed Assistant Administrator for Asia;
3. Reduce the overall number of Deputy Assistant Administrators (DAAs) for the region from six to four; and
4. Merge the current OAPA and Bureau for Asia program-support and administrative structures.

## **Detailed Description**

***(A detailed description of, and justification for, the proposed action, including any policies or procedures currently or expected to be used to implement Executive Order 13781.)***

The reintegration of USAID's Bureau for Asia and OAPA would enhance the coordination of policy and development programs in Afghanistan and Pakistan with emerging national-security and development-assistance goals in Central, South and East Asia, currently overseen by the Bureau for Asia. The new Bureau for Asia would focus USAID's investments to address specific in-country, as well as region-wide, security concerns; promote U.S. trade and business; and optimize the results of U.S. development and economic assistance in Asia. The prospective merger would support President Trump's new (August 2017) *Strategy for South Asia* and *Indo-Pacific Strategy*, which specifically encompass Afghanistan, Pakistan, India, and the Central Asian nations and extend into East and Southeast Asia.

The Assistant Administrator for Asia would report directly to USAID's Front Office, and would direct and supervise the activities of the various support Offices and the Bureau's overseas organizations and USAID Missions. The Bureau would formulate, approve, and authorize U.S. development-assistance programs and projects, and would approve and direct the allocation of resources among the support Offices and USAID Missions in Asia.

## **Current Structure**

***(The current organizational chart, showing the Operating Units of the respective department, agency or organization and a brief description of each Operating Unit; the number of employees for each Operating Unit.)***

*Table 1: Current Organizational Chart for the Bureau for Asia*

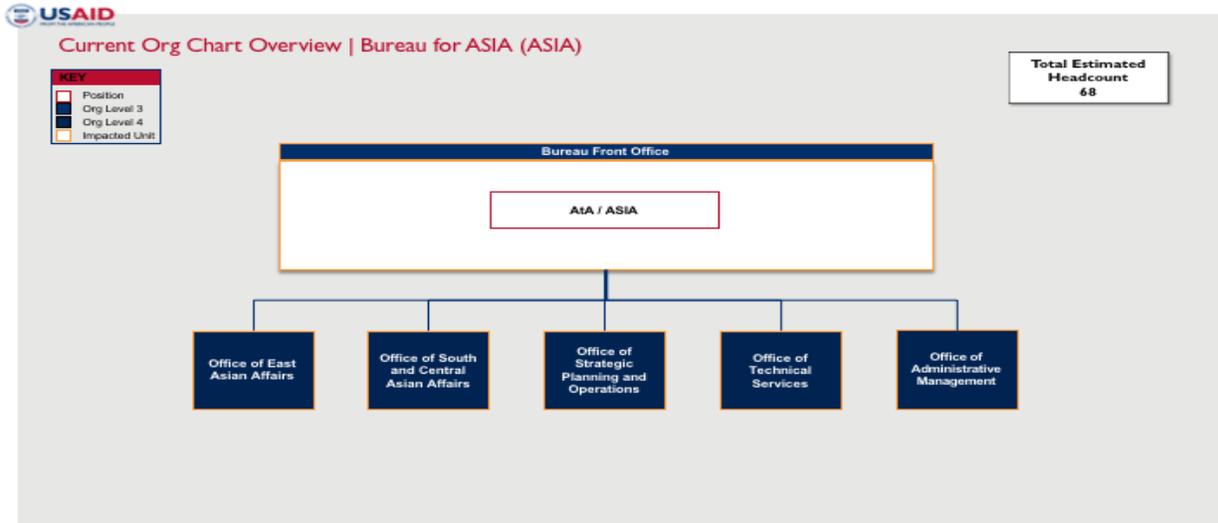
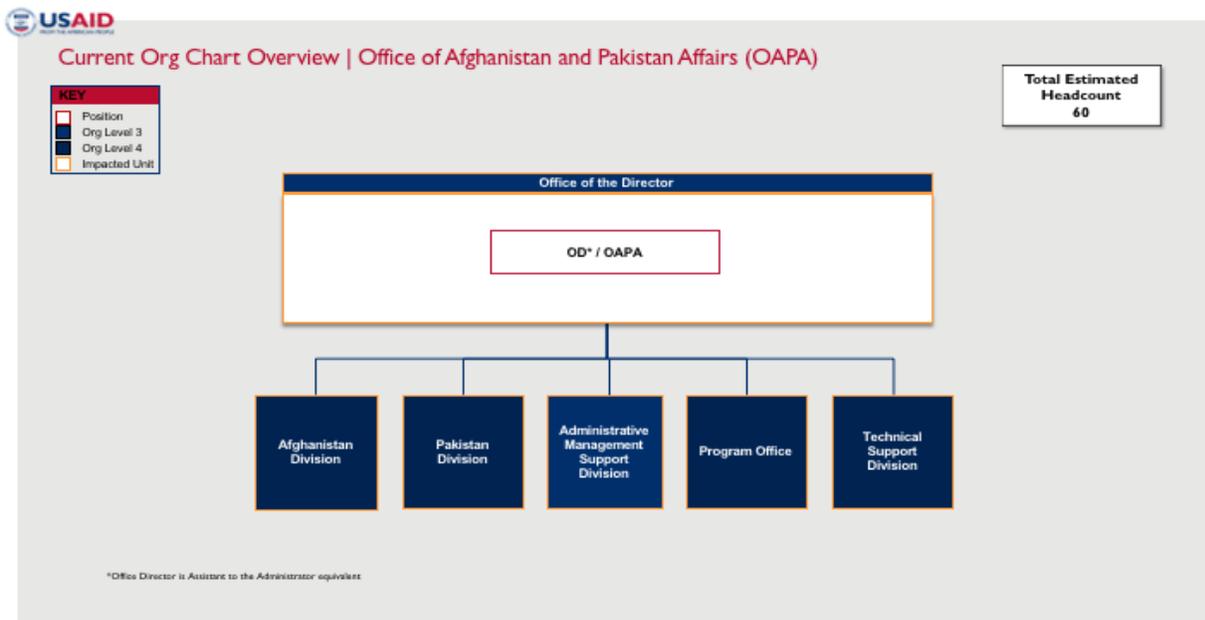


Table 2: Current Organizational Chart for the Office of Afghanistan and Pakistan Affairs



## Proposed Structure

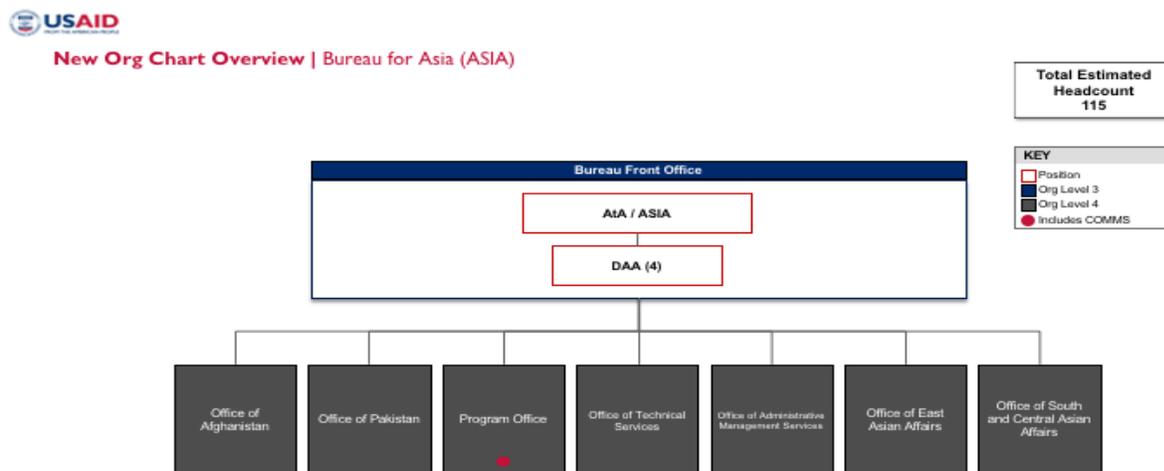
*(The proposed new organizational chart with descriptions of each new Operating Unit; and the number of employees once the proposed reorganization is complete.)*

The proposed Bureau for Asia would re-integrate OAPA to ensure maximum coordination to meet U.S. national-security and development goals across the entire Asia region.

The information provided in this Congressional Notification (CN) related to staffing numbers and hiring types is intended to provide Congress with as complete a picture as possible of the resources in place at

this moment to carry out the work of the Agency on behalf of the American people. It is not intended to set in place caps or limits for individual Operating Units. USAID could adjust staffing numbers and hiring types between Operating Units as needed to fulfill our mandate effectively and efficiently.

Table 3: Proposed Organizational Chart for the Asia Bureau



11

The **Office of the Assistant Administrator (Asia/AA)** would have a Senate-confirmed Assistant Administrator (AA) for the Bureau for Asia who would report directly to the USAID Front Office and would provide senior level leadership, advice and guidance on all matters related to the Asia region and the *South Asia* and *Indo-Pacific Strategies*. The Office would include four DAAs, each with a subregional focus.

The **Office of Administrative Management Services (AMS)** would provide support on organizational structure, administrative processes, and resources. AMS would handle Bureau and overseas Mission management activities such as personnel assignments, workforce analytics, and organizational supervision. Consistent with Agency-wide policies, AMS would recommend and implement internal policies on personnel actions; performance-management; incentive and performance awards; planning for, and the allocation of, property and space; travel; and security. AMS would manage all actions with regard to the region’s Operating Expense (OE) budget, such as the formulation of annual reports, and other budget/resource request exercises and reports, and provide technical guidance and assistance on administrative/budgetary matters as they relate to OE and personnel/human resources.

The **Program Office (PO)** would be the Bureau’s principal interlocutor for foreign-assistance policy, strategic planning, budgeting, and coordination with the State Department’s related Regional Bureaus, the Office of U.S. Foreign Assistance Resources (State/F) and the Office of Assistance Coordinator to Europe and Eurasia (EUR/ACE), as well as USAID’s proposed Bureau for Policy, Resources, and Performance (PRP); the Bureau for Legislative and Public Affairs (LPA); and the Office of the General Counsel (GC). The Program Office would support all USAID overseas Operating Units in Asia by providing policy guidance and support in strategic planning, the formulation and execution of budgets, and

oversight and accountability for programs, audits, and communications. The PO would provide guidance and assistance on budget-related matters to both the Bureau and all Missions, and would be responsible for executing intra- and interagency transfers, monitoring accruals and pipelines, and obligating and de-obligating funds.

The **Office of Technical Services (TS)** would provide expertise to ensure sound understanding of the development context, regional trends and priorities; facilitate interagency coordination; provide internal leadership, and inform Congressional testimony and inquiries. Region-specific service would come through analytical and program assistance, and virtual and temporary-duty support.

The **Office of South and Central Asia Affairs (SCAA)** would support bilateral and regional activities in the South Asian countries of India, Bangladesh, Nepal, Sri Lanka, Maldives, and the Central Asian countries of Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, and Uzbekistan. The SCAA would coordinate activities that pertain to the Tibetan community in India and Nepal. For Central Asia, the SCAA would coordinate bilateral and regional programs with State/F and EUR/ACE on foreign-assistance strategies, programming and budgets. The Office would act as the interface for other bilateral and multilateral donor programs in all of the above countries.

The **Office of East Asia and Pacific Affairs (EAP)** would support bilateral and regional activities in Burma, Cambodia, Laos, Vietnam, China (including Tibet), Thailand, Indonesia, Philippines, the Pacific Islands, Mongolia, Timor Leste, and the Regional Development Mission for Asia (RDMA) in Bangkok. The Office would provide policy coordination in the interagency for country and regional programs, including assistance related to the Association of Southeast Asian Nations (ASEAN), the Asia-Pacific Economic Cooperation (APEC) Forum, and the Lower Mekong Initiative. The Office would also serve as an Agency point of contact for issues pertaining to the Democratic People's Republic of Korea (DPRK), Taiwan, and other non-presence countries in the region.

The **Office of Afghanistan Affairs (AA)** would support bilateral and regional activities in Afghanistan and policy-coordination with other U.S. Government Agencies and development donors involved in that country. The Office would facilitate temporary duty in support of USAID/Afghanistan's operations and programs, and support counter-terrorism vetting operations.

The **Office of Pakistan Affairs (PA)** would support bilateral and regional activities in Pakistan and policy-coordination with other U.S. Government Agencies and development donors involved in that country. The Office would facilitate temporary-duty assignments in support of USAID/Pakistan's operations and programs, and support counter-terrorism vetting operations.

### **Assessment of Improvements**

*(An assessment of how the proposed action will improve the efficiency, effectiveness, performance, and accountability (including through modernizing information technology platforms and streamlining administrative functions) of the department, agency, or organization.)*

The prospective reintegration of OAPA into Bureau for Asia would be part of a larger Transformation of USAID. The merger would align USAID's structure to address national security and longer-term development priorities in South and Central Asia more effectively, and strengthen USAID's ability to prevent and respond to crisis, particularly on a multi-country or (Asia) regional basis.

## **National Interest**

*(An analysis of the impact of any such change on the ability to advance the national interest of the United States through diplomacy and development.)*

Development is an integral component of U.S. foreign policy and national security, and USAID's programming and policies support the four pillars of the *National Security Strategy* (NSS). USAID helps to increase America's economic prosperity; reduce threats to U.S. national security; extend the influence of the United States abroad; and promote burden-sharing and American values. USAID helps partner countries address their social and economic challenges and unlock the potential of all their citizens, in order to improve global stability and create new markets for American goods and firms.

The proposed reintegration of the OAPA into the Bureau for Asia would support President Trump's August 2017 *Strategy for South Asia* and *Indo-Pacific Strategy*, which aim to bolster American security and economic growth and specifically encompass Afghanistan, Pakistan, India, the Central Asian nations and extend into East and Southeast Asia. President Trump has specifically noted India's contributions to Afghanistan, and the *South Asia Strategy* focuses on integrating shared objectives for peace and security in Afghanistan with other programs in South Asia and the broader Indo-Pacific region. The prospective reabsorption of OAPA by the Bureau for Asia would aid efforts to coordinate programs region-wide to address transnational threats to America's national security; take advantage of regional opportunities for economic development, including for U.S. businesses; and support the Administration's Asian policy priorities.

## **Monitoring and Oversight**

*(An analysis of the impact of any such change to conduct adequate monitoring and oversight of foreign assistance programs.)*

The proposed Bureau for Asia would include monitoring-and-evaluation (M&E) experts who are currently assigned to the Bureau for Asia and OAPA. It would facilitate the coordination and sharing of best practices on M&E between USAID's experts who work on critical priorities related to Afghanistan and Pakistan and those performing M&E in the rest of the Asia region. The proposed Bureau for Asia would achieve increased effectiveness and efficiency in support to field Missions in the entire region.

The proposed Bureau would include budget analysts and financial-management experts currently assigned to the Bureau for Asia and OAPA. These staff help oversee adequate planning and execution of budgets, including proper oversight of funds. Combining these teams would facilitate further sharing, capitalize on best practices and tools, and ensure effective monitoring of resources. The current audit-coordination responsibilities of both the Bureau for Asia and OAPA would be maintained, given the importance of responding to the specific work of the Special Inspector General for Afghanistan Reconstruction.

## **Legislative Changes**

No statutory changes are necessary for these proposals.

### **Cost and Timeline**

*(The estimated cost and timeline to complete the proposed action.)*

The cost of the operational activities and personnel actions required to implement the entire Agency-wide restructuring, once approved, are estimated at approximately \$6 million over a period of two years. Some of the activities included in this amount are the following: (1) rewriting and classifying position descriptions; (2) personnel actions to re-assign staff to new Bureaus; (3) co-location/movement of staff to new Bureaus; (4) updating corporate systems; and, (5) revising operational policy.

The proposed changes to the Bureau for Asia could be in place within six to nine months after the Congressional Notification clears.

### **Efficiencies**

*(An assessment of any cost savings and efficiencies achieved through implementation of each element of the proposed action.)*

Merging OAPA and Asia back into one integrated Bureau for Asia would improve technical coordination and programming; simplify and streamline management and operational lines and structures; achieve economies of scale; and reduce stovepiping and the isolation of information, analysis, and ideas.

### **Budget**

Please refer to the below narrative and table that summarize the impact of the proposed changes on OE and the Program Budget.

Based on the Fiscal Year (FY) 2018 enacted level, the estimated OE budget for the Bureau for Asia would be \$20.7 million, which would consist of \$14.2 million for U.S. Direct-Hire (USDH) salaries and benefits (S&B) and \$6.5 million for other direct costs (ODCs). The USDH S&B level would support approximately 80 OE-funded USDH staff (52 Civil Service [CS], 20 Foreign Service [FS], and eight Foreign Service Limiteds [FSLs]). The ODC level would fund travel, training, supplies, advisory and assistance services, other costs, and one non-USDH staff (a U.S. Personal Services Contractor [USPSC]).

The estimated cost for the salaries and benefits of approximately 33 Program-funded staff (20 FSLs, one Fellow, nine staff hired under Participating Agency Service Agreements [PASAs], and three USPSCs) would be \$5.7 million. This estimate includes overhead costs for PASAs. The Agency has identified a need to decrease its reliance on PASAs as a hiring mechanism; part of the transformation effort is to identify more effective mechanisms to replace the Agency's use of PASAs over time.

*Table 4: Program Budget*

**Estimated Program Funded Amounts Accruing to Future Organizations Under Redesign**

*\$ in thousands for all items*

Future Bureau	Current Bureau	Current Office/Center	FY 2017 653(a)*	FY 2018 President's Budget (Program Funds)**	FY 2019 President's Budget (Program Funds)
<b>Bureau for Asia</b>			<b>2,102,882</b>	<b>1,443,385</b>	<b>1,297,182</b>
Bureau for Asia	Bureau for Asia	All Operating Units (less AF/Pak)	1,230,382	582,135	574,682
Bureau for Asia	Office of Afghanistan and Pakistan Affairs	Afghanistan and Pakistan	872,500	861,250	722,500

Notes:  
 \*Includes ESDF, IDA, TI, GH-USAID, and GH-State. USAID Operational Accounts are not reflected in this total. State Bureaus are not reflected in this total.  
 \*\*Resource allocations are based on the President's Request levels. While Congress has passed an appropriation for FY 2018, allocations are still being finalized.

**UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT (USAID)  
CONGRESSIONAL NOTIFICATION**

**Merger and Restructuring of the Bureau for Economic Growth, Education and Environment; the Global Development Lab; the Office of Democracy, Human Rights and Governance; the Office of American Schools and Hospitals Abroad; and the Center for Faith and Opportunity Initiatives into the Bureau for Development, Democracy and Innovation**

Pursuant to Sections 7015(a) and 7081 of the Department of State, Foreign Operations and Related Programs Appropriations Act, 2018 (P.L. 115-141, Division K), this notification advises that USAID intends to merge and restructure the Bureau for Economic Growth, Education and Environment (E3); the U.S. Global Development Lab (the Lab); the Office of Democracy, Human Rights, and Governance (DRG); the Center for Faith and Opportunity Initiatives (CFOI); the Office of American Schools and Hospitals Abroad (ASHA); and technical experts from the Regional Bureaus to form the Bureau for Development, Democracy, and Innovation (DDI). The proposed DDI Bureau would serve as the Agency's central resource for technical assistance to Missions throughout USAID's Program Cycle on a range of development sectors and cross-cutting approaches.<sup>3</sup>

**Problem Statement**

In the current USAID structure, Washington support to field Missions for project design, cross-cutting and sector-specific learning and knowledge management, and other technical assistance is inconsistent and uncoordinated. Because this support is scattered across the Agency in pillar and regional Bureaus and the Lab, there is insufficient structural accountability to ensure the support provided is consistent, uses solution-oriented procurement and partnership approaches, harnesses the power of modern technology, is socially inclusive, and reflects the latest innovative and evidence-based best practices. Whereas program offices across the Agency should reciprocally inform one another, the Lab, the CFOI, and the ASHA program are disconnected from mainstream programming, and the DRG Center lacks an avenue to senior leadership that can ensure its influence across the development spectrum. The dispersal of experts in the same subject matter across multiple Bureaus, disconnected from one another, makes the goal of replicating successes and promising programs throughout the Agency's portfolio nearly unattainable in practice, and renders collaboration between sectors to create more-integrated programs highly difficult.

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<sup>3</sup> The Program Cycle includes strategic planning, the design of projects and activities, program-monitoring, evaluation, and learning

## **Rationale**

USAID is the world's premiere development and humanitarian assistance agency, and proposes a Washington-based restructuring to ensure it remains as such. Development and humanitarian assistance are fundamental to U.S. national security, and a pillar of U.S. foreign policy. USAID has not undergone an Agency-wide restructuring in decades. In consultation with Agency staff, partners, and other external stakeholders, the Administrator proposes a series of structural changes to create a more field-driven, functionally aligned, and responsive organization. This proposed restructuring would enable the Agency to keep pace with the quick-changing international environment. USAID must remain dynamic and relevant by transforming our structure, workforce, and programs to advance host-country partners on their journey to self-reliance.

At USAID, "Self-Reliance" refers to a country's ability to plan, finance and implement solutions to its own development challenges. Our Missions throughout the world stand with their partner countries to support them on this journey. Yet while this journey does not take place in isolated sectors, too often our portfolios and support to Missions are organized in silos, so we fail to account for the inter-relationships among the many factors that drive development.

Washington should be a one-stop shop for technical support to our field Missions to create more-informed and holistic programs, but USAID's current structure limits our capacity to accomplish this goal. For example, the critical expertise in DRG sits in the Bureau for Democracy, Conflict and Humanitarian Assistance (DCHA), where it is often sidelined because of the urgent needs of disasters, conflict and crises. Its experts in governance and inclusion rely on informal communities of practice to reconnect to other sectors across the Agency. The creation of the Lab as a stand-alone entity created a divide between programs targeting long-term development outcomes and pioneering approaches to innovation and discovery. Initiatives focused on making USAID more accessible to new and emerging partners such as faith-based groups and minority-serving institutions that have demonstrated a commitment to development, but with whom we have traditionally had trouble working, are disconnected from programming.

To solve these problems, USAID proposes to establish a single, central DDI Bureau that would bring together E3, the Lab, DRG, CFOI, ASHA, and technical experts from the Regional Bureaus. By unifying these pieces, USAID would provide better support to Missions, while holding DDI teams accountable for improving the design of our programs and providing other technical services to the field. This unity would infuse the values of USAID and the American people - gender equality, social inclusion, innovation, engagement with the private sector and faith-based groups - throughout the program cycle.

This proposal responds to reports produced by external stakeholders, suggestions from staff, and recommendations from the Office of the USAID Inspector General (OIG) and the Government Accountability Office, as reflected in the attached chart.

## **Summary of Proposed Changes**

The proposed DDI Bureau would bring together the capabilities of E3, the Lab, DRG, CFOI, ASHA, and technical experts from the Regional Bureaus.

A Senate-confirmed Assistant Administrator (AA) would lead the DDI Bureau, and would oversee seven Deputy Assistant Administrators (DAAs). Creating the DDI would involve the following:

1. The reorganization would move the entire current E3 Bureau, minus the Office of Water and the Climate-Adaptation Team, to DDI;
2. The reorganization would dissolve the Lab as a Bureau-level entity, and place the functions contained in several of the Lab's Centers— including the Centers for Data, Analysis and Research; Development Innovation; Digital Development; and Agency Integration— into a Center for Education; a Private-Sector Engagement Hub; and an Innovation, Technology, and Research (ITR) Hub. (Select functions from the Lab would also be found in the proposed Bureau for Policy, Resources, and Performance, as described in REORG Congressional Notification (CN) #4 dated August 3, 2018.)
  - a. The ITR Hub would be home to the Chief Innovation Officer, who provides overall thought leadership to the Agency, and the Chief Scientist, who leads the Research and Development Council and the American Association for the Advancement of Science (AAAS) Fellows program;
3. The reorganization would move the current DRG Center from DCHA to DDI, with a small number of DRG Center functions and staff moving to the Conflict, Prevention and Stabilization (CPS) Bureau, as a means of highlighting the strong conflict linkages within the CPS Bureau;
4. DDI would consolidate the staff dedicated to serving many technical functions, including a number of positions currently in Regional Bureaus, in DDI so field Missions have more clarity about where they can seek support;
5. The Bureau would be comprised of Centers, Hubs, and Offices, each of which would report to the AA through a DAA. The different names would highlight their unique functions, as follows:
  - a. "Centers" would be the lead provider of technical assistance to the field:
    - i. They would coordinate integrated, Agency-wide services for the design of activities and projects and other sector-specific advice to the field.
    - ii. Centers would be the base of Agency technical leadership and expertise, to provide sector-related portfolio management support across Missions, professional support for associated Foreign Service staff in their various technical categories (or "backstops"), and global engagement to advance high-priority focus areas with significant Agency-wide importance.
    - iii. The Centers within DDI would include the following:
      1. Economics and Market-Development;
      2. Democracy, Human Rights, and Governance;
      3. Environment, Energy, and Infrastructure; and
      4. Education.
  - b. "Hubs" would provide Agency-wide support and services on cross-cutting, non-sectoral priorities:
    - i. This would include leadership and coordination of expertise found throughout the Agency, assistance to the field and other Operating Units at all phases of the Program Cycle, and global engagement to advance high-priority focus areas with significant importance to global development.

- ii. Hubs may manage a targeted set of funds and programs, including funds for Missions that incentivize Mission inclusion of Hub priorities, or that improve the practices and skills of USAID staff through training and dissemination of resources.
    - iii. The Hubs in DDI would include the following:
      - 1. Innovation, Technology, and Research;
      - 2. Gender Equality and Women’s Empowerment;
      - 3. Youth and Inclusive Development;
      - 4. Private-Sector Engagement; and
      - 5. Local, Faith-based and and Synergistic Partnerships.
  - c. “Offices” would keep DDI operating, coordinated, compliant, and continually improving:
    - i. The Offices in DDI would be the Office of Administrative and Management Services, the Program Office, and the Office of Environmental and Social-Risk Management.
- 6. Each Center or Hub would be overseen directly by a DAA, many of whom would carry the titles and perform the functions of a formerly isolated Coordinator (as described in more detail in REORG CN #7 (corrected) dated August 3, 2018):
  - a. The DAA who oversees the Gender-Equality and Women’s Empowerment Hub would also be the Senior Coordinator for Gender Equality and Women's Empowerment; and
  - b. The DAA who oversees the Center for Education would also be the Senior Coordinator of United States International Basic Education Assistance required by the READ Act, and also cover the functions formerly performed by the Higher-Education Coordinator.
- 7. The Agency’s Chief Economist would move from the Bureau of Policy, Planning, and Learning (PPL) into DDI to advise the Private-Sector Engagement Hub and the Center for Economics and Market-Development, reporting to a DAA;
- 8. The Minority-Serving Institutions Program would move from the Office of Small and Disadvantaged Business Utilization (OSDBU) to the Local, Faith-based and Synergistic Partnerships Hub (to fulfill the Congressional mandate that OSDBU only focus on outreach to small businesses)<sup>4</sup>;
- 9. The Chief Innovation Officer would advise the Innovation, Technology, and Research Hub, reporting directly to a DAA;
- 10. The Agency Environment Coordinator would report directly to a DAA;
- 11. The DDI Front Office would include a career, senior-level Managing Director to assist the AA in ensuring the smooth and efficient daily administration of the Bureau; and
- 12. The reorganization would also establish the Local, Faith-based and Synergistic Partnerships Hub, which would bring together the American Schools and Hospitals Abroad and Local Sustainability portfolio, which includes the Local Works and Cooperative Development programs, as well as initiatives aimed at expanding USAID’s partner base, such as the Center for Faith and Opportunity Initiatives (including the Agency’s Faith and Opportunity Coordinator) and the Minority-Serving Institutions Program.

## **Detailed Description**

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<sup>4</sup> Section 15(k)(15) of the Small Business Act.

***(A detailed description of, and justification for, the proposed action, including any policies or procedures currently or expected to be used to implement Executive Order 13781.)***

USAID Missions are central to supporting partner countries on their journey to self-reliance through direct engagement and project implementation. While project design and cross-cutting and sector-specific learning and knowledge management are core capabilities of USAID, technical assistance from USAID/Washington for these activities, aimed at ensuring the incorporation of the latest innovative and evidence-based approaches, is spread over numerous Operating Units, which leaves field staff to “shop around” for assistance. The ability of a Foreign Service officer overseas to get the right information or advice, or to learn about programs that have succeeded elsewhere, is too often dependent on the contacts and network he or she has developed over a career. Staff often learn of innovative procurement vehicles and promising best practices haphazardly and through personal relationships. Duplicative and overlapping responsibilities exist between technical experts in Regional and Pillar Bureaus, without clear accountability to Missions. The Global Development Lab (Lab) has pioneered critical innovations and brought new expertise to the Agency’s work, but little of it has permeated our core processes and thinking, or influenced the direction of our grants and contracts. USAID does not take advantage of the flexibilities Congress has provided, which has led to the concentration of the Agency’s portfolio among few implementing partners. There is no system to ensure that solicitations consider the latest innovation and cross-sectoral best practices.

Self-reliance is unattainable in the absence of strong governance, rule of law, and respect for human dignity; continuous attention to democracy is needed even in those countries least prone to conflict. Yet the Agency’s current structure isolates programs that support freedom and justice from the rest of our portfolio.

The Agency has made great strides in incorporating gender analysis in program design, yet beneficiaries - youth, and marginalized groups such as people with disabilities, indigenous and lesbian, gay and transgender populations - are not consistently considered and prioritized in USAID’s designs, nor are priority partners such as faith-based groups, or U.S. higher-education and minority-serving institutions. These omissions often result from reliance on informal or voluntary communities of practice rather than centralized expertise. Together, these challenges have served to create inefficient work-arounds, and have prevented us from replicating best practices, or optimally integrating our field-based knowledge of country context and local partners with access to the latest technical research and tools.

By bridging the programmatic and organizational gaps of our current structure, and re-orienting our approaches to better support our mission, the proposed DDI Bureau would both bring together our technical-assistance functions and create a more comprehensive approach to ensuring that marginalized communities and committed partners have the voice in the program-design process needed to achieve impact. The DDI Bureau would be accountable to Missions to deliver timely, high-quality program-design support that integrates technical and innovation expertise, inclusivity, and strategic-partnership approaches to deliver development results. DDI would also exercise, and assist Missions in exercising, the Agency’s flexible procurement authorities to expand our partner base, engage more local implementers, employ co-creation to yield better programs with less bureaucracy, and better leverage co-investment. To respond to concerns in a 2014 report by the OIG that USAID continually experiences a shortage of experienced personnel familiar with the Agency’s own guidelines, standards, and processes, DDI

would focus project-design expertise in a central place where learning and training can be more consistently applied. The DDI would also clarify and rationalize the roles and responsibilities of technical experts in Regional and Pillar Bureaus by consolidating staff and resources focused on technical support for a range of development sectors and cross-cutting approaches in one Bureau.

Refocusing Washington on support to the field above all else would improve the availability of staff who possess the needed skills for assisting in design.

DDI would serve as the Agency's central resource for technical assistance to Missions throughout the Program Cycle on a range of development sectors and cross-cutting approaches. The Bureau would house four Centers and five Hubs that would systematically provide best-in-class support using a consultancy model. Coordinated by the Bureau Program Office, these units would break through traditional silos, to create efficiencies and ensure cross-Bureau and cross-Agency coordination of technical expertise and other key priorities, such as governance, inclusion, the creation or expansion of private markets, and innovation.

The Bureau would re-orient USAID's business processes to move the advice and services from Washington experts to the field upstream in the USAID Program Cycle, which would increase the accountability of Washington and drive program decision-making towards the field, with more consistent, efficient and responsive technical support. This new configuration would provide the following benefits:

- The creation of a central resource for support in designing projects and activities and offering technical assistance to Missions;
- Increased coordination and reduced stove-piping among experts;
- Washington accountability to the field for the provision of best-in-class services through an Agency-wide, field-accessible client relationship system that would use measurable performance criteria on service provision;
- Consistent infusion of the values of USAID and the American people into programming;
- Expanded application of open-innovation models and the tools of the digital economy, to enable staff to experiment, test, and scale new practices and approaches on a wider scale; and
- Improved learning and knowledge-management across and between sectors and non-sectoral areas of practice to modernize and transform the USAID workforce and development enterprise.

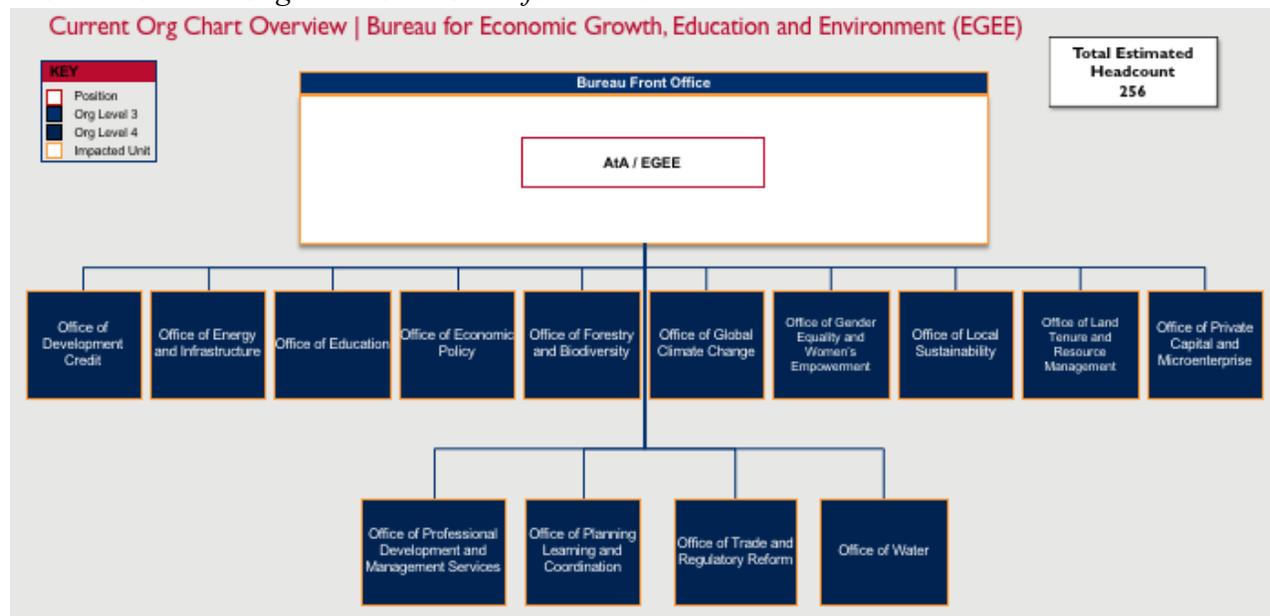
## Current Structure

*(The current organizational chart, showing the Operating Units of the respective department, agency or organization and a brief description of each Operating Unit; the number of employees for each Operating Unit.)*

Because the DDI Bureau does not yet exist and would combine several Operating Units or elements of Units, no single current-state organizational chart exists. Together with technical experts from various Regional Bureaus, DDI would bring together the expertise of the following Operating Units:

- E3, excluding the Office of Water and the Climate-Adaptation team;
- The DRG Center;
- ASHA;
- The Lab, excluding the Center for Evaluation and Impact-Assessments and the Innovative Design Team;
- CFOI; and
- The Minority-Serving Institutions Program, currently in OSDBU.

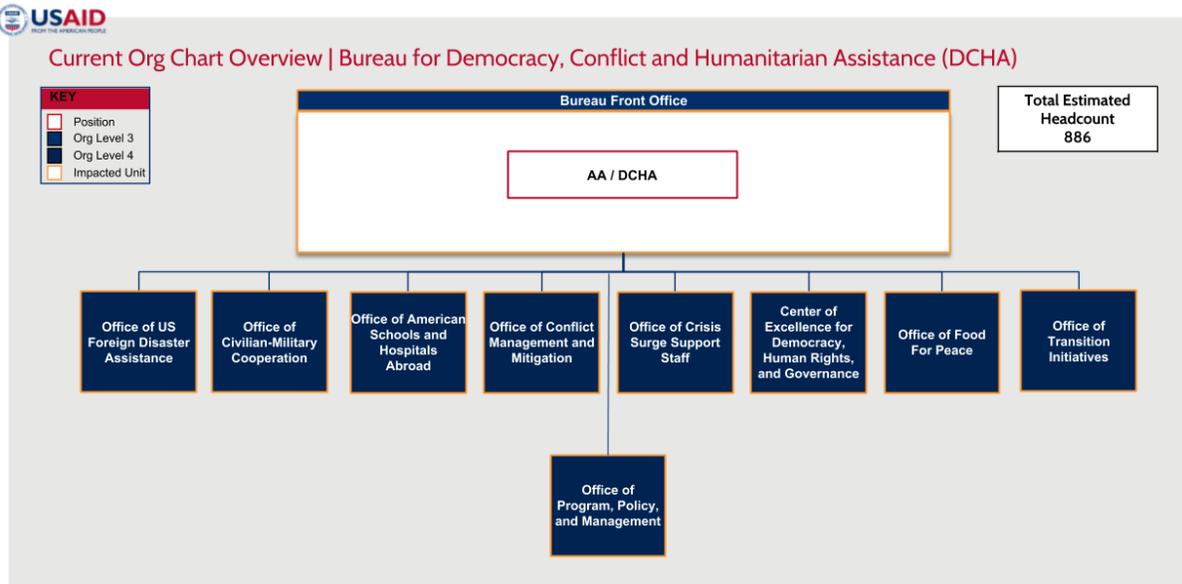
*Table 1: Current Organizational Chart for the E3 Bureau*



*\*Note - The Office of Water and Climate-Adaptation team within the Office of Global Climate Change would move to the proposed Bureau for Resilience and Food Security. (See REORG CN #2 dated July 27, 2018.) All other functions in E3 would move to DDI.*

The E3 Bureau provides Agency-wide technical leadership, research, and field support for worldwide activities in the areas of economic growth, finance, infrastructure and engineering, education, environment, gender equality, and women's empowerment. E3 co-leads strategy-development in its sectors with the PPL Bureau. The Bureau funds research, innovation and rigorous impact-evaluations to advance the Agency's strategies and programs and determine the most effective approaches.

Table 2: Current Organizational Chart for the Bureau for Democracy, Conflict and Humanitarian Assistance

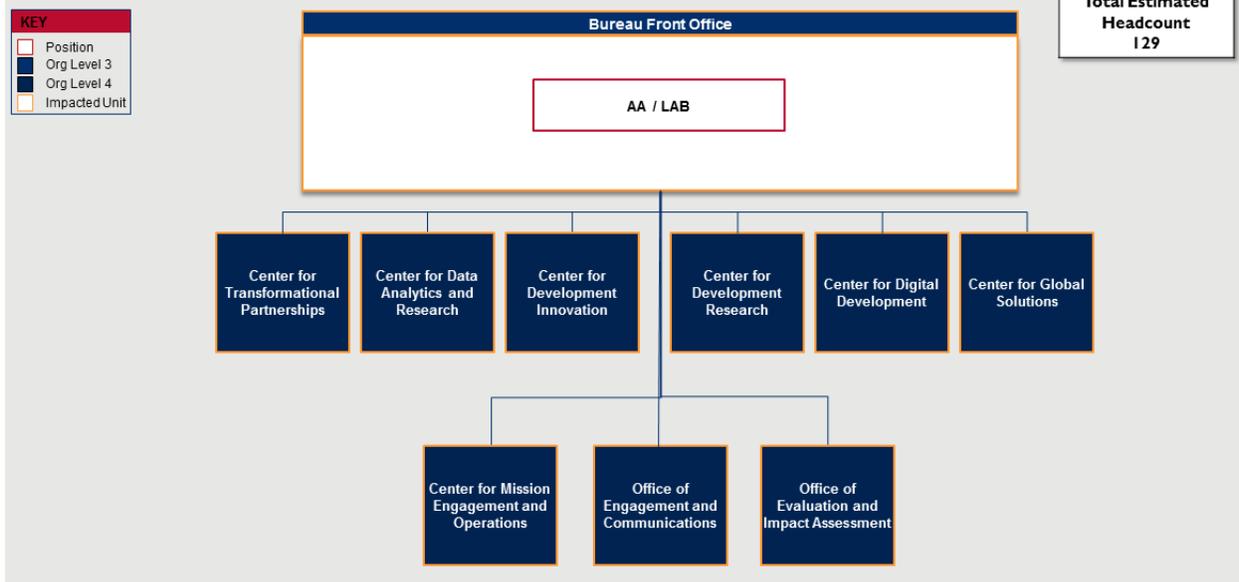


*\*Note: The Center of Excellence for Democracy, Human Rights and Governance, as well as the Office of American Schools and Hospitals Abroad would move to DDI.*

The DCHA Bureau provides technical leadership and expertise in coordinating USAID's democracy programs; international disaster assistance, preparation and mitigation; emergency and developmental food aid; conflict management and mitigation assistance; and USAID's contingent of the Civilian Response Corps. The Bureau also oversees aid to American schools and hospitals abroad. The Bureau provides technical advice and support to the USAID Administrator, the Agency's Regional Bureaus, field Missions, and other operational Offices with regard to these programs.

Table 3: Current Organizational Chart for the Lab

## Current Org Chart Overview | Global Development Lab (LAB)



*\*Note - The functions of the Office of Evaluation and Impact-Assessment that involve design and future analysis would move to the proposed PRP Bureau. (See REORG CN #4 dated August 3, 2018.) The Lab's remaining functions would move to DDI.*

The Lab's overall purpose is to harness the power of science, technology, innovation and partnership to source and scale dramatic breakthroughs that accelerate achievement of foreign-policy and development goals. The Lab operates in support of these objectives through a two-part mission: (1) Producing breakthrough development innovations; and, (2) accelerating the transformation of the U.S. development enterprise.

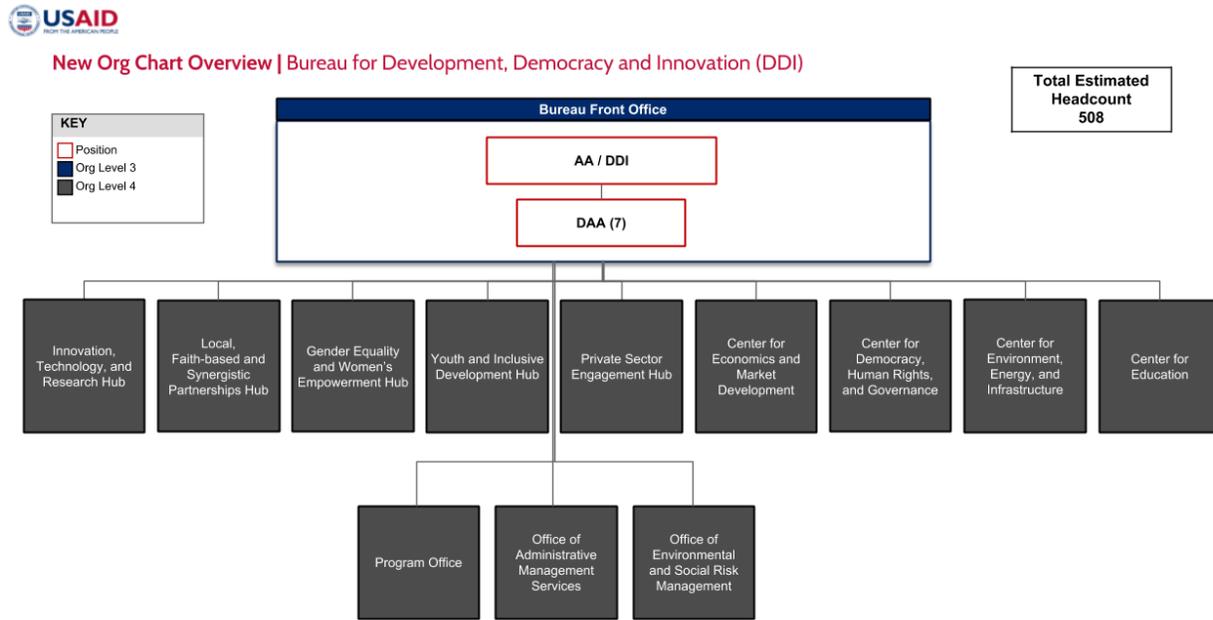
### Proposed Structure

*(The proposed new organizational chart with descriptions of each new Operating Unit; and the number of employees once the proposed reorganization is complete.)*

The **Bureau for Development, Democracy, and Innovation (DDI)** would transform the way USAID performs its core business. Its proposed mission is to accelerate the transition of our partner countries to self-reliance by modernizing development practices, strengthening democracy, integrating sectoral expertise and the interests of marginalized communities, and ensuring that the right skills, approach, innovation, and partners are cultivated at the right time by providing best-in-class service and support to field Missions and other Bureaus. DDI would integrate technical expertise with values-driven, cross-cutting priorities and modern approaches to the way USAID performs its work. It would act as a demand-driven service to "client" Missions and Bureaus throughout the program cycle, with an emphasis on engaging Missions upstream in the program cycle to add value throughout, rather than providing under-informed critiques that can cause delays at the time of procurement. DDI support would help Missions integrate key technical sectors, innovative procurement and partnership approaches, and value-driven priorities.

The information provided in this CN that relates to staffing numbers and hiring types is intended to provide Congress with as complete a picture as possible of the resources in place at this moment to carry out the work of the Agency on behalf of the American people. It is not intended to set in place caps or limits for individual Operating Units. USAID could adjust staffing numbers and hiring types between Operating Units as needed to effectively and efficiently fulfill its mandate.

Table 4: Proposed Organizational Chart for the DDI Bureau



The **Office of the Assistant Administrator** would provide overall strategic guidance for Bureau activities and policy, and technical guidance for programs and activities within the areas of responsibility for DDI. The Office would serve as the principal advisor to the Agency and the Administrator on the policies and broad technical and operational matters related to the mandate of the Bureau, ensure the activities of the Bureau complement and support the broader goals of the Agency, and make the Bureau’s technical expertise and analysis available to the rest of the Agency. The Office would include a Senate-confirmed AA who would report to USAID’s Front Office. Seven DAAs and a senior-level career Managing Director would report to the Assistant Administrator.

The Bureau would be composed of four Centers and five Hubs, supported by three Offices to keep DDI operating, coordinated, compliant, and continually improving performance.

The **Program Office (PO)** would manage the core program functions for the DDI Bureau to operate effectively. The Office would lead, coordinate, and provide guidance for the Bureau in the following: a) planning, budgeting, and reporting; b) the management and performance of programs; c) information and communication; d) coordination of customer service; and e) effective management. PO would provide accountability for customer service to client Missions and Bureaus, including by developing a client relationship-management system, managing

Bureau-wide data calls and requests for information, and ensuring that all Centers and Hubs in the Bureau deliver best-in-class customer experience. The Office would define and map Bureau-wide processes, set standards, provide Bureau-wide templates and systems, and coordinate beyond DDI. It would also support the Bureau's Operating Units in ensuring products that leave the Bureau and Agency are compliant and of high-quality. PO would be responsible for leading change-management throughout the launch of the new Bureau, including through the tracking of Bureau-wide management metrics for monitoring and guiding activities to keep the Bureau on track to fulfill its vision and objectives, and addressing the core issues the USAID Transformation set out to improve.

The **Office of Administrative and Management Services (AMS)** would manage the core administrative functions of the Bureau. The Office would manage efforts across the Bureau to ensure consistency and accountability with respect to a broad range of procedures, processes and regulations. AMS would provide consultation and advice to senior Bureau management in a number of areas related to strategic planning and workforce-management, in collaboration with the Office of Human Capital and Talent-Management (HCTM), as well as identify opportunities to gain efficiencies and improve operations. The Office would collaborate across the Bureau to ensure the consistent application of workforce programs and promote effective strategies for evaluating and retaining staff. AMS would coordinate the annual employee-evaluation process; serve as the DDI liaison with the Bureau for Management, HCTM, and the Office of Security; coordinate the preparation of training plans, and provide oversight on their implementation; and offer support and guidance to Foreign Service and Civil Service staff and those on all other hiring mechanisms.

The **Office of Environmental and Social Risk-Management** would foster closer integration of USAID's work on environmental protection and the conservation of natural resources with development by supporting the management of environmental risk in USAID's development programs and leading USAID's review of multilateral development projects for impacts on the environment, natural resources, public health, and indigenous peoples.

The technical work of DDI would be primarily composed of DAA-led **Centers and Hubs**, as described above. Each Center and Hub would have a support team tailored to its specific needs, which would liaise with PO and AMS to manage the planning for and reporting on resources, and coordinate the Center's work in responsible, accountable service-provision, Agency-wide staff-development, performance-management, the management of learning and knowledge, communication and engagement.

The **Innovation, Technology, and Research (ITR) Hub** would lead USAID to expand the identification, experimentation, exploration, and integration of innovative technologies, processes, and practices, that amplify the success of USAID's programming. ITR would develop and maintain technical expertise and partnerships critical to supporting and intentionally accelerating modern and ever-evolving approaches and solutions, from concept to common practice. The Hub would house the Chief Scientist, and have direct guidance from the Chief Innovation Officer.

The Hub would operate with the future of USAID as its core focus, but with an eye to strengthening the entire development enterprise. It would explore new and emerging science, technologies, tools, approaches, and methods across sectors to improve development outcomes

and global approaches, based on rigorous evidence of impact. Development Innovation Ventures (DIV), USAID's tiered, evidence-based funding vehicle would be a major driver to achieve these goals, in addition to other methods to advance scientific research and the exploration of new, enabling technologies. The Hub would also support the incubation of ideas *within* USAID that could serve future demands across the Agency. It would catalyze cross-agency learning around critical, emerging, but not yet proven, technologies to move effective elements into deployment more widely across USAID. In addition, it would liaise with external stakeholders to foster an inclusive digital ecosystem that supports Mission-facing assistance and the needs of in-country partners.

The ITR Hub would rapidly “swarm” staff to address critical emerging priorities for the Agency, by using its full suite of core competencies. In addition, it would provide thought-leadership and guide technical and policy standards-making in partnership with external actors to build a global digital infrastructure and enabling environment to advance self-reliance.

As ideas and innovations are validated, the Hub would work with the Centers in the DDI and other Bureaus to incorporate them into Mission-based programs. The Hub would provide demand-driven assistance to increase effectiveness of USAID's sectoral programming across geographies. It would champion geospatial data analytics to help drive better business intelligence and to inform USAID programming. It would also pursue ambitious goals, such as ensuring USAID's programming increases the number of empowered digital citizens and closing the gender digital divide.

**The Local, Faith-based and Synergistic Partnerships Opportunities Hub** (the Partnerships Hub) would facilitate consistent engagement and deeper partnerships between USAID and strategic partners who, together, advance the Agency's objective of self-reliance. The Hub would lead in two distinct, but closely related, focal areas: (1) direct partnerships with external stakeholders, and, (2) providing technical assistance to USAID Operating Units (OUs) to increase the Agency's overall ability to more effectively advance partnerships with, and among, local actors.

Under the first focal area, the Partnerships Hub would engage with U.S.-based faith-based groups; diaspora organizations; corporate and non-profit volunteer-sending organizations; Minority-Serving Institutions (MSIs); foundations and other philanthropic organizations; and small U.S.-based non-profit organizations that fund and work with American schools, libraries, and medical centers abroad. Placing these programs, initiatives and activities together, with the ability to influence more of the Agency's portfolio of grants, cooperative agreements, and contracts earlier in the Program Cycle, would effectively demonstrate USAID's commitment to increasing the visibility, role and sustained consideration of these entities among staff who are designing projects and activities - and make USAID's activities more accessible to more potential implementers.

Under the second focal area, the Partnerships Hub would ensure that USAID Missions, Operating Units, and decision-makers have the knowledge, skills, tools, and resources to operate most effectively and create interventions in direct partnership with local actors. The intent is to prepare USAID to enhance the ability of local actors to lead and sustain their own development.

The Hub would manage a portfolio including the programs listed below:

- CFOI, which provides a bridge for faith-based and community groups who are seeking to connect with USAID by directing them to appropriate points-of-contact within the Agency, offering resources to help guide them through the partnership process, and providing information about new grant opportunities. The role would expand the mandate of the current Center for Faith and Opportunity Initiatives to engage Operating Units in support of designs.
- ASHA grantees are established local schools and hospitals in developing countries paired with U.S.-based non-profits that promote American values and best practices overseas. ASHA assists partners to invest in new technology to train future leaders and save lives, to conduct critical research and produce scalable results, and to provide viable alternatives for youth.
- MSI facilitates an environment in which U.S.-based Historically Black Colleges and Universities, Hispanic-Serving Institutions, Tribal Colleges and Universities, and Asian American and Native American Pacific Islander-Serving Institutions become USAID partners by successfully competing for USAID awards, and by engaging in U.S. foreign-assistance activities.
- Locally Led Development (LLD) would enhance and promote USAID's capacity and operations to invest directly with local intermediary groups, civil-society organizations, and citizen-centered non-profits so local actors manage, implement, and sustain their countries' own development. The Local Works and Cooperatives programs would be the main instruments to implement this work. If Congress agrees to the President's proposal to integrate the Inter-American Foundation and the U.S. Africa Development Foundation into USAID, the relevant regional bureaus would host these grant-making functions, while certain cross-cutting functions (like monitoring and evaluation of small grants) would be housed here within DDI so that these skills could be leveraged across the entire Agency.

The **Gender Equality and Women's Empowerment Hub**, overseen by the Senior Coordinator for Gender Equality and Women's Empowerment, would advance USAID's commitment to women in accordance with the Agency's Gender Equality and Female-Empowerment Policy. The Hub, in collaboration with staff in other Operating Units that make up the Agency's gender architecture, would ensure that all programming meets the Agency's requirements and addresses the unique needs and the impact of differing roles, norms and inequities between men and women, to ensure optimal participation in, and benefit from, development outcomes. The Hub would be responsible for the formulation and oversight of funding to combat gender-based violence and child marriage, and the Women's Leadership Congressional directive. Key functions of the Hub would include providing technical assistance to Missions and OUs for the integration of gender considerations into strategies, the design of projects and activities, and the implementation of programs, assessments and evaluations; supporting the development and updating of policies, strategies, and indicators related to gender; and building the evidence base and implementation of effective interventions. It would actively increase the gender-related skills of USAID staff; contribute to a repository of best practices, research and evidence related to the impacts of gender-integration; and facilitate coordination and learning among gender specialists across the Agency.

USAID seeks to ensure we appropriately consider all marginalized populations in our activities, while also recognizing the large number of youth around the world and the barriers they face to

be successful, positive, productive participants in their societies. The **Youth and Inclusive-Development Hub** would lead on the cross-cutting issues of, and approaches to, Disability-Inclusive Development; Indigenous Peoples; Lesbian, Gay, Bisexual, Transgender, and Intersex (LGBTI) issues; and Youth Development. The Hub would be home to the Coordinators or Advisors for Disabilities, Indigenous Peoples, LGBTI; and the Senior Youth Advisor and the U.S. Government’s Special Advisor for Children in Adversity. The Hub would coordinate the Action Plan for Children through the Displaced Children and Orphans Fund, and manage the Leahy War Victims Fund, Wheelchair Program, Disability Fund, and Victims of Torture and Trauma funds. It would ensure that the multiple funding streams and legislative mandates that involve foreign assistance for children coherently address the needs of children and youth and support policies and programs across all sectors that address the broad range of challenges and developmental needs of individuals in the transition to adulthood. The Hub would also help USAID Operating Units account for marginalized and/or under-represented groups. It would ensure that development assistance is inclusive of, and accessible to, persons with disabilities, in accordance with the Agency’s Disability Policy; promotes and protects the rights of indigenous peoples, including by helping them to strengthen resource-management strategies, legalize their territories, and improve their livelihoods; helps protect LGBTI people from violence, discrimination, stigma, and criminalization; and advances application of the American values of inclusion and non-discrimination in development efforts (*i.e.*, policy, programming, training) toward all people, regardless of their origin or identity.

The **Private-Sector Engagement (PSE) Hub** would support the Agency in advancing the use of market-based approaches and private-sector engagement to deliver development and humanitarian results across all sectors. To embrace more-effective PSE across the Agency, USAID must begin to better “speak the language” of business and understand its drivers and interests. The Hub would drive that change, by spearheading USAID’s efforts to increase private-sector engagement dramatically and foster a major cultural and operational transformation in the way USAID conceives of, designs, and delivers our work. Its goals include the following: 1) adopting more market-based solutions to development challenges; 2) seeking to address market-failures proactively through our programs; and, 3) significantly increasing the expertise, innovation and collaboration of private enterprise across USAID’s work. This includes the development of USAID frameworks for working and co-investing with private companies, creating new tools, aligning staff incentives, and bolstering processes to facilitate PSE across the Agency’s work, from design to evaluation.

The PSE Hub’s functions would include supporting the Agency in the following: Building public-private partnerships through Global Development Alliances (GDA); catalyzing investment by de-risking through partial guarantees issued under the Agency’s Development Credit Authority (DCA), capacity-building, co-investment, seed funding, etc.; building multi-stakeholder coalitions; increasing the capacity of institutional and social-impact investors; encouraging collective action to advance policy, regulatory reform and important market-facing issues; and sharing information and market intelligence to inform strategies and programs.

The PSE Hub would have a formal relationship and shared DAA with the Center for Economics and Market Development, and the two Offices would share responsibility to provide comprehensive PSE and economics training curricula, as part of a broader Agency strategy to develop and retain talent. Its staff would include corporate industry experts responsible for helping USAID better understand and build relationships with key industries that have a strong

potential to advance development outcomes. The PSE Hub would be responsible for defining and advancing the Agency's learning agenda on effective PSE, and lead the maintenance of required Agency reporting databases, including reporting on Public-Private Partnerships and DCA transactions.

The PSE Hub would manage the activities of the current Office of Development Credit until or unless DCA is consolidated into a new Development Finance Institution (DFI) under the BUILD Act, in which case the PSE Hub would be the Agency's primary organizational interface with the DFI to make maximum, effective use of the U.S. Government's development-finance tools and approaches. In this case, the Deputy Assistant Administrator for the PSE Hub would be dual-hatted as the Chief Development Officer for the DFI.

**Centers** would be the primary interlocutor with Missions, their most important role being support to programming in the field by providing technical services and implementing mechanisms that respond to Missions' needs and demand. Staff would also improve outcomes in the field via support to Missions on concrete Program-Cycle deliverables (*e.g.*, project and activity designs). Centers would bring together the expertise of relevant actors in Hubs and other Operating Units to provide comprehensive technical assistance. Centers would house the U.S. Government's world-class technical expertise, with visibility across geographies to allow USAID to learn and adapt to achieve results more effectively and efficiently and align resources with strategies and best practices. Centers would manage critical global programs necessary to achieve development results, including flexible mechanisms that allow USAID to respond to acute, urgent needs in the field. Centers also would manage a targeted set of programs that are global in nature, where and when these play a key strategic role in achieving results field-based programs cannot achieve.

The **Center for Economics and Market Development** would lead and support USAID missions and other OUs in working with civil society, the private sector, and governments to build better enabling environments and trade capacity for the development and profitability of private enterprise, towards the following:

- Advancing the effective design and implementation of regulations;
- Removing trade barriers; advancing e-commerce and platform enabled trade; and implementing trade agreements that enable competition;
- Improving customs procedures;
- Modernizing markets and assisting partner country implementation of trade agreements that enable productivity-enhancing competition, including the Trade-Facilitation Agreement of the World Trade Organization;
- Developing structures for effective economic dispute-resolution and the protection of intellectual and other private property; and
- Advancing employment systems that create job opportunities.

The Center would also support USAID in developing and effectively using country, sector and project analyses of market failures, opportunities and barriers to growth; private-sector/business environments and interests in investment; cost-benefit analyses; and macroeconomic and fiscal-policy analysis. The Center would share responsibility with the Private-Sector Engagement Hub to provide comprehensive economics training and PSE curricula, as part of a broader Agency strategy to develop and retain talent. The Center would coordinate with the Office of the Chief

Information Officer in the Management Bureau on the suite of economic-analysis and data services the Center provides. The Center would include the Agency's Chief Economist, and maintain support for the Agency's entire economic-growth cadre - including by serving as the "home" for USAID's Foreign Service economists.

The **DRG Center** would provide support for USAID's programming, as well as expertise and policy leadership in democracy, rights, and governance. The Center would lead the Agency's learning and evidence in DRG programming, as well as research on emerging DRG trends. It would maintain support for the majority of the DRG cadre - including serving as the "home" for USAID's Crisis, Stabilization, and Governance Foreign Service Officers - and ensure both field and Washington staff receive the technical assistance needed to produce sustainable DRG programming that has a measurable impact. The Center would have a strong institutional relationship to the Bureaus for Conflict Prevention and Stabilization and Humanitarian Assistance to ensure long-term DRG programming and objectives inform interventions when crisis strikes, and that long-term programming likewise reflects changes that result from crisis situations. Because of this, a small number of DRG Center functions and staff will be housed in the Bureau for Conflict Prevention and Stabilization. The DRG Center would manage flexible mechanisms that allow USAID to respond to acute, urgent needs in the field, and also have a global view to ensure that best practices or lessons learned in one region transfer to other regions.

The primary function of the Center would be to provide proactive and responsive technical assistance to the field and other Bureaus on democracy, governance, anti-corruption, transparency and accountability, civil-society engagement, independent media, the rule of law, human rights, and elections and political transitions. The Center would act as the Agency's lead to support the creation and preservation of democratic and citizen-responsive societies through transparent election processes, the strengthening of political parties, electoral administration, the monitoring and observation of elections, voter-education, electoral security, and the political participation of women and traditionally marginalized groups. It would strengthen the ability of civil society to engage in advocacy and promote innovation, including the use of social media and other new media technologies.

The Center would help design field-led programs to strengthen the independence, accountability, and effectiveness of judicial institutions and systems, and supporting frameworks, actors, and institutions that help governments and civil society protect and defend human rights and prevent, mitigate, and respond to violations. This work would include engaging and building the capacity of Ministries of Justice, judges and court systems, prosecutors, defense attorneys, and civil-society and public-interest organizations; providing redress to individual victims of crime, violence, or other abuses of rights by combating impunity and seeking accountability for perpetrators; enhancing the capacity of oversight institutions; and strengthening transparency and accountability to build public trust and confidence in the justice system. It also would include key issues such as trafficking in persons and protecting the rights of marginalized populations.

The Center would also assist in the creation of programs to improve the effectiveness, accountability, transparency, and responsiveness of public-sector institutions, systems, and processes at the national and local level, including through domestic resource mobilization. This work would include helping governments improve the delivery of public services; strengthen transparency and open governance; bolster oversight and audit institutions to fight corruption;

manage and spend resources in an effective, efficient, transparent, and accountable manner; plan and budget for national development priorities; improve tax-administration, procurement and civil-service systems; enhance the public-administration capacity of key institutions at the national and sub-national level; address the impact of rapid urbanization; and explore ways to tap new and underutilized sources of revenues to increase public-sector resources for development.

Finally, the Center would fund a targeted set of global programs to advance progress in these areas, where and when the programs will play a key strategic role in achieving results field-based programs cannot achieve.

The conservation and stewardship of natural resources, reliable and affordable access to secure, modern energy services and modern resilient infrastructure are critical to promote sustainable growth, enhance security, and accelerate progress toward self-reliance and prosperity. The **Center for Environment, Energy, and Infrastructure** would provide technical leadership on strategies and field-led programs to address development challenges, threats, and opportunities around the natural and built environments, to support a sustainable Journey to Self-Reliance in USAID partner countries.

The Center would guide the Agency's work on the conservation of biodiversity; the sustainable management of natural resources; the management of environmental and climate risks; energy; infrastructure; the prevention of pollution; climate shocks; and development, land-tenure issues, and the physical environment of the city, by providing demand-driven services to other USAID Operating Units in the form of technical assistance, capacity-development, knowledge-management, training, evidence, and research. It would provide Agency-wide coordination for Engineering and Environment Foreign Service Officers. The Center would also lead USAID's work on Climate and Construction Risk-Management.

The Center would support USAID Missions to build the capacity of partner countries to balance environmental protection and the conservation of natural resources with socio-economic development by promoting the sustainable management of natural resources and the protection of biodiversity. In coordination with the Center's Office of Environmental and Social-Risk Management, the Office also would work across USAID to ensure our programming addresses climate-related risks in strategies, projects and activities, to ensure U.S. taxpayer investments are resilient to weather events and climate impacts.

The Center would also assist USAID Missions in transforming energy and infrastructure sectors and delivering resilient solutions to catalyze sustainable growth and enhance security. The Office would help create self-sustaining sectors that attract private investment and meet their countries' needs for reliable, affordable, and environmentally sustainable infrastructure and urban services. The Office would support the planning, design, implementation and oversight of infrastructure projects across USAID's global portfolio, and would advise on reconstruction in countries that are recovering from conflict and natural disaster. It would also monitor and advise on USAID's enterprise risk associated with the Agency's energy and infrastructure programs globally, including those of Power Africa.

Advancing U.S. Government development priorities, the **Center for Education** would provide Agency-wide technical leadership, thought-leadership, research, and technical assistance in

education and higher education. The Center would focus on policies and field-led programs for equitable quality education from the pre-primary level through university through the following:

- Supporting cross-cutting efforts such as the development of the youth workforce and fostering gender equality and social inclusion through education;
- Improving learning outcomes and ensuring equitable access to quality education in crisis and conflict contexts;
- Strengthening non-state educational networks and institutions, where appropriate;
- Increasing the human and institutional capacity of higher-education institutions (HEIs) in developing countries; and
- Engaging U.S. and developing country higher-education institutions in research for development across technical sectors.

The Center would monitor the U.S. Government's support for, and the achievement of, internationally agreed development goals for education. Office staff would coordinate on education issues with other USAID sector strategies and policies, including, for example, the Youth in Development Policy and the Gender Equality and Women's Empowerment Policy.

The Center would focus on the policies and field-led programs that facilitate learning for children, youth, and adults, and produce measurable improvements in learning that prepare an individual to be an active, productive member of society and the workforce. This includes pre-primary, primary, secondary, and technical/vocational education, and workforce-development/employability programming for young people at any of these education levels in formal or non-formal settings.

The Center would also support Operating Units to use research and the application of knowledge to social and policy issues at the post-secondary and tertiary level in both formal and informal settings, such as technical/vocational education and workforce-development/employability programming. The approach would strengthen the human and institutional capacity of HEIs in developing countries by facilitating twinning partnerships between U.S. and development country institutions. Additionally, the Office would coordinate with the Innovation, Technology, and Research Hub around the Agency's overall research strategy, and in assisting Agency stakeholders with identifying and accessing mechanisms for research, analysis, and the translation of research findings to development impact.

### **Assessment of Improvements**

***(An assessment of how the proposed action will improve the efficiency, effectiveness, performance, and accountability (including through modernizing information technology platforms and streamlining administrative functions) of the department, agency, or organization)***

Consolidating providers of technical assistance and expertise in a range of sustainable development sectors and cross-cutting approaches into one integrated Bureau would improve collaboration at the Agency and the effectiveness of our programming. Technical assistance to Missions currently focuses around a singular sector, based on the scope of work for an individual grant, cooperative agreement, or contract that a Mission needs to design. DDI staff would be positioned to help Missions work through questions like, "What are you trying to accomplish?" and "Is this the optimal approach?" by bringing in expertise outside of the sector in which the

desired development outcome lies. Placing this expertise in a structure accountable to one leader would strengthen the enforcement of critical coordination mechanisms and allow technical experts to look outside of regions and make global comparisons to promote best practices and help replicate programs demonstrated to work. It would streamline management and operational lines and structures, and reduce stovepiping. The DDI Bureau would look to identify platforms and processes that are already working in the Operating Units that it brings together and determine what to adapt for Bureau-wide use.

Since 2012, USAID has adopted several comprehensive and interlinked policies and strategies to reduce gender inequality, and to enable girls and women to realize their rights; determine their life outcomes; influence decision-making; and become change-agents in households, communities, and societies. DDI would allow USAID to improve the effectiveness of its programs by considering the many dimensions of its beneficiaries in its program designs, learning lessons and building on networks and tools developed by the Office of Gender Equality and Women's Empowerment (GenDev). Placing the two Hubs for Gender Equality and Empowerment and Youth and Inclusive Development jointly under the same DAA who has the experience and mandate as Senior Coordinator for Gender Equality and Empowerment would strengthen implementation of the Agency's policies and programming in all areas of social inclusion.

USAID seeks to ensure that Missions receive the support they need to ensure they design strategies, projects and activities that take advantage of all of our grant- and contract-making tools and reflect key policy priorities and help diversify our implementers. DDI would create processes and approaches that benefit and liberate, rather than constrain, Missions to ensure all procurements are well-informed by global expertise. DDI would create an opportunity to involve technical experts in cross-functional, cross-disciplinary teams at the earliest stages to provide greater visibility so we can better anticipate and plan for filling Mission needs with the right people at the right time. DDI would work with the Bureau for Global Health, the proposed Bureau for Resilience and Food Security, and others to identify best practices and develop a comprehensive, Agency-wide and Bureau-level approach to supporting missions. Missions would also have an opportunity to provide feedback on the quality and timeliness of the support they receive.

Every country Mission would have dedicated liaisons with expertise in the Bureau. DDI support would be able to help Missions navigate how to exercise the Agency's flexible procurement authorities to expand our partner base, engage more local implementers, employ co-creation to yield better programs with less bureaucracy, and better leverage co-investment.

### **National Interest**

***(An analysis of the impact of any such change on the ability to advance the national interest of the United States through diplomacy and development.)***

Development is an integral component of U.S. foreign policy and national security, and USAID's programming and policies support the four pillars of the *National Security Strategy* (NSS). USAID helps to increase America's economic prosperity; reduce threats to U.S. national security; extend the influence of the United States abroad; and promote burden-sharing and American values. USAID assists partner countries address their social and economic challenges

and unlock the potential of all their citizens, in order to improve global stability and create new markets for American goods and firms.

With USAID's global expertise in good governance, the rule of law, technology and innovation, private-sector engagement, trade, regulatory reform and developing partnerships with U.S.-based higher-education institutions, faith-based groups and local organizations in partner countries, DDI would support both diplomacy and development national interests. DDI would support the goal of the State Department-USAID *Joint Strategic Plan* to "Ensure Effectiveness and Accountability to the American Taxpayer" by strengthening the impact and sustainability of our investments, including through improved program design and more innovative and flexible procurement, such as collaborative partnering methods. It would also support the *National Security Strategy's* goal to "Protect America's Security at Home and Abroad" by strengthening citizen-responsive governance, security, democracy, human rights, and the rule of law.

### **Monitoring and Oversight**

*(An analysis of the impact of any such change to conduct adequate monitoring and oversight of foreign assistance programs.)*

DDI would be expected to have a positive impact on USAID's ability to conduct adequate monitoring and oversight of foreign-assistance programs. Refocusing USAID/Washington to strengthen its support to the field, rather than designing and managing its own activities, has a two-fold impact: Field staff would spend less energy in identifying what design support they need, who can provide it, and preparing and following-up with the service-providers, which would allow them to put more emphasis on the monitoring and oversight of programs; at the same time, the assistance provided would result in stronger, more adaptive designs with ground-truthed, tailored performance-monitoring plans.

### **Legislative Changes**

No statutory changes are necessary for these proposals.

### **Cost and Timeline**

*(The estimated cost and timeline to complete the proposed action.)*

The cost of the operational activities and personnel actions required to implement the entire Agency-wide restructuring, once approved, are estimated at approximately \$6 million over a period of two years. Some of the activities included in this amount are the following: (1) rewriting and classifying position descriptions; (2) personnel actions to re-assign staff to new Bureaus; (3) the co-location/movement of staff to new Bureaus; (4) updating corporate systems; and, (5) revising operational policy.

The proposed DDI Bureau could be in place 18-24 months after the Congressional Notification clears.

### **Efficiencies**

*(An assessment of any cost savings and efficiencies achieved through implementation of each element of the proposed action.)*

Program and AMS Offices from E3 and the Lab would be consolidated in the DDI, and would expand to cover the whole Bureau, which would include additional units currently outside of E3 and the Lab that would not bring support services with them.

The Lab has made good on its mission to change the way USAID does its work. USAID saw the opportunity to mainstream some skills and capabilities in areas such as iDesign and Evaluation-Impact Assessment into the proposed PRP Bureau, rather than simply carrying the work over into DDI/ITR. Similarly, the Lab's successes in transformational partnership will be aligned with private sector approaches of E3 in the DDI/PSE Hub, and its higher education partnerships aligned with higher education programming in the Education center.

CFOI, ASHA, Local Sustainability and the MSI Program each have unique aspects with some shared purpose - attracting a dedicated, diversified group of partners to USAID and, where relevant, informing our activities. Placing these entities together in the DDI's Local, Faith-based and Synergistic Partnerships Hub would yield efficiencies in the efforts they each use to reach out to their constituents, as well as how they work internally to educate and collaborate with the Agency's technical staff working on program designs. Placing that Hub together with the ITR Hub, which has the expertise in novel procurement modalities that bring new partners to the Agency, would have positive results in expanding our pool of collaborators and funding partners.

## **Budget**

Please refer to the below narrative and table that summarize the impact of the proposed changes impact on Operating Expenses (OE) and the Program Budget.

Based on the Fiscal Year (FY) 2018 enacted level, the estimated OE budget for the DDI Bureau would be \$56.7 million, which would consist of \$46.0 million for U.S Direct-Hire (USDH) salaries and benefits (S&B) and \$10.7 million for other direct costs (ODCs). The USDH S&B level would support approximately 271 OE-funded USDH staff (Seven Administratively Determined [ADs], 174 Civil Service [CS] and 87 Foreign Service [FS]). The ODC level would fund travel, training, supplies, advisory and assistance services, other costs, and three non-USDH staff (hired under Participating Agency Service Agreements [PASAs]).

The estimated cost for the salaries and benefits of approximately 239 program-funded staff (22 CS, 75 Foreign Service Limiteds [FSLs], 34 Fellows, one Interagency Detail, one Inter-personnel Agreement, 94 PASAs, and twelve USPSCs) would be \$42.7 million. This estimate includes overhead costs for PASAs. The Agency has identified a need to decrease its reliance on PASAs as a hiring mechanism; part of the transformation effort is to identify more cost effective mechanisms to replace the Agency's use of PASAs over time.

In FY 2019, additional USAID staffing could be reassigned to help manage new functions related to customer-service on behalf of DDI and the broader Agency.

*Table 5: Program Budget*

**E stimated Program Funded Amounts Accruing to Future Organizations Under Redesign**

*\$ in thousands for all items*

Future Bureau	Current Bureau	Current Office/Center	FY 2017 653(a)*	FY 2018 President's Budget (Program Funds)**	FY 2019 President's Budget (Program Funds)
<b>Bureau for Democracy, Development and Innovation</b>			520,403	241,479	378,029
Bureau for Democracy, Development and Innovation	Bureau for Democracy, Conflict and Humanitarian Assistance	Center of Excellence on Democracy, Human Rights and Governance	143,553	64,700	81,500
Bureau for Democracy, Development and Innovation	Bureau for Economic Growth, Education and Environment	All offices except Water and Office of Global Climate Change/Adaptation	292,850	162,279	283,974
Bureau for Democracy, Development and Innovation	Global Development Lab	Global Development Lab (most offices)	58,000	14,500	12,555
Bureau for Democracy, Development and Innovation	Bureau for Democracy, Conflict and Humanitarian Assistance	American Schools and Hospitals Abroad (ASHA)	26,000	0	0
Notes: *Includes ESDF, IDA, TI, GH-USAID, and GH-State. USAID Operational Accounts are not reflected in this total. State Bureaus are not reflected in this total. **Resource allocations are based on the President's Request levels. While Congress has passed an appropriation for FY 2018, allocations are still being finalized.					

**Attachment One: Chart of related reports and recommendations**

<b>Connection to Joint State/USAID Recommendation</b>	<b>OIG Reports</b>
<b>Overseas Alignment &amp; Approach/Policy</b>	<b>a) OIG USAID Top Management Challenges</b> ( <a href="https://oig.usaid.gov/sites/default/files/other-reports/USAID_Management_Challenges_2014_0.pdf">https://oig.usaid.gov/sites/default/files/other-reports/USAID_Management_Challenges_2014_0.pdf</a> )

**UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT (USAID)  
CONGRESSIONAL NOTIFICATION**

**Streamlining and Aligning Agency Coordinators**

Pursuant to Sections 7015(a) and 7081 of the Department of State, Foreign Operations and Related Programs Appropriations Act, 2018 (P.L. 115-141, Division K), this notification advises that USAID intends to streamline and align the Agency's Coordinators to effectively integrate their functions in the Agency's operations. This effort would place Coordinators where they could best perform their duties.

**Problem Statement**

The Agency has accumulated a proliferation of Coordinators, for some of which the titles and functions are outdated and several of which do not require a separate title to carry out the responsibilities.

**Rationale**

USAID is the world's premiere development and humanitarian assistance agency, and proposes a Washington-based restructuring to ensure it remains as such. Development and humanitarian assistance are fundamental to U.S. national security, and a pillar of U.S. foreign policy. USAID has not undergone an Agency-wide restructuring in decades. In consultation with Agency staff, partners, and other external stakeholders, the Administrator proposes a series of structural changes to create a more field-driven, functionally aligned, and responsive organization. This proposed restructuring would enable the Agency to keep pace with the quick-changing international environment. USAID must remain dynamic and relevant by transforming our structure, workforce and programs to advance host-country partners on their journey to self-reliance.

In conjunction with human-capital planning, USAID conducted a review of all Agency Coordinators to align their functions with positions in the proposed new Bureaus, reduce overlap, and empower them to execute their duties fully. The review of non-mandatory, non-statutory Coordinators revealed overlap and inefficiencies. Some of the Coordinator positions are outdated, others could be efficiently integrated with existing staff, and new requirements have superseded others. As a result of a consultative review with affected Bureau managers, USAID proposes a rationalized system that places Coordinators where they could best perform their duties and effectively integrates their functions and mandate into Agency policy and operations. USAID currently has a total of 21 Agency Coordinators. Of this number, 10 are non-statutory and non-mandatory. Of these 10, USAID proposes to place four in new Bureaus that would align with their authorities and functions: the Coordinator for Countering Violent Extremism

(CVE); the Senior Coordinator for Gender Equality and Women's Empowerment; the Lesbian, Gay, Bisexual, Transgender and Intersex (LGBTI) Coordinator; and the Coordinator for Resilience. USAID proposes to eliminate six other Coordinator positions whose duties are no longer required, are already being effectively managed by other employees, and/or whose functions do not require a Coordinator title to be effective: Climate Change, Higher Education, Maternal and Child Health, Trade Africa, USAID Forward, and Youth. In all these cases, the Agency would retain the staff, albeit in a different role, and the technical expertise in the subject matter. USAID would keep the remaining 11 Coordinators that are either statutory or mandatory, although, in some cases, would move the positions or integrate them with other jobs. In addition, USAID proposes a new, non-statutory Coordinator for Clear Choice (see REORG CN #4 dated August 3, 2018 on the Bureau for Policy, Resources and Performance for further information).

### **Summary of Proposed Changes**

USAID would structure its Agency Coordinators as follows:

1. The Children in Adversity Coordinator (statutory/legislated) would move from the Bureau for Democracy, Conflict, and Humanitarian Assistance (DCHA) to reside in the Youth and Inclusive Development Hub in the proposed Bureau for Development, Democracy, and Innovation (DDI);
2. The New Coordinator for Clear Choice (non-mandatory/non-statutory) would live in the proposed Bureau for Policy, Resources, and Performance (PRP);
3. The CVE Coordinator (non-mandatory/non-statutory) would move from DCHA to reside in the proposed Bureau for Conflict Prevention and Stabilization (CPS);
4. The Disabilities Coordinator (statutory/legislated) would move from DCHA to reside in the proposed DDI Youth and Inclusive Development Hub;
5. The Agency Environment Coordinator (statutory/legislated) would move from the Bureau for Economic Growth, Education and Environment (E3) to the Office of the Assistant Administrator for DDI;
6. The Faith and Opportunity Initiative Coordinator (statutory/legislated - new position) would move to the proposed DDI Locally-led Development and Partnership Opportunities Hub, which would absorb the Center for Faith and Opportunity Initiatives (formerly the Center for Faith-Based and Community Initiatives);
7. The USAID Administrator would continue to serve as the Coordinator of Feed the Future (FtF) (statutory/legislated), and the Deputy FtF Coordinator role would move from the Assistant to the Administrator (AtA) for the Bureau for Food Security to the AtA for the Bureau for Resilience and Food Security (BFS);
8. The Senior Coordinator for Gender Equality and Women's Empowerment (non-mandatory/non-statutory) would move from E3 to the proposed DDI to manage the Gender Equality and Women's Empowerment Hub as a Deputy Assistant Administrator (DAA);
9. The Indigenous Peoples Coordinator (statutory/legislated) would move from DCHA to the proposed DDI Youth and Inclusive Development Hub;
10. The Senior Coordinator for United States International Basic Education (statutory/legislated) would move from E3 to the proposed DDI Center for Education as a DAA to manage the Center for Education;

11. The LGBTI Coordinator (non-mandatory/non-statutory) would move from DCHA to the proposed DDI Youth and Inclusive Development Hub;
12. The Malaria Coordinator (statutory/legislated) would remain in the Bureau for Global Health;
13. The Minority-Serving Institutions Coordinator (statutory/legislated) would move from the Office of Small and Disadvantaged Business Utilization (OSDBU) to the proposed DDI Locally Led Development and Partnership Opportunities Hub;
14. The Power Africa Coordinator (statutory/legislated) would remain in the Bureau for Africa;
15. The Resilience Coordinator (non-mandatory/non-statutory) would move from BFS to the proposed RFS Bureau as a DAA to manage the Center for Resilience;
16. The Water Coordinator (statutory/legislated) would move from E3 to the proposed RFS Bureau as a DAA;
17. The Climate-Change Coordinator (non-mandatory/non-statutory) would be eliminated; the DAA who manages the proposed DDI Center for Environment, Energy, and Infrastructure would carry out the functions and ensure the integration of climate-risk management in the design and implementation of USAID's programs;
18. The Higher-Education Coordinator (non-mandatory/non-statutory) would be eliminated; the DAA who manages the proposed DDI Center for Education would carry out the functions for higher education and policy;
19. The Maternal and Child Health (MCH) Coordinator (non-mandatory/non-statutory) would be eliminated; a DAA in the Bureau for Global Health (GH) would carry out the functions;
20. The Trade Africa Coordinator (non-mandatory/non-statutory) would be eliminated; the Bureau for Africa would integrate the functions of the Coordinator in ongoing work and programs that support trade partnerships in Africa;
21. The USAID Forward Coordinator (non-mandatory/non-statutory) would be eliminated; the Assistant to the Administrator for the proposed Bureau for Policy, Resources and Planning (PRP) would lead the Agency's efforts to support the journey to self-reliance, as well as support local programming through the proposed DDI Locally Led Development and Partnership Opportunities Hub; and,
22. The Youth Coordinator (non-mandatory/non-statutory) would be eliminated, and the proposed DDI Youth and Inclusive Development Hub would integrate and elevate the functions.

### **Detailed Description**

***(A detailed description of, and justification for, the proposed action, including any policies or procedures currently or expected to be used to implement Executive Order 13781.)***

As a result of a consultative review with affected managers, USAID proposes a rationalized system that places Coordinators where they can best perform their duties in the proposed new Bureaus, reduces redundancies, and fully empowers and resources them to fulfill their functions and execute their duties.

All statutory and mandatory Coordinators would be placed in the Bureau that aligns with their authorities and functions, as the previous section details.

USAID has ten non-statutory, non-mandatory Coordinators:

1. Climate Change;
2. CVE;
3. Gender Equality and Women's Empowerment;
4. Higher Education;
5. LGBTI;
6. Maternal and Child Health;
7. Resilience;
8. Trade Africa;
9. USAID Forward; and
10. Youth.

USAID proposes to move the following four Coordinators to the proposed new Bureau that aligns with the appropriate technical area and functions of each:

1. The CVE Coordinator would reside in the proposed CPS Bureau;
2. The Senior Coordinator for Gender Equality and Women's Empowerment would become the DAA for the Gender Equality and Empowerment Hub in the proposed DDI Bureau;
3. The LGBTI Coordinator would reside in the Youth and Inclusive Development Hub in the proposed DDI Bureau; and,
4. The Resilience Coordinator would become the DAA in charge of the Center for Resilience in the proposed RFS Bureau.

In addition, USAID proposes to house a new Coordinator for Clear Choice in the proposed PRP Bureau.

USAID proposes to eliminate the following six, non-statutory, non-mandatory Coordinators whose duties are outdated, could be efficiently integrated with existing staff, and/or have been superseded by new functions and requirements. In all these cases, the Agency would retain the staff, albeit in a different role, and the technical expertise in the subject matter:

1. The Climate-Change Coordinator: The DAA who manages the Center for Environment, Energy, and Infrastructure (EEI) in the proposed DDI Bureau would carry out the functions and ensure the integration of EEI considerations in the design and implementation of USAID's programs;
2. The Higher-Education Coordinator: The DAA who manages the Center for Education in the proposed DDI Bureau would carry out the functions for higher education and policy;
3. The Maternal and Child Health (MCH) Coordinator: A DAA in the Bureau for Global Health would continue to carry out the functions for maternal and child health policy and programs;
4. The Trade Africa Coordinator: The Africa Bureau would integrate the functions of the Coordinator in ongoing work and programs that support trade partnerships in Africa;
5. The USAID Forward Coordinator: The proposed new PRP Bureau would supplant this function by leading the Agency's efforts to support the journey to self-reliance. Additionally, the Locally Led Development and Partnership Opportunities Hub in the proposed DDI Bureau would support local programming; and,

6. The Youth Coordinator: The functions would be integrated in the Youth and Inclusive Development Hub in the proposed DDI Bureau as an essential part of program design.

*The objectives of streamlining the Agency Coordinators are the following:*

- *Align duties with positions in the proposed new Bureaus;*
- *Fully integrate the functions of Coordinator positions in Agency policy, programs, and practices;*
- *Reduce overlap and inefficiencies; and,*
- *Empower Agency Coordinators to execute their duties fully.*

**Current Structure**

*(The current organizational chart, showing the Operating Units of the respective department, agency or organization and a brief description of each Operating Unit; the number of employees for each Operating Unit.)*

*Table 1: Number of Coordinators in Current Operating Units*

<b>Operating Unit</b>	<b>Number of Staff</b>
E3	7
DCHA	5
BFS	2
GH	2
Bureau for Africa	2
PPL	1
OSDBU	1
Center for Faith and Opportunity Initiatives (CFOI)	1
<b>TOTAL</b>	<b>21</b>

**Proposed Structure**

*(The proposed new organizational chart with descriptions of each new Operating Unit; and the number of employees once the proposed reorganization is complete.)*

The information provided in this Congressional Notification (CN) related to staffing numbers and hiring types is intended to provide Congress with as complete a picture as possible of the resources in place at this moment to carry out the work of the Agency on behalf of the American people. It is not intended to set in place caps or limits for individual Operating Units. USAID could adjust staffing numbers and hiring types between Operating Units as needed to fulfill its mandate effectively and efficiently.

Table 2: Number of Coordinators (statutory and non-mandatory) in the Proposed New Bureaus

Operating Unit	Number of Staff
DDI	9
RFS	3
Bureau for Africa	1
GH	1
CPS	1
PRP	1
<b>TOTAL</b>	<b>16</b>

**Assessment of Improvements**

*(An assessment of how the proposed action will improve the efficiency, effectiveness, performance, and accountability (including through modernizing information technology platforms and streamlining administrative functions) of the department, agency, or organization.)*

The proposed new placement and rationalization of Coordinators would reduce redundancies by eliminating positions that are no longer necessary (e.g., because their work is duplicative of work already performed by an operating unit), and enable those that are necessary to carry out their functions more effectively. By assigning the Coordinators to the proposed Bureaus with the right technical and functional responsibilities, Coordinators would be well-placed to integrate their functions with Agency programs and policies.

**National Interest**

*(An analysis of the impact of any such change on the ability to advance the national interest of the United States through diplomacy and development.)*

Development is an integral component of U.S. foreign policy and national security, and USAID’s programming and policies support the four pillars of the *National Security Strategy* (NSS). USAID helps to increase America’s economic prosperity; reduce threats to U.S. national security; extend the influence of the United States abroad; and promote burden-sharing and American values. USAID helps partner countries address their social and economic challenges and unlock the potential of all their citizens, in order to improve global stability and create new markets for American goods and firms.

Eliminating unnecessary Coordinators and appropriately locating necessary ones would improve efficiency and allow for greater unity of effort on those matters of national security that the Coordinators address.

**Monitoring and Oversight**

*(An analysis of the impact of any such change to conduct adequate monitoring and oversight of foreign assistance programs.)*

By aligning the Agency Coordinators in the appropriate proposed Bureaus, the Agency would enhance its technical effectiveness and more fully integrate Coordinator efforts into core technical and business activities. More effectively bringing the resources of the Coordinators to bear would enhance ability to conduct expert monitoring and oversight of programs.

### **Legislative Changes**

*(Any legislative change necessary to implement such proposals.)*

No statutory changes are necessary for these proposals.

### **Cost and Timeline**

*(The estimated cost and timeline to complete the proposed action.)*

The cost of the operational activities and personnel actions required to implement the entire Agency-wide restructuring, once approved, are estimated at approximately \$6 million over a period of two years. Some of the activities included in this amount are the following: (1) rewriting and classifying position descriptions; (2) personnel actions to re-assign staff to new Bureaus; (3) co-location/movement of staff to new Bureaus; (4) updating corporate systems; and, (5) revising operational policy.

The proposed changes would occur after the respective Congressional Notification clears. The changes would range, for example, from 12 months for the CVE Coordinator for the proposed CPS Bureau, to 18 to 24 months for the nine Coordinators proposed to move to the proposed DDI Bureau. For those Coordinator positions in existing Bureaus not affected by proposed reorganizations, such as the Malaria Coordinator in the GH Bureau, the *status quo* would continue.

### **Efficiencies**

*(An assessment of any cost savings and efficiencies achieved through implementation of each element of the proposed action.)*

The proposed new placement and rationalization of Coordinators would reduce redundancies by eliminating positions that are no longer necessary, and empower those that are necessary to carry out their functions more effectively. By locating Coordinators in the proposed Bureaus with the appropriate technical and functional responsibilities, Coordinators would be well-placed to integrate their functions with Agency programs and policies. The result would be greater collaboration, expert input, and streamlined efforts.

**UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT (USAID)  
CONGRESSIONAL NOTIFICATION**

**Restructuring of the Office of the Administrator**

Pursuant to Sections 7015(a) and 7081 of the Department of State, Foreign Operations and Related Programs Appropriations Act, 2018 (P.L. 115-141, Division K), this notification advises that USAID intends to restructure the Office of the Administrator to add two Associate Administrators. The revised Office of the Administrator would more effectively manage the complexity of USAID's work, and greatly reduce the number of direct reports to our Administrator from 27 to 11. The Deputy Administrator (DA) would continue to be the immediate delegate of the Administrator, with an *alter ego* delegation of authorities to oversee the Agency's major sectoral and Regional Bureaus. The DA would also continue to be the designated statutory Chief Operating Officer (COO). The two new Associate Administrators would each manage specific portfolios- one the Agency's humanitarian, crisis and resilience functions, and the other strategy, management and operations. The addition of two Associate Administrators would allow greater and more-consistent application of policy, create greater accountability, and facilitate information flows to senior politically appointed officials who have the time to guide the details of implementation.

**Problem Statement**

The Administrator and Deputy Administrator of USAID have too many direct reports.

**Rationale**

USAID is the world's premiere development and humanitarian assistance agency, and proposes a Washington-based restructuring to ensure it remains as such. Development and humanitarian assistance are fundamental to U.S. national security, and a pillar of U.S. foreign policy. USAID has not undergone an Agency-wide restructuring in decades. In consultation with Agency staff, partners, and other external stakeholders, the Administrator proposes a series of structural changes to create a more field-driven, functionally aligned, and responsive organization. This proposed restructuring would enable the Agency to keep pace with the quick-changing international environment. USAID must remain dynamic and relevant by transforming our structure, workforce and programs to advance host-country partners on their journey to self-reliance.

## **Summary of Proposed Changes**

The two new positions would be created by using two of the Agency's existing twelve Presidentially Appointed, Senate-Confirmed (PAS) slots. (The Associate Administrator for Relief, Response and Resilience would re-purpose the PAS designation currently assigned to the Assistant Administrator for Democracy, Conflict, and Humanitarian Assistance [DCHA], and the Associate Administrator for Strategy and Operations would fill a currently unfilled PAS slot of USAID's twelve PAS slots, as identified in the Foreign Assistance Act and Executive Schedule). The following positions would report to the new Associate Administrators, rather than to the Administrator or the Deputy Administrator:

1. Associate Administrator for Relief, Response and Resilience (R3):
  - a. New Assistant to the Administrator (AtA) for Humanitarian Assistance (HA);
  - b. New AtA for Conflict-Prevention and Stabilization (CPS); and
  - c. New AtA for Resilience and Food Security (RFS).
  
2. Associate Administrator for Strategy and Operations:
  - a. Assistant Administrator (AA) for Legislative and Public Affairs (LPA)
  - b. New AtA for Policy, Resources and Performance (PRP);
  - c. Assistant Administrator (AA) for Management (M);
  - d. Director of Security (SEC) (AA/M provides day-to-day management); and
  - e. Chief Human Capital Officer (CHCO for Human Capital and Talent Management) (AA/M provides day-to-day management).
  
3. Additional staff support would be needed in the Office of the Executive Secretariat (ES) to support the Agency's senior leaders.
  
4. The Agency would allocate additional full-time employees (FTEs) to ES to support the Associate Administrators and to centralize the assignment of USAID staff to the National Security Council (NSC) in the Executive Office of the President, and standardize their position descriptions and evaluations.

## **Detailed Description**

*(A detailed description of, and justification for, the proposed action, including any policies or procedures currently or expected to be used to implement Executive Order [13781](#).)*

The Agency's current chain of command is unwieldy: 27 Bureaus, Independent Offices and individuals report directly to the Administrator. The addition of the two new Associate Administrators would address this problem: By reducing the administrative burden and the number of direct reports to the Administrator and Deputy Administrator, the proposal would allow the Administrator the necessary time and energy to spend on the strategic management and external representation of the overall Agency. The Deputy Administrator would provide guidance on operations and longer-term development efforts through the direct management of Bureaus. The two Associate Administrators would be Presidentially appointed, Senate-confirmed positions that would report directly to the Administrator.<sup>5</sup>

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<sup>5</sup> Associate Administrator reporting is at the discretion of the Administrator.

The Associate Administrator for Relief, Response and Resilience (R3) would oversee the further integration of humanitarian assistance with resilience and food security, as well as the prevention of and response to conflict and crises. The R3 Associate Administrator would provide overall strategic guidance to three proposed new Bureaus: Humanitarian Assistance (HA), Conflict-Prevention and Stabilization (CPS), and Resilience and Food Security (RFS). The new Associate Administrators and subordinate Bureaus would coalesce and streamline operational management units and decision-making of these core functions to improve the Agency's ability to deploy assistance and technical expertise at the right time in the right places. If the DCHA PAS is encumbered at the time Congress approves the creation of the R3 Bureaus, that person would become the R3 Associate Administrator.

The Associate Administrator for Strategy and Operations would integrate policy, budget, performance and operations for the Agency by overseeing three core Bureaus that all have cross-Agency functionality and responsibility: Legislative and Public Affairs (LPA); Policy, Resources and Performance (PRP, proposed); and the reorganized Bureau for Management (M), which would include two previously independent offices, Security (SEC) and Human Capital and Talent Management (HCTM). The Presidentially appointed Assistant Administrator for M (AA/M) would provide day-to-day management of the Director of Security and the CHCO. The Director of Security would also be obligated to report directly to the Administrator in emergent security situations. Two positions in M equivalent to Deputy Assistant Administrators (DAAs) would report directly to the Administrator as required by statute - the Chief Financial Officer and the Chief Information Officer. To ensure shared accountability and enhanced cohesion, the AA/M would provide input on performance reviews for his/her indirect reports.

ES functions as the Office of the Administrator's coordination and communications mechanism. Since the two Associate Administrator would be a part of the Office of the Administrator, ES would also provide support to them in addition to the very small number of support staff who work alongside them (*i.e.*, scheduler and advisor(s)). ES would also become the institutional and administrative home for the employees assigned on detail to the NSC. At any time, the Agency has between eight and 10 staff detailed to the NSC, managed separately by their home Bureaus. This arrangement leads to inconsistencies in the supervision and evaluation of the employees, and does not allow the Bureaus to hire behind the detailees. A dedicated roster of positions in ES reserved for the purposes of details to the NSC would permit the Agency to regularize the assignment process and harmonize communications with, and the assessment of the performance of, our staff who are working at the NSC.

### **Current Structure**

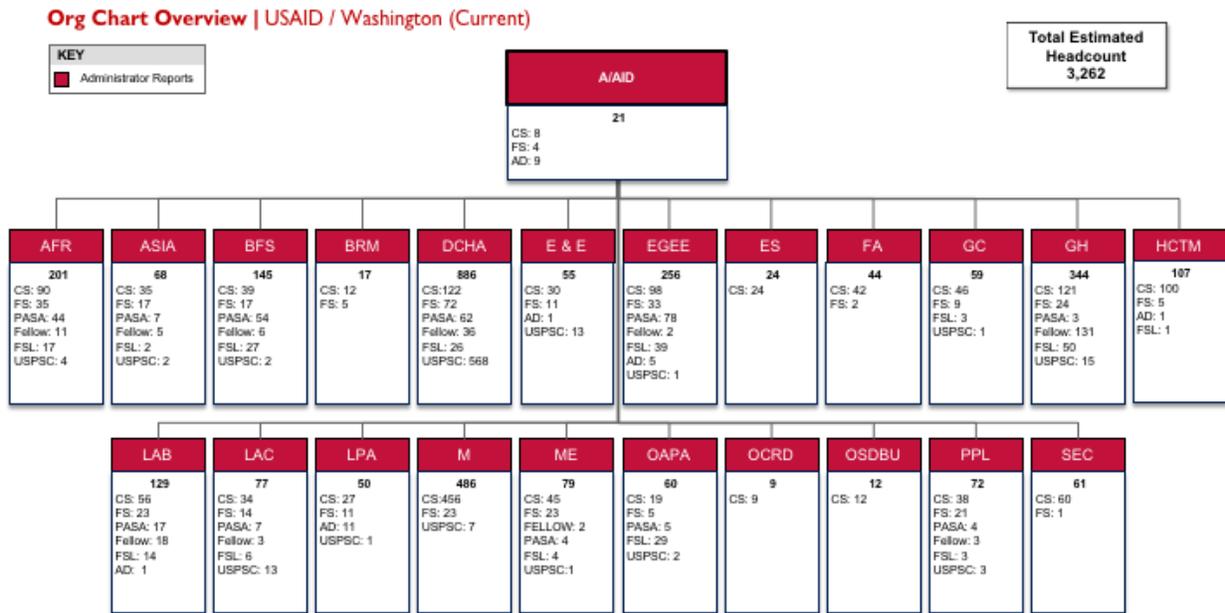
***(The current organizational chart, showing the Operating Units of the respective department, agency or organization and a brief description (i.e., functional statement or summary of functional statement) of each Operating Unit; the number of employees for each Operating Unit.)***

The **Administrator (A/AID)**: An Administrator appointed by the President and confirmed by the Senate heads USAID. He or she is responsible for the strategic direction, management, and representation of the Agency.

The **Deputy Administrator (DA/AID)** The Administrator delegates to the Deputy Administrator (DA), also appointed by the President and confirmed by the Senate, the authority to do the following:

- Serve as full Deputy and *alter ego* to the Administrator;
- Be responsible, under the Administrator's general direction, for all aspects of the Agency's activities;
- Serve as the statutory Chief Operating Officer (COO); and
- Represent and exercise the authority of the Administrator with respect to all functions now or hereafter conferred upon or held by the Administrator.

Table 1: Current Organizational Chart for USAID with Estimated Staff



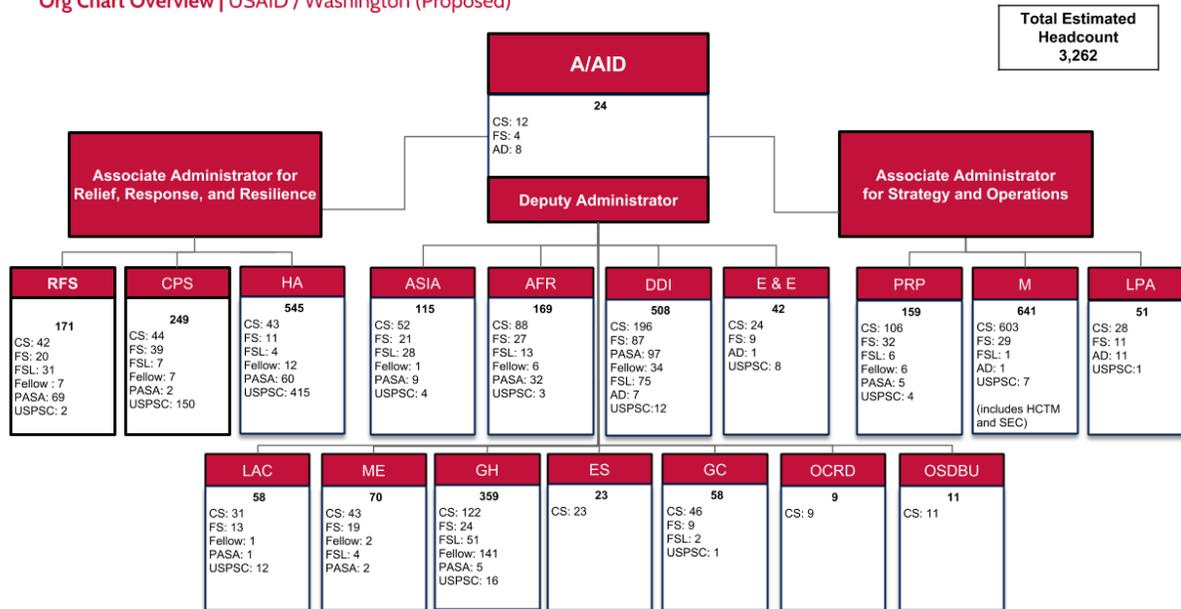
**Proposed Structure**

*(The proposed new organizational chart with descriptions of each new Operating Unit; and the number of employees once the proposed reorganization is complete.)*

The Office of the Administrator would contain the Administrator, Deputy Administrator, and two Associate Administrators, and ES, in addition to other critical positions as outlined above.

The staffing information provided in this Congressional Notification related to staffing numbers and hiring types is intended to provide as complete a picture as possible of the resources in place at this moment to carry out the work of the Agency on behalf of the American people. It is not intended to set in place caps or limits for individual Operating Units (OUs). USAID is continuing to review staffing needs for the new OUs, and could adjust staffing numbers and hiring types between them as needed to fulfill our mandate effectively and efficiently.

Table 2: Proposed Organizational Chart for USAID with Estimated Staff



An **Administrator (A/AID)** appointed by the President and confirmed by the Senate heads USAID. He or she is responsible for the strategic direction, management and representation of the Agency. As outlined in the proposed changes and staffing tables, the Administrator would be supported by one Deputy Administrator, as well as two Associate Administrators, as outlined below.<sup>6</sup>

The Administrator delegates to the **Deputy Administrator (DA/AID)**, also appointed by the President and confirmed by the Senate, the authority to do the following:

- Serve as full Deputy and *alter ego* to the Administrator;
- Be responsible, under the Administrator's general direction, for all aspects of the Agency's activities;
- Serve as the statutory Chief Operating Officer (COO); and
- Represent and exercise the authority of the Administrator with respect to all functions now or hereafter conferred upon or held by the Administrator.

The **Associate Administrator for Relief, Response and Resilience (AA R3/AID)** would provide overall strategic guidance to three new Bureaus whose mandates are at the forefront of U.S. national-security interests: Humanitarian Assistance (HA), Conflict-Prevention and Stabilization (CPS), and Resilience and Food Security (RFS). The Associate Administrator would have the following duties:

- Report directly to the Administrator to provide strategic policy guidance for activities within the three Bureaus' areas of responsibility as well as manage crises;

<sup>6</sup> Upon consultation with the Deputy Administrator, the Administrator may delegate his or her direct reports to the Deputy Administrator, as needed.

- Serve as the principal advisor to the Agency and the Administrator on the policies, mandates and work of the three Bureaus, to improve the Agency’s effectiveness in addressing crises and building resilience, and to strengthen cohesive engagement on high-level policy and planning issues common to two or more of the Bureaus; and
- Represent the Agency at high-level interagency meetings and external events regarding the areas of responsibility of the three Bureaus.

The **Associate Administrator for Strategy and Operations (AA-SOP/AID)** would provide overall strategic guidance to three Bureaus: Legislative and Public Affairs (LPA); Policy, Resources and Performance (PRP); and Management (M). This would align the central services of the Agency to improve collaboration across key strategic and operational functions to ensure the effective implementation of Administration policy priorities. The Associate Administrator would have the following duties:

- Report directly to the Administrator and Deputy Administrator (as COO) and serve as the principal advisor to the Office of the Administrator on budget, finance, policy, external relations and operations;
- Provide strategic policy guidance to the Bureaus of LPA, PRP, and M; and
- Represent the Agency at high-level interagency meetings and external events regarding the areas of responsibility of the Bureaus of LPA, PRP, and M.

For detailed information on the Bureaus that would report to the two Associate Administrators, please refer to the Congressional Notifications submitted for each.

**Assessment of Improvements**

*(An assessment of how the proposed action will improve the efficiency, effectiveness, performance, and accountability (including through modernizing information technology platforms and streamlining administrative functions) of the department, agency, or organization.)*

As noted above, these changes to the Office of the Administrator would provide the Agency with senior managers (the two new Associate Administrators) to reduce the administrative burden and the number of direct reports to the Administrator and Deputy Administrator. The Administrator would have additional time and energy to spend on the strategic direction and representation of the overall Agency. The Deputy Administrator would provide guidance on operations and longer-term development efforts through overseeing the Agency’s Bureaus.

In USAID’s current configuration, the Agency’s humanitarian-assistance efforts and investments in preventing conflict and promoting resilience do not work closely with one another. The restructuring of existing Operating Units and creation of the new R3 Associate Administrator and its associated Bureaus would coalesce and streamline related operational management units and decision-making; improve the Agency’s ability to deploy assistance and technical expertise at the right time in the right places; and reduce stove piping and the isolation of information, analysis, and ideas. It would also help ensure effective and appropriate coordination is in place to provide critical programming and technical assistance in a timely fashion to fulfill the Agency’s overall objectives.

The creation of the Associate Administrator for Strategy and Operations would provide a Senior Agency Official who can focus exclusively on ensuring Agency management and administrative services, including budget, security, human capital and talent-management, align with and advance the Agency's strategic priorities. This position also would unify the Program and Operating Expenses (OE) budgets and ensure robust internal and external communications, including with Congress and the American public.

### **National Interest**

***(An analysis of the impact of any such change on the ability to advance the national interest of the United States through diplomacy and development.)***

Development and humanitarian assistance are integral components of U.S. foreign policy and national security, and USAID's programming and policies support the four pillars of the *National Security Strategy* (NSS). USAID helps to increase America's economic prosperity; reduce threats to U.S. national security; extend the influence of the United States abroad; and promote burden-sharing and American values. USAID helps partner countries address their social and economic challenges and unlock the potential of all their citizens, to improve global stability and create new markets for American goods and firms.

The proposed R3 Associate Administrator would lead a focused and well-coordinated structure to provide humanitarian assistance, guide and oversee resilience and food-security programming, and prevent and respond to conflict and crises. Strengthening USAID's capacity to prevent conflict, address fragility, respond to global crises, and act as a stabilizing force in times of country transition, directly contributes to security and stability, thereby supporting the President's *National Security Strategy* and the interagency Stabilization Assistance Review. The Bureaus that would report to the proposed R3 Associate Administrator would also directly support the State-USAID *Joint Strategic Plan's* Goal to "Protect America's Security at Home and Abroad," including by countering instability and violence that threatens U.S. interests.

The Associate Administrator for Strategy and Operations would align the Agency's core functions to increase the efficiency of the organization in both implementing development and supporting diplomacy. Through the oversight of strategic planning, as well as the formulation, execution and justification of budget, the Agency can better align its strategy, resources, and direction.

### **Monitoring and Oversight**

***(An analysis of the impact of any such change to conduct adequate monitoring and oversight of foreign assistance programs.)***

The addition of the two new Associate Administrators would improve monitoring and oversight by establishing more effective and streamlined operational management units and decision-making processes. This would result in improved planning and execution of foreign-assistance programs, as well as better representation of development in the national-security apparatus.

### **Legislative Changes**

***(Any legislative change necessary to implement such proposals.)***

Legislative change will be required in 5 USC 5315 which states that of USAID's ten Level IV PAS positions, six (6) will be Assistant Administrators and four (4) will be Regional Assistant Administrators. The legislative change will require that two (2) of these Level IV PAS positions be retitled "Associate Administrators."

### **Cost and Timeline**

*(The estimated cost and timeline to complete the proposed action.)*

The costs of the operational activities and the personnel actions required to implement the entire Agency-wide restructuring, once approved, are estimated at approximately \$6 million over a period of two years. Some of the activities included in this amount are the following: (1) rewriting and classifying position descriptions; (2) personnel actions for reassignment of staff to new Bureaus; (3) the co-location/movement of staff to new Bureaus; (4) updating corporate systems; and, (5) revising operational policy.

The two proposed Associate Administrator positions could be in place for a brief amount of time after the Congressional Notification clears. Following clearance, USAID would temporarily dual-hat existing positions within the Agency to serve the Associate functions.<sup>7</sup>

Following legislative changes to 5 USC 5315, the Assistant Administrator for DCHA would formally become the Associate Administrator for Relief, Response, and Resilience; the President would then nominate an official to be the Associate Administrator for Strategy and Operations.

### **Efficiencies**

*(An assessment of any cost-savings and efficiencies achieved through implementation of each element of the proposed action.)*

As noted above, the creation of the Associate Administrator for R3 would bring programmatic coherence and efficiencies to the Agency's investments in these areas, in particular more-purposeful transitions between humanitarian interventions and development programming to create long-term resilience and self-sufficiency. The proposed R3 Associate Administrator and associated Bureaus would coalesce and streamline operational management units and decision-making to improve the Agency's ability to deploy assistance and technical expertise at the right time in the right places.

The new Associate Administrator for Strategy and Operations would align the central services that cut across the Agency, and focus on increasing the efficiencies of them.

These two new Associate Administrators would reduce the administrative burden and the number of direct reports to the Administrator and Deputy Administrator from 27 to 18, and allow he or she to spend the necessary time and energy on the management of the overall Agency, provide guidance on longer-term development efforts, as well as focus on specific crisis responses, and provide more representation of development matters in U.S. national security.

### **Budget**

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<sup>7</sup> USAID is committed to the practice of PA/PAS officials only reporting to those of similar rank.

Please refer to the below narrative and table that summarize the proposed changes' impact on OE and the Program Budget.

Based on the Fiscal Year (FY) 2018 enacted level, the estimated OE budget for the Office of the Administrator would be \$12.4 million, which would consist of \$3.4 million for U.S. Direct-Hire (USDH) salaries and benefits (S&B) and \$9.0 million for other direct costs (ODCs). The USDH S&B level would support approximately 20 OE-funded USDH staff (eight Administratively Determined [AD] positions, eight Civil Service [CS], and four Foreign Service [FS]). The ODC level funds travel, training, supplies, advisory and assistance services, and other costs.

In FY 2019, additional funding could be needed to support the approximately 10 additional ES FTEs outlined in the summary of changes above; this funding would be allocated from within 2019 Budget levels.

Estimated Program Funded Amounts Accruing to Future Organizations Under Redesign

\$ in thousands for all items

Future Bureau	Current Bureau	Current Office/Center	FY 2017 653(a)*	FY 2018 President's Budget (Program Funds)**	FY 2019 President's Budget (Program Funds)
<b>Bureau for Conflict Prevention and Stabilization</b>			157,334	97,543	92,543
Bureau for Conflict Prevention and Stabilization	Bureau for Democracy, Conflict and Humanitarian Assistance	Office of Conflict Management and Mitigation	3,500	5,500	5,500
Bureau for Conflict Prevention and Stabilization	Bureau for Democracy, Conflict and Humanitarian Assistance	Office of Transition Initiatives	122,834	92,043	87,043
Bureau for Conflict Prevention and Stabilization	Bureau for Democracy, Conflict and Humanitarian Assistance	OMM - Reconciliation Programs	21,000	0	0
Bureau for Conflict Prevention and Stabilization	Bureau for Democracy, Conflict and Humanitarian Assistance	Complex Crises Fund	10,000	0	0
<b>Bureau for Democracy, Development and Innovation</b>			520,403	241,479	378,029
Bureau for Democracy, Development and Innovation	Bureau for Democracy, Conflict and Humanitarian Assistance	Center of Excellence on Democracy, Human Rights and Governance	143,553	64,700	61,500
Bureau for Democracy, Development and Innovation	Bureau for Economic Growth, Education and Environment	All offices except Water and Office of Global Climate Change/Adaptation	292,850	162,279	283,974
Bureau for Democracy, Development and Innovation	Global Development Lab	Global Development Lab (most offices)	58,000	14,500	12,555
Bureau for Democracy, Development and Innovation	Bureau for Democracy, Conflict and Humanitarian Assistance	American Schools and Hospitals Abroad (ASHA)	26,000	0	0
<b>Bureau for Humanitarian Assistance***</b>			6,035,800	2,508,200	3,557,412
Bureau for Humanitarian Assistance	Bureau for Democracy, Conflict and Humanitarian Assistance	Office of Foreign Disaster Assistance	2,251,600	1,003,278	1,003,278
Bureau for Humanitarian Assistance	Bureau for Democracy, Conflict and Humanitarian Assistance	Office of Food for Peace	3,776,200	1,504,922	1,554,134
Bureau for Humanitarian Assistance	Bureau for Democracy, Conflict and Humanitarian Assistance	Office of Food for Peace/FEWS Net****	8,000	0	0
<b>Bureau for Policy, Resources and Performance</b>			16,500	11,036	8,129
Bureau for Policy, Resources and Performance	Global Development Lab	Design component of Center for Development Innovations; Office of Evaluation and Impact Assessment; Futures analysis component of Center for Digital Development	4,000	1,000	0
Bureau for Policy, Resources and Performance	Bureau for Policy, Planning and Learning	Bureau for Policy, Planning and Learning	12,500	10,036	8,129
<b>Bureau for Resilience and Food Security</b>			306,274	117,360	143,026
Bureau for Resilience and Food Security	Bureau for Food Security	All offices	290,000	91,000	121,000
Bureau for Resilience and Food Security	Bureau for Economic Growth, Education and Environment	Office of Global Climate Change	2,829	3,550	3,550
Bureau for Resilience and Food Security	Bureau for Economic Growth, Education and Environment	Water	13,445	22,810	18,476
<b>Bureau for Asia</b>			2,102,882	1,443,385	1,297,182
Bureau for Asia	Bureau for Asia	All Operating Units (less AF/Pak)	1,230,382	582,135	574,682
Bureau for Asia	Office of Afghanistan and Pakistan Affairs	Afghanistan and Pakistan	872,500	861,250	722,500
<b>Total funds affected</b>			<b>9,139,193</b>	<b>4,419,003</b>	<b>5,476,321</b>
<p>Notes:                      *Includes ESDF, IDA, TI, GH-USAID, and GH-State. USAID Operational Accounts are not reflected in this total. State Bureaus are not reflected in this total.                      **Resource allocations are based on the President's Request levels. While Congress has passed an appropriation for FY 2018, allocations are still being finalized.                      ***The FY 2019 Humanitarian Assistance request maintains \$1 billion in unallocated funds to strategically leverage other donors' contributions and catalyze reform at the UN and other implementing partners. The FY 2017 allocation includes SAAA and famine funding.                      ****Funding for FEWS NET in FY 2018 and FY 2019 is provided within the IDA account.</p>					

**UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT (USAID)  
CONGRESSIONAL NOTIFICATION**

**Merger of the Independent Offices of Security and Human Capital and Talent-  
Management into the Bureau for Management and a Further Reorganization of the  
Bureau for Management**

Pursuant to Sections 7015(a) and 7081 of the Department of State, Foreign Operations and Related Programs Appropriations Act, 2018 (P.L. 115-141, Division K), this notification advises that USAID intends to merge the Office of Security (SEC) and Human Capital and Talent-Management (HCTM) into the Bureau for Management (M), including transferring the Reasonable Accommodations program from the Office of Civil Rights and Diversity into HCTM, and to reorganize M as a result. The proposed revised M Bureau would create a more-efficient one-stop shop for the central services that support all USAID staff around the world.

**Problem Statement**

The Administrator and Deputy Administrator of USAID have an unmanageable number of direct reports, and the core operational-support functions of the Agency are distributed in multiple Operating Units. The Agency also needs to ensure that its statutorily mandated regulatory officers have the status and reporting relationships of its prescribed by Federal law and guidance from the Office of Management and Budget (OMB).

**Rationale**

USAID is the world's premiere development and humanitarian assistance agency, and proposes a Washington-based restructuring to ensure it remains as such. Development and humanitarian assistance are fundamental to U.S. national security, and a pillar of U.S. foreign policy. USAID has not undergone an Agency-wide restructuring in decades. In consultation with Agency staff, partners, and other external stakeholders, the Administrator proposes a series of structural changes to create a more field-driven, functionally aligned, and responsive organization. This proposed restructuring would enable the Agency to keep pace with the quick-changing international environment. USAID must remain dynamic and relevant by transforming our structure, workforce and programs to advance host-country partners on their journey to self-reliance.

USAID's centralized services for program and management support, security, and the Agency's strategic and transactional work on human capital and talent are currently housed in three separate Operating Units - the M Bureau, HCTM, and SEC - all of which report directly to the Administrator (A/AID). This has institutionalized divisions between teams that would benefit

from closer alignment and efficiencies. Moving HCTM and SEC into the Bureau for Management would improve collaboration and increase accountability across these vital services for USAID staff members, and would decrease the number of direct reports to the Administrator, which is a core tenant of the structural proposals across the Agency under the Transformation. The proposed changes would ensure USAID is in full compliance with various statutes, including the Chief Financial Officers Act of 1990 (Public Law 101–576, or CFO Act), the Clinger-Cohen Act of 1996 (40 U.S.C. 1401 (3)), the Federal Information Technology Acquisition Reform Act (FITARA), all as amended, and various Circulars published by OMB.

This proposal responds to reports produced by external stakeholders, suggestions from staff, and recommendations from the Office of the USAID Inspector General (OIG) and the Government Accountability Office (GAO), as reflected in the attached chart.

### **Summary of Proposed Changes**

Proposed changes for the M Bureau include the following:

1. HCTM and SEC, which are currently Independent Offices that report to the Office of the Administrator, would move into the M Bureau;
2. In addition to the (AA/M), the senior leadership team of the Bureau for Management would include the following :
  - a. Chief Financial Officer (CFO);
  - b. Chief Information Officer (CIO);
  - c. Performance-Improvement Officer (PIO);
  - d. Chief Acquisition Officer (CAO);
  - e. Chief Human Capital Officer (CHCO); and
  - f. Director of Security.

Under this structure:

- The senior leadership team of the M Bureau would be comprised of the statutory regulatory officers and no longer include Deputy Assistant Administrators (DAAs); however, these officers would hold, at minimum, DAA-level status;
- The CIO would report directly to the Administrator, as OMB Circular M-15-14, the Clinger-Cohen Act of 1996 and FITARA specify, with daily management provided by the AA/M;
- The CFO would report directly to the Administrator, as required by the CFO Act, with daily management provided by the AA/M;
- The CHCO would report directly to the Associate Administrator for Strategy and Operations in USAID’s Front Office with daily management provided by the AA/M; and
- The Director of Security would report directly to the Associate Administrator for Strategy and Operations in USAID’s Front Office - with daily management provided by the AA/M. The Director of Security would also be obligated to report directly to the Administrator in emergent security situations.
- To ensure shared accountability and enhance cohesion, the AA/M would provide input on performance reviews for his/her indirect reports.

3. The responsibility for the planning and execution of the Agency's Operating Expenses (OE) budget would move from the M Bureau to the proposed new Bureau for Policy, Resources and Performance (see REORG CN #4 dated August 3, 2018), as would some staff charged with tracking performance audits by the OIG and the GAO and following through on the implementation of their recommendations;
4. In response to an audit by the Office of the USAID Inspector General entitled, "Lessons From USAID's Ebola Response Highlight the Need for a Public Health Emergency Policy Framework" (audit number 9-000-18-001-P, January 24, 2018), the Agency would form a new Task-Force Readiness Unit (TFRU) within the M Bureau's Office of Management Services that would be responsible for coordinating logistics when the Administrator activates a Task Force;
5. The responsibility for reporting on training/exchanges and compliance with U.S. visa requirements by foreign students and trainees would move from the current Bureau for Economic Growth, Education and Environment (E3) to the M Bureau; and
6. The movement of USAID's Reasonable Accommodation program from the Office of Civil Rights and Disabilities (OCRD) to HCTM. This program will be placed in the Office of the CHCO and report to the Deputy CHCO.

### **Detailed Description**

*(A detailed description of, and justification for, the proposed action, including any policies or procedures currently or expected to be used to implement Executive Order 13781.)*

To better align the central services of the Agency, the independent Offices of Security and Human Capital and Talent-Management would merge into the M Bureau. Having these functions under the day-to-day supervision of one AA would increase awareness and strengthen coordination to improve service-delivery to our staff and support to our programs. The elevation of the statutory regulatory officers to the senior team of the M Bureau would increase their authority, and underpin USAID's broad vision for Transformation to empower Agency leaders while continuing to fulfill legal reporting requirements. Creating the TFRU would institutionalize the Agency's logistical support for standing up, closing down and learning from temporary Task Forces so they have maximum impact. Moving the reporting on training/exchanges reporting and compliance with U.S. visa requirements by foreign students and trainees from the E3 Bureau to the M Bureau would further improve the alignment and coordination of USAID's central services.

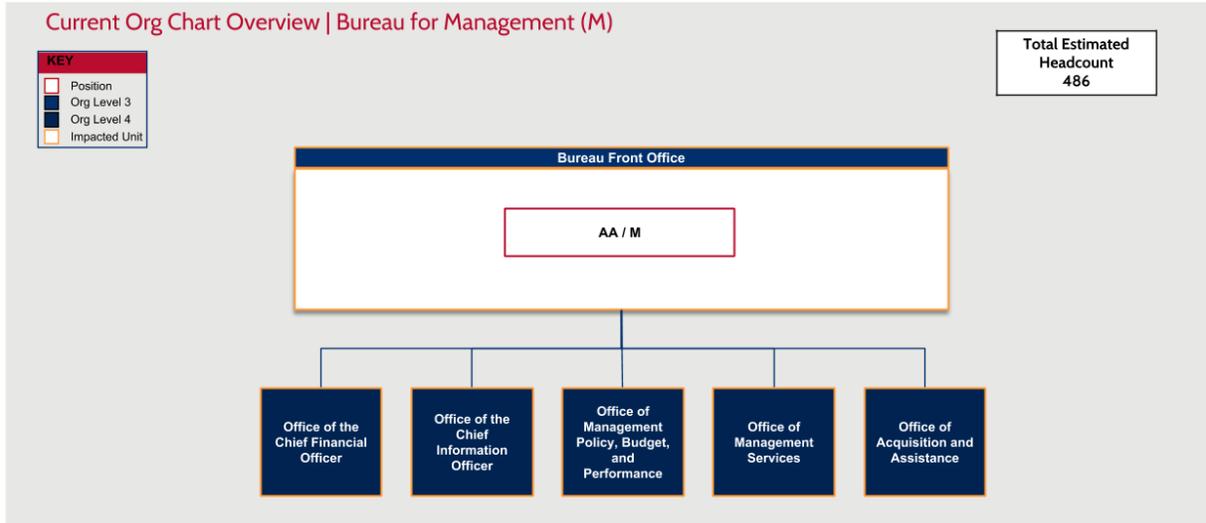
*The objectives of the expanded Bureau for Management would be to do the following:*

- *Align and combine under a single management structure and budget the central services of the Agency;*
- *More closely align with the structure of the Department of State's operational units housed under the Under Secretary for Management (M);*
- *Unify workforce-planning for all hiring mechanisms, including U.S. Personal Services Contractors (USPSCs);*
- *Capitalize on the interdependencies between workforce, security, and management processes to continually strengthen vital staff and program-support services; and*
- *Provide a unified Agency voice with the Department of State, OMB, Congress and other stakeholders on all matters related to the Agency's workforce, security and management.*

**Current Structure**

*(The current organizational chart, showing the Operating Units of the respective department, agency or organization and a brief description of each Operating Unit; the number of employees for each Operating Unit.)*

Table 1: Current Organizational Chart for the Bureau for Management



*\*Note - The “Budget” portion of Office of Management Policy, Budget and Performance (MPBP) would not move to the new M Bureau, but instead to the proposed PRP Bureau.*

Table 2: Current Organizational Chart for the Office of Human Capital and Talent Management

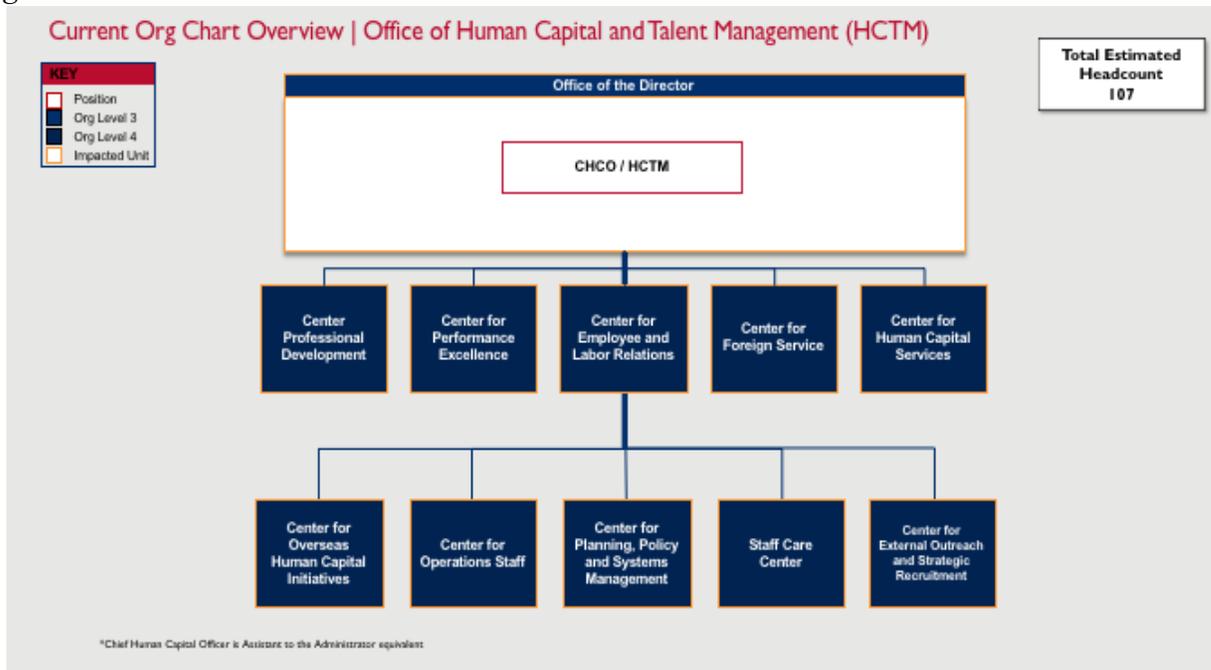


Table 3: Current Organizational Chart for the Office of Security



The **Office of the Assistant Administrator (AA/M)** serves as the Agency's principal advisor on matters relating to management and administration. The Office includes a presidentially appointed Assistant Administrator and three DAAs who oversee and provide general policy direction to subordinate Offices in the M Bureau.

The **Office of the CFO (M/CFO)** fulfills the responsibilities conveyed in the CFO Act. It also directs USAID financial-management operations worldwide; directs the development of financial-management information for the U.S. Department of State-USAID Fiscal Year 2017-2022 *Joint Strategic Plan (JSP)*, the Agency's annual performance plan, our annual performance and accountability report and Congressional Presentation; and, in consultation with the Office for Foreign Assistance Resources (State/F), ensures that reliable, consistent and timely information on the performance of our programs is available to meet the CFO Act's reporting requirements.

The **Office of the CIO (M/CIO)** is responsible for the oversight of the Agency's Information Resource Management, as defined in the E-Government Act of 2002 and OMB Circular A-130; the purchasing and supervision of the Agency's information-technology resources, as defined in OMB Circular A-130 and the FITARA; as well as all functions mandated by the Clinger-Cohen Act of 1996 and FITARA.

The **Office of Management Policy, Budget, and Performance (M/MPBP)** functions as the M Bureau's central unit for the planning and implementation of the Agency's OE budget; the formulation of management policy; the monitoring and evaluation of management performance; administrative-support services; and compliance and oversight to implement the USAID suspension and debarment program.

The **Office of Management Services (M/MS)** provides logistical-support and administrative services at USAID/Washington.

The **Office of Acquisition and Assistance (M/OAA)** oversees the contracting and grant-making functions of USAID, including the hiring of USPSCs.

The **Office of Human Capital and Talent-Management (HCTM)** is responsible for the human-resources functions of the Agency, including Staff Care. HCTM serves as the lead to get the right people with the right skills in the right place doing the right work at the right time, at the right cost.

The **Office of Security (SEC)** provides centralized security and intelligence support to the Agency. This includes access-control and physical security for five facilities in the National Capital Region, as well as the effective implementation of physical security at all USAID stand-alone facilities apart from U.S. Embassies overseas, management of our armored-vehicle program, and the supervision of an extensive security-communications program to support USAID's global operations. SEC manages the Agency's Counterintelligence Program, Insider-Threat Program, Information-Security Program, and counter-terrorism efforts. SEC conducts personnel security investigations to grant facility access and security clearances up to the Top-Secret level, and is the liaison with other parts of the Federal Government for the granting of special compartmentalized information (SCI) access and access to Special Access Programs (SAPs). SEC maintains direct formal relationships with the U.S. Departments of Defense, Homeland Security, Treasury, State (Bureau of Diplomatic Security), Justice (Federal Bureau of Investigation), and the Intelligence Community.

### **Proposed Structure**

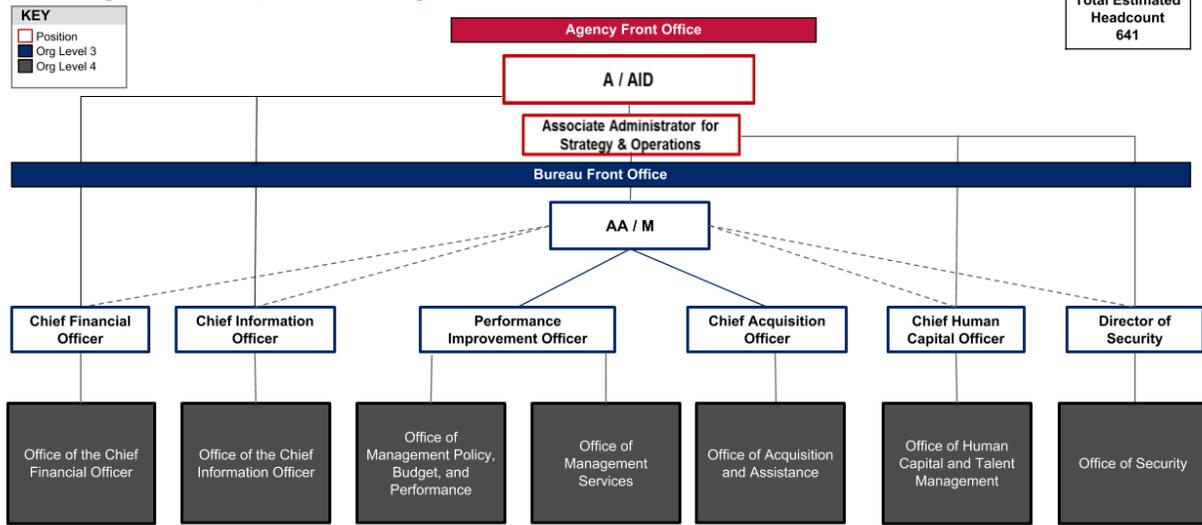
*(The proposed new organizational chart with descriptions of each new Operating Unit; and the number of employees once the proposed reorganization is complete.)*

The information provided in this Congressional Notification (CN) related to staffing numbers and hiring types is intended to provide Congress with as complete a picture as possible of the resources in place at this moment to carry out the work of the Agency on behalf of the American people. It is not intended to set in place caps or limits for individual Operating Units. USAID could adjust staffing numbers and hiring types between Operating Units as needed to fulfill its mandate effectively and efficiently.

*Table 4: Proposed Organizational Chart for the Bureau for Management*



## New Org Chart Overview | Bureau for Management (M)



The **Office of the Assistant Administrator (AA/M)** would serve as the Agency's principal advisor on matters relating to management and administration. The Office would include the presidentially appointed Assistant Administrator for Management, the CFO, the CIO, the PIO, the CAO, the CHCO, and the Director of SEC.

The **Office of the CFO (M/CFO)** would fulfill the responsibilities established in the CFO Act. The Office of the CFO would be overseen directly by the CFO, who at a DAA-equivalent would also serve the functions of Office Director. It would also direct USAID financial-management operations worldwide; direct the development of financial-management information for the JSP, the Agency's annual performance plan, annual performance and accountability report and Congressional Presentation; and, in consultation with State/F, would ensure that reliable, consistent and timely information on program performance is available to meet the CFO Act's reporting requirements. In addition, the CFO would continue to track financial audits, including the Agency's overall annual audit, but the tracking and tasking function for performance audits by the OIG and GAO would move to the proposed PRP Bureau. The CFO would report directly to the Administrator, as required by the CFO Act, with daily management provided by the AA/M.

The **Office of the CIO (M/CIO)** would be responsible for the oversight of the Agency's Information Resource Management, as defined in the E-Government Act of 2002 and OMB Circular A-130; and the Agency's IT resources, as defined in OMB Circular A-130 and FITARA; as well as for all CIO functions mandated by the Clinger-Cohen Act of 1996 and FITARA. The Office of the CIO would be overseen directly by the CIO, who at a DAA-equivalent would also serve the functions of Office Director. The CIO would report directly to the Administrator, as OMB Circular M-15-14, the Clinger-Cohen Act of 1996 and FITARA specify, with daily management provided by the AA/M;

The **Office of Management Policy, Budget, and Performance (M/MPBP)** would be the central unit for the Agency's management policy formulation, management performance monitoring and evaluation, administrative support services, and compliance and oversight to implement the USAID suspension and debarment program. The Office would also manage the

M Bureau's internal budget. The Office Director of MPBP would report to the Performance Improvement Officer.

The **Office of Management Services (M/MS)** would provide logistical-support and administrative services in Washington. This Office would include the Agency's new TFRU, which would be responsible for coordinating logistics when the Administrator activates and deactivates a Task Force, as well as for codifying and memorializing the actions and lessons learned from the Task Force. The Office Director of Management Services would report to the Performance Improvement Officer.

The **Office of Acquisition and Assistance (M/OAA)** would be responsible for the Agency's contracting and grant-making, and serve as the primary Operating Unit for carrying out the Administrator's agenda for effective partnering and procurement reform to diversify USAID's pool of implementers and broaden our use of innovative instrument. The Office of Acquisition and Assistance would be directly overseen by the Chief Acquisition Officer (CAO), who serves as the Senior Procurement Executive (SPE) and is a DAA-equivalent, and would also serve the functions of Office Director.

The **Office of Human Capital and Talent-Management (M/HCTM)** would manage the human-resources functions of the Agency, including Staff Care, and would assume responsibility for the hiring of USPSCs. The Office of HCTM would be overseen directly by the CHCO, who at a DAA-equivalent would also serve the functions of Office Director. HCTM would streamline human-capital operations, particularly transactions, so as to focus more on longer-term strategic workforce-planning. The CHCO, a senior USDH, would maintain the rank of Assistant to the Administrator, and would maintain the rank of Assistant to the Administrator and would report directly to the Associate Administrator for Strategy and Operations in USAID's Front Office, with daily management provided by the AA/M.

The **Office of Security (M/SEC)** would provide centralized security and intelligence support to the Agency. This would include access-control and physical security for five facilities in the National Capital Region, as well as the effective implementation of physical security at all USAID stand-alone facilities apart from U.S. Embassies overseas, management of our armored-vehicle program, and the supervision of an extensive security-communications program to support USAID's global operations. SEC would manage the Agency's Counterintelligence Program, Insider-Threat Program, Information-Security Program, and counter-terrorism efforts. SEC would conduct personnel security investigations to grant facility access and security clearances up to the Top-Secret level, and be the liaison with other parts of the Federal Government for the granting of special compartmentalized information (SCI) access and access to Special Access Programs (SAPs). SEC would maintain direct formal relationships with the U.S. Departments of Defense, Homeland Security, Treasury, State (Bureau of Diplomatic Security), Justice (Federal Bureau of Investigation), and the Intelligence Community. The Director of Security would report directly to the Associate Administrator for Strategy and Operations in USAID's Front Office, with daily management provided by the AA/M. The Director of Security would also be obligated to report directly to the Administrator in emergent security situations.

### **Assessment of Improvements**

***(An assessment of how the proposed action will improve the efficiency, effectiveness, performance, and accountability (including through modernizing information technology platforms and streamlining administrative functions) of the department, agency, or organization.)***

Expanding the M Bureau to include HCTM and SEC would create a more-efficient one-stop shop for the central services that support all USAID staff. Placing these services under one AA would streamline accountability, and foster more-effective daily coordination between the leaders of each delivery unit, to enhance overall performance.

Moving the statutory regulatory officers to the M Bureau's leadership team would also reflect Congressional intent by giving each position the appropriate seniority and access to the Agency's top management.

Creating the TFRU responds to a recommendation from the OIG in the wake of the Ebola outbreak in West Africa, and would institutionalize the Agency's logistical support for temporary Task Forces rather than rely on *ad-hoc* arrangements.

Moving the reporting on training/exchanges and compliance of foreign trainees with U.S. visa requirements from the E3 Bureau to the M Bureau would increase efficiencies by enabling closer coordination of these functions with other central services and the Department of State.

Moving the Reasonable Accommodation functions from OCRD to HCTM would mitigate conflict of interest litigation vulnerabilities. More specifically, having the Agency's Reasonable Accommodations Program reside under the Director for EEO Complaints and Compliance raises issues of conflict of interest because employees challenging determinations of discrimination, based on the EEOC's federal protected bases of physical or mental disability, would also be appealing to the same entity that makes decisions on behalf of the Agency for Reasonable Accommodations. The Equal Employment Opportunity Commission (EEOC) also advised that movement to HCTM is a best practice.

### **National Interest**

***(An analysis of the impact of any such change on the ability to advance the national interest of the United States through diplomacy and development.)***

Development is an integral component of U.S. foreign policy and national security, and USAID's programming and policies support the four pillars of the *National Security Strategy* (NSS). USAID helps to increase America's economic prosperity; reduce threats to U.S. national security; extend the influence of the United States abroad; and promote burden-sharing and American values. USAID helps partner countries address their social and economic challenges and unlock the potential of all their citizens, in order to improve global stability and create new markets for American goods and firms.

Aligning the central services of USAID would create more-efficient management and program-support systems and allow the Agency to build a more-effective workforce to fulfill the Agency's mandate to advance the national security of the United States through diplomacy and development.

More specifically, the M Bureau has a critical role to play in protecting the taxpayers' investments through improving USAID's partner-vetting and leading procurement reform, which are critical to the Agency's Transformation.

### **Monitoring and Oversight**

*(An analysis of the impact of any such change to conduct adequate monitoring and oversight of foreign assistance programs.)*

Elevating the statutory regulatory officers to the M Bureau's senior leadership team would enhance the Agency's monitoring and oversight of the acquisition and assistance (A&A), performance, IT, and financial functions that support our programs. It would also align accountability with responsibility in each of these important areas, in conformity with various statutes and OMB Circulars.

### **Legislative Changes**

*(Any legislative change necessary to implement such proposals.)*

Moving SEC into the M Bureau would require a change to the legislation that established SEC as an Independent Office "within the Office of the Administrator" (PL 105-277 (1998)).

For the expanded M Bureau to function optimally, USAID would need the authority to transfer funds into an IT Working Capital Fund (WCF) authorized by the Modernizing Government Technology Act of 2017, as well as the authority to establish an A&A WCF in support of the Agency's procurement reform efforts.

### **Cost and Timeline**

*(The estimated cost and timeline to complete the proposed action.)*

The cost of the operational activities and personnel actions required to implement the Agency-wide restructuring, once approved, are estimated at approximately \$6 million over a period of two years. Some of the activities included in this amount are the following: (1) rewriting and classifying position descriptions; (2) personnel actions to re-assign staff to new Bureaus; (3) co-location/movement of staff to new Bureaus; (4) updating corporate systems; and, (5) revising operational policy.

The proposed M Bureau could be in place in 24-30 months after the Congressional Notification clears. It is intended that this restructuring happen after the other restructuring proposals are complete to avoid operational disruption.

However, immediately after the Congressional Notification clears, USAID would alter the reporting structure for the Chief Information Officer, whereby the CIO would directly report to the Administrator, and indirectly to the Assistant Administrator for Management. This change would allow the Agency to meet FITARA scorecard requirements as soon as possible.

### **Efficiencies**

*(An assessment of any cost savings and efficiencies achieved through implementation of each element of the proposed action.)*

The consolidation of the central functions related to the Agency's management, security and workforce into a single Bureau would simplify internal operational structures, and would allow USAID staff to interact with a single entity for guidance and support. Elevating the statutory regulatory officers to the M Bureau's senior leadership team would elevate the visibility and authority of these critical functions, as required by law. By providing centralized, logistical services for Task Forces through the new TFRU, the Agency would experience more efficient, consistent, and cost-effective support for these temporary, and often urgent, entities. Shifting responsibility for the hiring of USPSCs from M/OAA to HCTM would unify the responsibility for all hiring categories under one management unit for the first time, allow for faster and more-efficient processing, and include USPSCs in the strategic workforce-planning of the Agency.

### **Budget**

Based on the Fiscal Year (FY) 2018 enacted level, the estimated OE budget for the M Bureau would be \$147.1 million, which would consist of \$95.4 million for U.S. Direct-Hire (USDH) salaries and benefits (S&B) and \$51.7 million for other direct costs (ODCs). The USDH S&B level would support approximately 620 OE-funded USDH staff (Two Administratively Determined [AD], 589 Civil Service [CS], 29 Foreign Service [FS], and one Foreign Service Limited [FSL]). The ODC level would fund travel, training, supplies, advisory and assistance services, other costs, and four non-USDH staff (USPSCs).

The estimated cost for the salaries and benefits of the approximately 17 program-funded staff (14 CS and three USPSCs) would be \$2.4 million.

Additional changes to M components would be allocated from within FY 2019 Budget levels.

## Attachment One: Chart of related reports and recommendations

### External Reports and Legal Requirements

a) Per OMB Memorandum M-15-14 and the Clinger-Cohen Act of 1996, the CIO would report directly to the Administrator.

(<https://policy.cio.gov/fitara/#OMB-Memorandum-M-15-14>)

(<https://www.gpo.gov/fdsys/pkg/PLAW-104publ106/html/PLAW-104publ106.htm>)

b) Per the CFO Act, the CFO would report directly to the Administrator.

(<https://www.gao.gov/special.pubs/af12194.pdf>)