

---

August 2003

## FOREIGN ASSISTANCE

# Strategic Workforce Planning Can Help USAID Address Current and Future Challenges



Highlights of GAO-03-946, a report to congressional requesters

August 2003

## FOREIGN ASSISTANCE

# Strategic Workforce Planning Can Help USAID Address Current and Future Challenges

### Why GAO Did This Study

The U.S. Agency for International Development (USAID) oversees humanitarian and economic assistance—an integral part of the U.S. global security strategy—to more than 160 countries. GAO recommended in 1993 that USAID develop a comprehensive workforce plan; however, human capital management continues to be a high-risk area for the agency.

GAO was asked to examine how changes in USAID's workforce over the past 10 years have affected the agency's ability to deliver foreign aid and to assess its progress in implementing a strategic workforce planning system.

### What GAO Recommends

To help USAID plan for changes in its workforce and continue operations in an uncertain environment, we recommend that the USAID Administrator develop and institutionalize a strategic workforce planning and management system that takes advantage of strategic workforce planning principles.

USAID noted that our report captured its complex workforce issues and agreed with our findings and recommendations. USAID also referred to a recently formed team that will carry out a comprehensive workforce analysis and planning effort to identify and address its workforce needs.

### What GAO Found

USAID has evolved from an agency in which U.S. direct-hire staff directly implemented development projects to one in which U.S. direct-hire staff oversee the activities of contractors and grantees. Since 1992, the number of USAID U.S. direct-hire staff declined by 37 percent, but the number of countries with USAID programs almost doubled and, over the last 2 years, program funding increased more than 50 percent. As a result of these and other changes in its workforce and its mostly ad-hoc approach to workforce planning, USAID faces several human capital vulnerabilities. For example, attrition of experienced foreign service officers and inadequate training and mentoring have sometimes led to the deployment of staff who lack essential skills and experience. The agency also lacks a "surge capacity" to respond to evolving foreign policy priorities and emerging crises. With fewer and less experienced staff managing more programs in more countries, USAID's ability to oversee the delivery of foreign assistance is becoming increasingly difficult.

USAID has taken steps toward developing a workforce planning and human capital management system that should enable the agency to meet its challenges and achieve its mission in response to the President's Management Agenda, but it needs to do more. For example, USAID has begun its workforce analysis but it has not yet conducted a comprehensive assessment of the skills and competencies of its current workforce and has not yet included its civil service and contracted employees in its workforce planning efforts. Because USAID has not adopted a strategic approach to workforce planning, it cannot ensure that it has addressed its workforce challenges appropriately and identified the right skill mix to carry out its assistance programs.

#### USAID U.S. Direct-Hire Presence, Fiscal Years 1992 and 2002

	1992	2002	Percentage change
<b>USAID U.S. direct hires</b>			
Total number	3,163	1,985	(37)
Number assigned overseas	1,082	631	(42)
Number of countries receiving USAID assistance with U.S. direct-hire presence	66	71	7
Number of countries receiving USAID assistance with no U.S. direct-hire presence	16	88	450

Source: GAO analysis of USAID data.

[www.gao.gov/cgi-bin/getrpt?GAO-03-946](http://www.gao.gov/cgi-bin/getrpt?GAO-03-946).

To view the full product, including the scope and methodology, click on the link above. For more information, contact Jess Ford at (202) 512-4268 or [FordJ@gao.gov](mailto:FordJ@gao.gov).

---

# Contents

---

<b>Letter</b>		1
Results in Brief		2
Background		4
USAID's Changing Workforce Affects Ability to Deliver Foreign Assistance		6
USAID's Progress in Implementing Strategic Workforce Planning Principles Is Limited		15
Conclusions		21
Recommendations for Executive Action		22
Scope and Methodology		22
Agency Comments and Our Evaluation		23
<b>Appendix I</b>	<b>Selected Reports Related to USAID's Workforce Planning</b>	25
<b>Appendix II</b>	<b>USAID Worldwide Foreign Assistance Programs Locations</b>	27
<b>Appendix III</b>	<b>Comments from the U.S. Agency for International Development</b>	31
<b>Appendix IV</b>	<b>GAO Contacts and Staff Acknowledgments</b>	32
	GAO Contacts	32
	Acknowledgments	32
<b>Table</b>	Table 1: USAID U.S. Direct-Hire Presence, Fiscal Years 1992 and 2002	11

---

---

## **Figures**

<b>Figure 1: USAID U.S. Direct-Hire Workforce and Program Funding Levels, Fiscal Years 1990-2003</b>	<b>7</b>
<b>Figure 2: USAID's Workforce Profile as of December 31, 2002</b>	<b>8</b>
<b>Figure 3: Principles for Effective Strategic Workforce Planning</b>	<b>15</b>

---

## **Abbreviations**

OMB	Office of Management and Budget
USAID	United States Agency for International Development

This is a work of the U.S. government and is not subject to copyright protection in the United States. It may be reproduced and distributed in its entirety without further permission from GAO. However, because this work may contain copyrighted images or other material, permission from the copyright holder may be necessary if you wish to reproduce this material separately.



**United States General Accounting Office  
Washington, DC 20548**

August 22, 2003

The Honorable Christopher Shays, Chairman  
The Honorable Dennis J. Kucinich, Ranking Minority Member  
Subcommittee on National Security, Emerging Threats, and  
International Relations  
Committee on Government Reform  
House of Representatives

Humanitarian and economic development assistance is an integral part of U.S. global security strategy, particularly as the United States seeks to diminish the underlying conditions of poverty and corruption that may be linked to instability and terrorism. Since 1962, the U.S. Agency for International Development (USAID) has managed more than \$273 billion in such assistance.<sup>1</sup> In fiscal year 2003, Congress appropriated almost \$11.5 billion to USAID, and the agency managed programs in almost 160 countries. Agency staff often work in difficult environments and under evolving program demands. More will be demanded of USAID's staff as they implement large-scale relief and reconstruction programs in Afghanistan and Iraq while continuing traditional long-term development assistance programs.

USAID administers foreign aid through a decentralized staffing structure, with its headquarters in Washington, D.C., and missions located throughout the world. In 1993, we recommended that USAID develop a comprehensive workforce planning and management system to better identify staffing needs and requirements.<sup>2</sup> However, human capital management continues to be a high-risk area at USAID and throughout much of the federal government.<sup>3</sup> According to the Office of Management Budget (OMB), the federal government—including USAID—significantly

---

<sup>1</sup>U.S. Agency for International Development, *U.S. Overseas Loans and Grants and Assistance from International Organizations, July 1, 1945-September 30, 2001*. Figure equals \$541 billion in fiscal year 2003 dollars and includes USAID's Food for Peace and title II section 416 emergency and development programs.

<sup>2</sup>U.S. General Accounting Office, *Foreign Assistance: AID Strategic Direction and Continued Management Improvements Needed*, [GAO/NSIAD-93-106](#) (Washington, D.C.: June 11, 1993).

<sup>3</sup>U.S. General Accounting Office, *High-Risk Series: An Update*, [GAO-01-263](#) (Washington, D.C.: Jan. 1, 2001).

---

downsized its workforce during the 1990s through across-the-board cuts rather than targeted reductions aligned with agency missions, and human resources planning remains weak in most agencies. The President's Management Agenda, issued in fiscal year 2002, represents the administration's effort to improve the performance of federal departments and agencies through 14 initiatives, including human capital management. OMB concluded that without proper planning, the skill mix of the federal workforce will not reflect tomorrow's missions.<sup>4</sup>

In light of USAID's long-standing workforce planning and management problems, you expressed concern about its ability to manage and oversee its foreign assistance programs. In particular, you expressed concern about USAID's apparent inability to identify and readily address staffing requirements. At your request, we examined (1) the changes in USAID's workforce since fiscal year 1990 and their effect on the agency's ability to deliver foreign assistance and (2) USAID's progress in developing and implementing a strategic workforce planning system.

To accomplish our objectives, we analyzed personnel data and workforce planning documents and interviewed knowledgeable USAID officials representing the agency's regional, technical, and management bureaus in Washington, D.C. We conducted fieldwork at seven overseas missions—the Dominican Republic, Ecuador, Egypt, Mali, Peru, Senegal, and the West Africa Regional Program in Mali. We also evaluated USAID's strategic workforce planning efforts in terms of workforce planning principles used by leading organizations: ensuring the involvement of agency leadership, employees, and stakeholders; determining current skills and competencies and those needed; implementing strategies to address critical staffing needs; and evaluating progress in achieving human capital goals.

---

## Results in Brief

Since 1990, USAID has continued to evolve from an agency in which U.S. direct-hire foreign service employees directly implemented development projects to one with a declining number of direct-hire staff that oversee the contractors and grantees who carry out most of its day-to-day activities. Personal services contractors—chiefly foreign national staff at overseas missions—play an increasing role in managing the development

---

<sup>4</sup>Office of Management and Budget, *The President's Management Agenda*, Fiscal Year 2002.

---

activities that are designed, implemented, and evaluated mainly by third-party contractors and grantees. As direct-hire staff levels decreased by 37 percent since fiscal year 1992, the number of countries with USAID programs almost doubled, and program funding recently increased more than 57 percent—from \$7.3 billion in fiscal year 2001 to almost \$11.5 billion in fiscal year 2003. As a result of the decreases in U.S. direct-hire foreign service staff levels, increasing program demands, and a mostly ad hoc approach to workforce planning, USAID now faces several human capital vulnerabilities. For example, attrition of its more experienced foreign service officers, difficulty in filling overseas positions, and limited opportunities for training and mentoring have sometimes led to (1) the deployment of direct-hire staff who lack essential skills and experience and (2) the reliance on contractors to perform most overseas functions. In addition, USAID lacks a “surge capacity” to enable it to respond quickly to emerging crises and changing strategic priorities. As a result, according to USAID officials and a recent overseas staffing assessment, the agency is finding it increasingly difficult to manage the delivery of foreign assistance.

In response to the President’s Management Agenda, USAID has taken steps toward developing a comprehensive workforce planning and human capital management system that should enable the agency to meet its challenges and achieve its mission, but progress has been limited. In evaluating USAID’s efforts in terms of proven strategic workforce planning principles, USAID has more to do. For example:

- The involvement of USAID leadership, employees, and stakeholders in developing and communicating a strategic workforce plan has been mixed. USAID’s human resource office is drafting a human capital strategy, but it has not yet been finalized or approved by such stakeholders as OMB and the Office of Personnel Management. As a result, we cannot comment on whether USAID employees and other stakeholders will have an active role in developing and communicating the agency’s workforce strategies.
- USAID has begun identifying the core competencies its future workforce will need and is conducting a workforce analysis and planning pilot at three headquarters units that will include an analysis of current skills and will eventually cover the entire workforce. However, it has not yet conducted a comprehensive assessment of the critical skills and competencies of its current workforce. USAID is in the process of determining the appropriate information technology instrument and

---

methodology that will permit the assessment of its current workforce skills and competencies.

- USAID's strategies to address critical skill gaps are not comprehensive and have not been based on a critical analysis of current capabilities matched with future requirements. USAID has begun hiring foreign service officers and Presidential Management Interns to replace staff lost through attrition. However, the agency has not completed its civil service recruitment plan and has not yet included personal services contractors—the largest segment of its workforce—in its agencywide workforce analysis and planning efforts.
- USAID has not created a system to monitor and evaluate its progress toward reaching its human capital goals and ensuring that its efforts continue under the leadership of successive administrators. Because it has not yet institutionalized a comprehensive workforce planning and management system, USAID cannot ensure that it has the essential skills needed to carry out its ongoing and future programs.

To help USAID plan for changes in its workforce and continue operations in an uncertain environment, we recommend that the USAID Administrator develop and institutionalize a strategic workforce planning and management system that takes advantage of strategic workforce planning principles.

---

## Background

USAID is the lead U.S. agency for administering humanitarian and economic assistance to about 160 countries. The USAID Administrator reports to the Secretary of State and receives overall foreign policy guidance from the Department of State. USAID operates its foreign assistance programs from its offices in Washington, D.C., and from missions and offices around the world.

In 1993, we reported that USAID had not adequately managed changes in its overseas workforce and recommended that USAID develop a comprehensive workforce planning and management system to better identify staffing needs and requirements.<sup>5</sup>

---

<sup>5</sup> GAO/NSIAD-93-106.

---

In the mid-1990s, USAID reorganized its activities around strategic objectives and began reporting in a results-oriented format but had made little progress in personnel reforms.<sup>6</sup> In July 2002, we reported that USAID could not quickly relocate or hire the staff needed to implement a large-scale reconstruction and recovery program in Latin America, and we recommended actions to help improve USAID's staffing flexibility for future disaster recovery requirements.<sup>7</sup> Appendix I summarizes several reports and studies prepared by GAO and others since 1989 that address USAID workforce planning and human capital management issues.

Studies by several organizations, including GAO, have shown that highly successful service organizations in both the public and private sectors use effective strategic management approaches to prepare their workforces to meet present and future mission requirements. We define strategic workforce planning as focusing on long-term strategies for acquiring, developing, and retaining an organization's workforce and aligning human capital approaches that are clearly linked to achieving programmatic goals. Based on work with the Office of Personnel Management, other U.S. government agencies, the National Academy for Public Administration, and the International Personnel Management Association, we identified strategic workforce planning principles used by leading organizations. According to these principles, an organization's strategic workforce planning and management system should (1) involve senior management, employees, and stakeholders in developing, communicating, and implementing the workforce plan; (2) determine the agency's current critical skills and competencies and those needed to achieve program results; (3) develop strategies to address gaps in critical skills and competencies; and (4) monitor and evaluate progress and the contribution of strategic workforce planning efforts in achieving program goals.

---

<sup>6</sup>U.S. General Accounting Office, *Foreign Assistance: Status of USAID's Reforms*, GAO-NSIAD-241-BR (Washington, D.C.: Sept. 24, 1996); *Foreign Assistance: USAID's Reengineering at Overseas Missions*, GAO/NSIAD-97-194 (Washington, D.C.: Sept. 12, 1997).

<sup>7</sup>U.S. General Accounting Office, *Foreign Assistance: Disaster Recovery Program Addressed Intended Purposes, but USAID Needs Greater Flexibility to Improve Its Response Capability*, GAO-02-787 (Washington, D.C.: July 24, 2002).

---

## **USAID's Changing Workforce Affects Ability to Deliver Foreign Assistance**

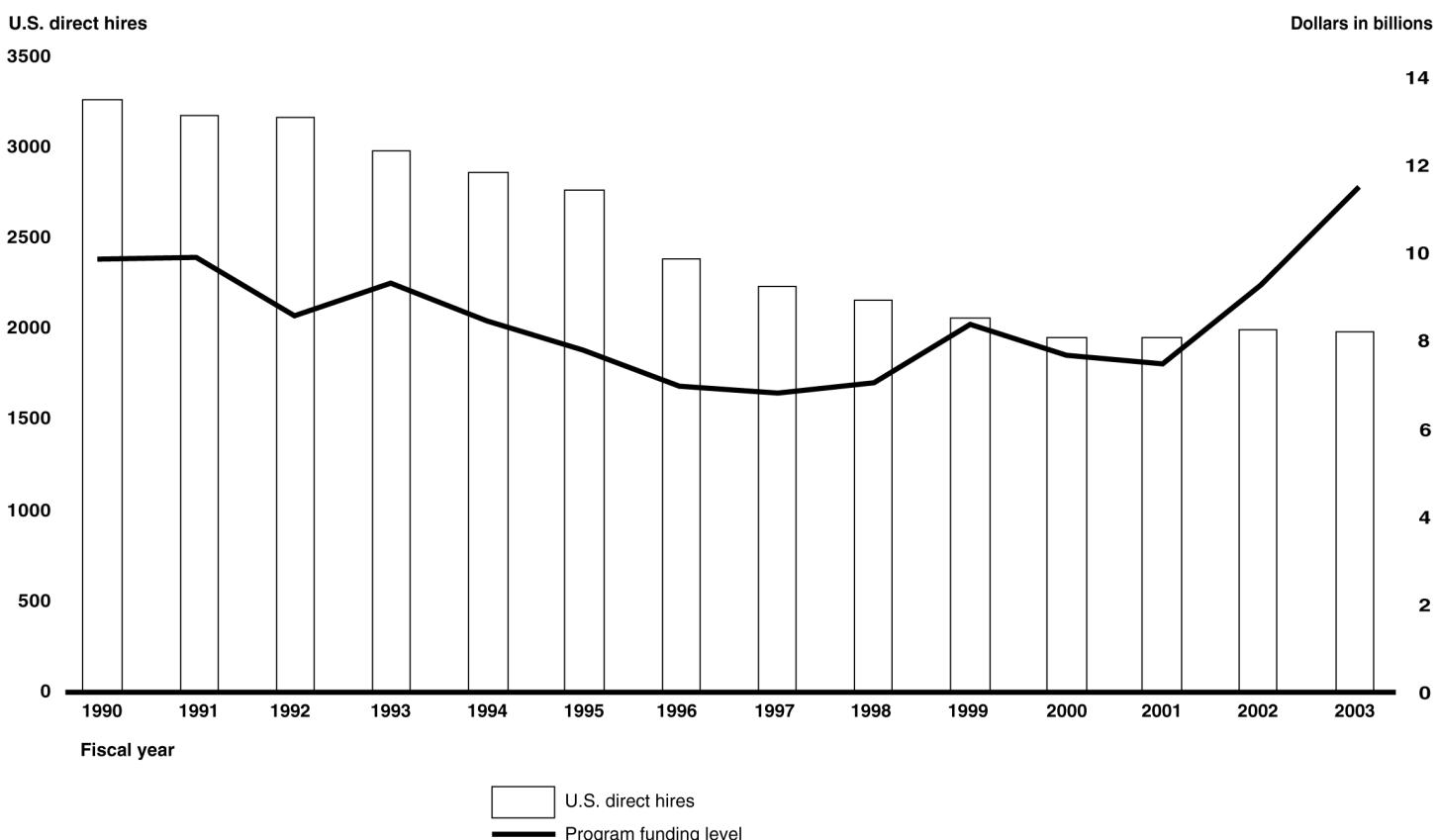
USAID has changed from an agency of U.S. direct-hires that largely provided direct, hands-on implementation of development projects to one that manages and oversees the activities of contractors and grantees. During the past decade, this trend has affected USAID's ability to implement its foreign assistance program as the number of U.S. direct-hire foreign service officers declined and much of USAID's direct-hire workforce was replaced by foreign national personal services contractors. In addition, while program funding remained relatively stable from fiscal year 1990 through fiscal year 2000, it increased from \$7.3 billion in fiscal year 2001 to \$11.5 billion in fiscal year 2003, and USAID's fewer direct hires are now responsible for programs in more countries with little or no resident U.S. direct-hire presence. Moreover, USAID operates in a difficult and uncertain environment that presents unique challenges to its ability to plan and manage its overseas workforce. Because USAID did not have a strategic workforce planning system while these changes were underway, several human capital vulnerabilities have surfaced. For example, an across-the-board reduction in force for both the foreign service and the civil service, followed by a 5-year decline in the number of U.S. direct-hires, has left the agency with critical shortages of experienced mid-level staff and in the pipeline of junior staff. In addition, 37 positions remain vacant, and opportunities for training and mentoring staff are limited, sometimes forcing the placement of staff who may lack essential skills and experience. USAID also lacks a "surge" capacity to help it deal with emerging crises and changing strategic priorities. According to USAID documents and our discussions with agency officials, these vulnerabilities are making it increasingly difficult for the agency to adequately manage and oversee its foreign assistance activities.

---

## **USAID Staff Functions Have Evolved from Implementation to Management**

USAID's U.S. direct-hire workforce decreased from about 8,600 in 1962 to about 3,162 in 1990. USAID could not continue its hands-on project approach as the number of U.S. direct hires, including foreign service staff, declined and responsibilities for planning, financing, and monitoring projects shifted to contractors, grantees, and host country governments. As figure 1 shows, this trend has continued as the number of U.S. direct-hire staff further decreased to 1,985 by December 2002. The number of foreign national employees—both direct-hires and personal services contractors—also decreased from 5,211 in fiscal year 1995 to 4,725 in fiscal year 2002. Furthermore, while program funding levels remained relatively stable for most of this period, program funding increased 57 percent from \$7.3 billion in fiscal year 2001 to \$11.5 billion in fiscal year 2003.

**Figure 1: USAID U.S. Direct-Hire Workforce and Program Funding Levels, Fiscal Years 1990-2003**



Source: USAID.

Notes: Workforce data exclude the Office of the Inspector General.

U.S. direct-hire data for fiscal year 2003 are as of December 31, 2002.

Program funding information is in constant fiscal year 2003 appropriated dollars. Program funding includes supplementals and money appropriated to the U.S. Department of Agriculture for Title II and Title III food programs administered by USAID. Fiscal year 1990 also includes Title I funding, but after January 1, 1991, the funds were administered by the Department of Agriculture. Program funding does not include operating expenses and is not adjusted for deobligations/reobligations, rescissions, transfers, or miscellaneous trust funds.

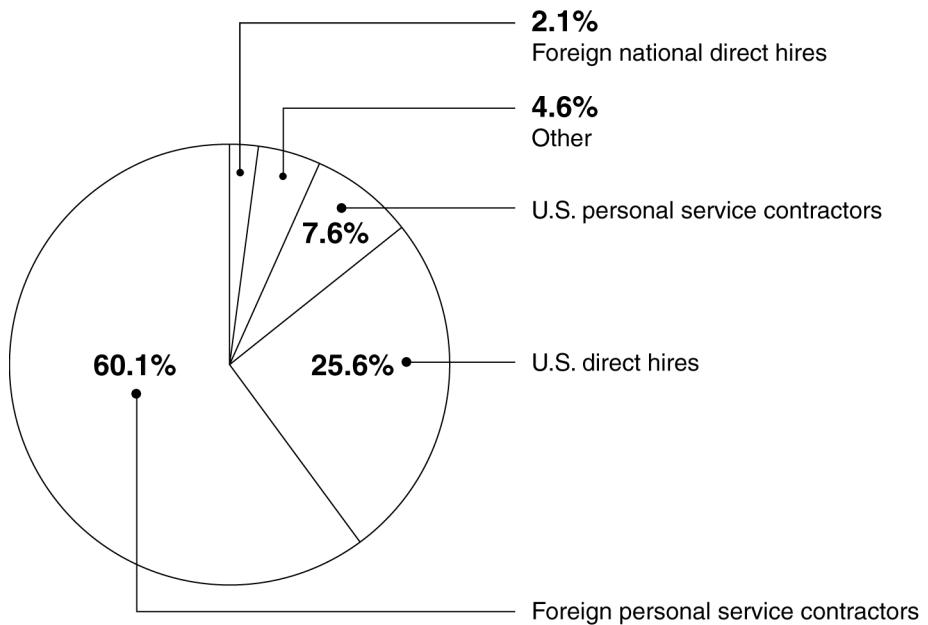
As numbers of U.S. direct-hire staff declined, mission directors began relying on other types of employees, primarily foreign national personal services contractors, to manage mission operations and oversee development activities implemented by third parties. In December 2002, according to USAID's staffing report, the agency's workforce totaled 7,741,

---

including 1,985 U.S. direct hires.<sup>8</sup> Personal services contractors made up more than two-thirds of USAID's total workforce, including 4,653 foreign national contractors (see fig. 2). Of the 1,985 U.S. direct hires, 974 were foreign service officers, about 65 percent of whom were posted overseas.

---

**Figure 2: USAID's Workforce Profile as of December 31, 2002**



Source: USAID.

Note: "Other" includes fellows and U.S. government staff from other agencies employed under participating agency service agreements and resource support service agreements.

For our analysis, we used the workforce definition developed by USAID's 1990 Workforce Planning Working Group. This group defined the agency's workforce as those who have a direct employer-employee relationship with USAID. This includes the following staff categories:

- U.S. citizen direct-hire civil service in Washington, D.C.;
- U.S. citizen direct-hire foreign service, most of whom serve at overseas missions;

---

<sup>8</sup>All figures exclude the staff of USAID's Office of the Inspector General, which includes 95 foreign service officers (51 posted overseas) and 76 civil service staff in Washington, D.C.

- 
- foreign national (non-U.S. citizen) direct hires, whom USAID can employ overseas for any foreign service-related mission, program, or activity;<sup>9</sup> and
  - personal services contractors, both U.S. and foreign nationals, who are individuals on contract with USAID for the specific services of that individual only.<sup>10</sup>

In addition, USAID includes in its monthly staffing report other types of nondirect-hire staff with an employer-employee relationship, such as staff detailed from a number of organizations and other U.S. government agencies and centrally contracted technical advisors.

Other individuals not directly employed by USAID also perform a wide range of services in support of the agency's programs. These individuals include employees of institutional or services contractors, private voluntary organizations, and grantees.<sup>11</sup> Last year, we reported that USAID relies heavily on nongovernmental organizations to deliver foreign assistance.<sup>12</sup> In fiscal year 2000, USAID directed about \$4 billion of its \$7.2 billion assistance funding to nongovernmental organizations, including at least \$1 billion to private voluntary organizations (charities) working overseas. We further noted that, although USAID generally chooses funding mechanisms that delegate a large amount of program control to implementing organizations, it has not compiled data on its use of specific types of funding or evaluated their effectiveness. In addition to hiring third parties to implement its programs, USAID also contracts with outside organizations to provide contract management and oversight of large programs. As we reported in July 2002,<sup>13</sup> the agency hired several

---

<sup>9</sup>Most foreign national direct-hire staff have been converted to personal services contractors.

<sup>10</sup>The Federal Acquisition Regulations define a personal services contract as one that makes the contractor appear as a government employee by the nature of the relationship that is established. USAID is authorized by section 636(a)(3) of the Foreign Assistance Act of 1961, as amended, to contract with individuals for personal services abroad. USAID's personal services contractors may be U.S. citizens, host-country nationals, or third-country nationals.

<sup>11</sup>In 1990, USAID estimated that this extended workforce was approximately 10,000 individuals. For this report, USAID was unable to provide an estimate.

<sup>12</sup>U.S. General Accounting Office, *Foreign Assistance: USAID Relies Heavily on Nongovernmental Organizations, but Better Data Needed to Evaluate Approaches*, GAO-02-471 (Washington, D.C.: Apr. 25, 2002).

<sup>13</sup>GAO-02-787.

---

firms to manage and oversee some of the contractors and grantees conducting USAID hurricane reconstruction activities in Latin America. At present, USAID is also planning to hire outside parties to oversee the large-scale contracts recently awarded for reconstruction activities in Iraq.

Despite the reliance on personal services and institutional contractors, USAID officials maintain that the direct-hire foreign service officer is still the core of mission staffing. He or she works toward achieving U.S. foreign policy goals, gives direction to the country program, brings corporate knowledge and a better understanding of agency guidance to the mission, and provides the authority needed to work effectively with host country counterparts and other U.S. government agencies. The quality and deployment of foreign national contractors can vary among missions and regions. U.S. personal services contractors are an important means for filling mission positions when U.S. direct hires are not available.

According to USAID regulations, the terms of their contracts essentially allow personal services contractors to perform almost the same duties as U.S. government employees. About two-thirds work in technical positions, but many serve as program and project development officers, controllers, executive officers, and, occasionally, temporary mission directors—positions that USAID considers inherently governmental. According to USAID officials, as a matter of policy, the agency rarely delegates inherently governmental functions.

According to mission officials, U.S. and foreign national contractors are an integral part of the mission workforce, but they cannot replace the agency commitment and experience that U.S. direct-hire foreign service officers bring to the mission. In addition to filling in for U.S. direct-hire staff, contractors, particularly foreign nationals, typically make a career at USAID and provide needed continuity and corporate knowledge of the country programs. However, officials noted that, compared to direct-hire staff, personal services contractors generally do not have the same level of agency commitment; do not fully understand how the agency works and the political pressures that it faces in Washington, D.C.; are not subject to the same degree of accountability; and have limited administrative and decisional authorities. Furthermore, contractors cannot supervise U.S. direct-hire staff, even if the contractor is very experienced and the direct-hire is new to USAID. This further limits the training and mentoring opportunities for new staff.

In addition to having reduced the number of U.S. direct hires, USAID now manages programs in more countries with no U.S. direct-hire presence, and its overseas structure has become more regional. Table 1 illustrates

the changes in USAID's U.S. direct-hire overseas presence between fiscal years 1992 and 2002. In fiscal year 1992, USAID managed activities in 88 countries with no U.S. direct-hire presence. According to USAID, in some cases, activities in these countries are very small and require little management by USAID staff. However, in 45 of these countries USAID manages programs of \$1 million or more, representing a more significant management burden on the agency. USAID also increasingly provides administrative and program support to countries from regional service platforms, which have increased from 2 to 26 between fiscal years 1992 and 2002.<sup>14</sup> Appendix II contains a complete list of the countries in which USAID operates.

**Table 1: USAID U.S. Direct-Hire Presence, Fiscal Years 1992 and 2002**

USAID U.S. direct hires	1992	2002	Percentage change
<b>Total number</b>	<b>3,163<sup>a</sup></b>	<b>1,985<sup>b</sup></b>	<b>(37)</b>
Number assigned overseas	1,082 <sup>a</sup>	631 <sup>b</sup>	(42)
Number of countries receiving USAID assistance with U.S. direct-hire presence	66 <sup>c</sup>	71 <sup>d</sup>	7
Number of countries receiving USAID assistance with no U.S. direct-hire presence	16 <sup>c</sup>	88 <sup>d</sup>	450

Sources: USAID and GAO.

<sup>a</sup>USAID's Monthly Workforce Profile Report, data as of September 30, 1992.

<sup>b</sup>USAID's Quarterly Worldwide Staffing Pattern Report, data as of December 31, 2002.

<sup>c</sup>U.S. General Accounting Office, *Foreign Assistance: A Profile of the Agency for International Development*, GAO/NSIAD-92-148 (Washington, D.C.: Apr. 3, 1992).

<sup>d</sup>USAID's Bureau for Policy and Program Coordination data provided in May 2003. USAID staff cautioned that this information was gathered last year and may not be up to date.

## USAID's Environment Affects Workforce Planning Capabilities

Our data collection efforts in the field and at headquarters revealed the unique environment in which USAID missions operate and its effect on workforce planning and management efforts. With the exception of Egypt, the missions we visited did not prepare formal and separate workforce plans. USAID missions tend to be relatively small—mission directors and

<sup>14</sup>Services include legal, executive office, financial/controller, procurement, and program and project development support services. Services vary among the 26 platforms due to security, ease of travel, and other local concerns. For example, the regional office in Kenya provides all services to up to 14 countries, while the Honduras mission simply shares a contracts officer with Nicaragua.

---

office heads have almost daily contact with the staff and are familiar with their skills and capabilities. Missions conduct their workforce planning and staffing projections in conjunction with their long-term—normally 5-year—country development strategies. Missions provide information on resource needs in their annual reports and budget submissions to their respective regional bureaus. USAID’s Bureau for Policy and Program Coordination allots staff years and funding to the regional bureaus, which then apportion these resources among their headquarters offices and overseas missions. According to the bureau, the average mission has six U.S. direct-hire staff.

Officials noted the difficulties in adhering to a formal workforce plan linked to country strategies in an uncertain foreign policy environment. For example, following the events of September 11, 2001, the Middle East and sub-Saharan African missions we visited—Egypt, Mali, and Senegal—received additional work not anticipated when they developed their country development strategies. Mali was seeking two additional personal services contractors during the time of our visit, including one to manage a new hunger initiative for Africa, and Egypt was in the process of determining the staff needed to implement the Middle East Partnership Initiative. In addition, the mission in Ecuador had been scheduled to close in fiscal year 2003. However, this decision was reversed due to political and economic events in Ecuador, including a coup in 2000, the collapse of the financial system, and rampant inflation. Program funding for Ecuador tripled from fiscal year 1999 to fiscal year 2000, while staffing was reduced from 110 to 30 personnel and the budget for the mission’s operating expenses was reduced from \$2.7 million to \$1.37 million.

Other factors unique to USAID’s overseas work environment can affect its ability to conduct workforce planning and attract and retain top staff. These factors vary from country to country and among regions. For example:

- USAID officials in Mali told us that hardship missions find it much more difficult to attract U.S. staff.<sup>15</sup> Foreign service staff in Mali receive a hardship pay differential rate of 25 percent and an additional 15 percent incentive pay. According to mission officials, these pay incentives are essential for attracting high-quality staff to Mali, and many of the staff with

---

<sup>15</sup>USAID considers selected missions in sub-Saharan Africa and other areas “difficult to staff” missions. To entice staff to take these assignments, USAID provides a differential pay incentive of 15 percent in addition to the regular pay differential for hardship missions.

---

whom we met acknowledged that the extra pay was a factor when they decided to bid on the Mali positions.

- At several missions we visited—Egypt, Mali, and Peru—USAID officials told us that the salaries set for foreign national employees by the respective embassies make it difficult for missions to recruit and retain the country's top professional talent.<sup>16</sup> This was particularly true in the poorest countries with limited human resource capacities, such as Mali, where the mission director stated that it is becoming increasingly difficult to compete with international financial institutions and other donor organizations for the country's most highly qualified professionals.
- Officials at all the missions we visited said that lengthy clearance processes make it difficult to obtain staff in a timely manner and manage their workforces. U.S. direct-hire staff and personal services contractors must obtain both a security clearance and a medical clearance before they report to work. As we reported in July 2002,<sup>17</sup> in many cases it took 6 months to a year to hire personal services contractors for the emergency hurricane reconstruction program in Latin America, and much of that time was spent waiting for clearances.
- USAID officials in several countries—particularly Ecuador, Mali, and Senegal—also cited the agency's separately appropriated operating expense budget as a factor in their ability to support and train U.S. direct-hire staff.<sup>18</sup> USAID missions are supposed to pay for all U.S. direct-hire local expenses—such as housing, dependents' education, travel, and training—from its operating expense budgets and not from program funds. According to mission officials, operating expense funds have not kept pace with rising fixed costs, such as rent, facilities management, and foreign national salaries and benefits. As a result, missions often opt for contractor staff who can be paid from program funds. In addition, tight operating expense funds and the limited number of U.S. direct-hire staff on board have led some missions to restrict training opportunities for U.S. direct-hire staff. Officials at the Mali and Senegal missions cited availability of training for direct-hire staff as one of their major workforce challenges.

---

<sup>16</sup>Embassies generally set the grading and pay scales for foreign national employees. Embassies' local hires are generally lower-graded personnel, such as administrative staff, maintenance workers, and drivers, while USAID must employ these staff as well as senior-level economists and other technical experts and professionals.

<sup>17</sup>[GAO-02-787](#).

<sup>18</sup>We plan to issue a separate report on the use of USAID's operating expense account.

---

## Inadequate Attention to Workforce Planning Has Affected USAID's Ability to Deliver Foreign Assistance

Because USAID has not responded to its changing workforce requirements with a strategic workforce planning approach, its ability to carry out its mission has been weakened. In response to a combination of poor technology investments and other budgetary pressures in the mid-1990s, USAID implemented a reduction in force and froze hiring. However, the downsizing was conducted across the board and was not linked to a strategic vision or skills analysis. The agency lost a cadre of experienced foreign service officers and 5 years elapsed before new staff were hired to replace them. USAID officials noted that the downsizings of the last decade have resulted in an insufficient pipeline of junior and mid-level staff with the experience to take on senior positions. As a result, several human capital vulnerabilities have surfaced but have not been systematically addressed. For example:

- Increased attrition of U.S. direct hires since the reduction in force in the mid-1990s led to the loss of the most experienced foreign service officers, while the hiring freeze stopped the pipeline of new hires at the junior level. The shortage of junior and mid-level officers to staff frontline jobs and a number of unfilled positions have created difficulties at some overseas missions.
- Having fewer U.S. direct hires managing more programs in more countries has resulted in a workforce that is overstretched, raising concerns about USAID's ability to provide effective accountability for program results and financial management. As of December 31, 2002, USAID reported it had 631 U.S. direct-hire staff overseas compared to 1,082 at the end of fiscal year 1992. However, USAID has not conducted a comprehensive workload analysis to determine the extent to which staff may be overburdened or unable to perform all required tasks.
- USAID does not have a "surge capacity" to respond to emergencies; post-conflict situations, such as Afghanistan and Iraq; or new strategic priorities, such as Pakistan and the Middle East.
- USAID has generally recruited staff for their technical and development expertise, but they spend a significant portion of their time managing contracts and grants, a responsibility for which some staff have limited skills or training.
- Funding limitations and the shortage of U.S direct hires at USAID missions have curtailed opportunities for on-the-job and formal training and mentoring for both new staff and those taking on the most senior mission positions. Those who have the knowledge and experience have little time for training and mentoring, and the missions do not have enough staff who

---

can cover the tasks of those in training. This has forced USAID to assign increasing numbers of less experienced staff overseas who may not have the essential skills.

- According to senior USAID officials, the reductions in direct-hire foreign service staff have limited the agency's ability to plan for emerging development issues because staff must spend most of their time preparing paperwork and monitoring activities. For example, USAID did not have adequate staff with the knowledge, skills, and abilities to quickly deal with such emerging issues as famine and human immunodeficiency virus/acquired immune deficiency syndrome. Although the agency eventually caught up with these issues, its ability to anticipate development trends and demands has decreased.

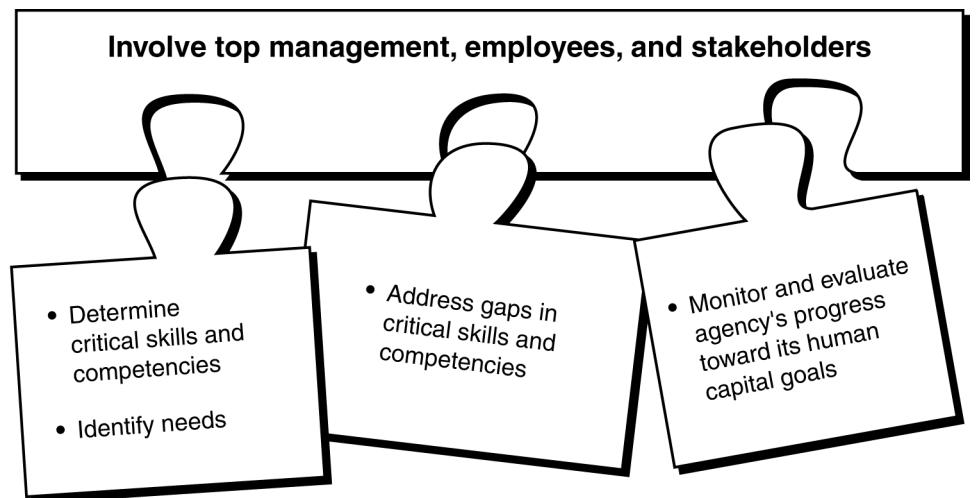
---

## USAID's Progress in Implementing Strategic Workforce Planning Principles Is Limited

USAID does not have a systematic method for determining its workforce needs and for implementing strategies that will enable its staff to meet the agency's numerous challenges and accomplish its strategic mission. USAID is making limited progress in addressing the four principles for effective strategic workforce planning that we identified as key practices (see fig. 3).

---

**Figure 3: Principles for Effective Strategic Workforce Planning**



Source: GAO.

---

## Involvement of Agency Leaders, Employees, and Stakeholders in Strategic Workforce Planning Is Limited

USAID's senior management is developing a human capital strategy to respond to the President's Management Agenda, but it has not identified how it will significantly involve employees and other stakeholders in developing and communicating the workforce strategies that result from its efforts. We found that strategic workforce planning is most likely to succeed if an agency's leadership sets the overall direction and goals and involves employees and stakeholders in developing, communicating, and implementing workforce and human capital strategies. During the 1990s, USAID's downsizing efforts and budgetary constraints took precedence over strategic workforce planning. Its human resource office was understaffed and lacked experience in strategic workforce planning, focusing mostly on collecting workforce data and hiring to replace staff lost through attrition.

USAID's leadership has attempted to reform its management systems. It established the Business Transformation Executive Committee in February 2002 to comply with the President's Management Agenda's initiatives, and it appointed a Chief Human Capital Officer in May 2003 as required by the Chief Human Capital Officers Act of 2002.<sup>19</sup> In December 2002, the business transformation committee formed a human capital subcommittee, consisting of senior program and human resource officials, to develop USAID's human capital strategy. USAID's human capital strategy has not been finalized or approved by the Office of Management and Budget and the Office of Personnel Management. In addition, we were unable to determine whether the draft human capital strategy is linked to the agency's overall strategic plan, as we recommended in 1993. USAID's strategic plan for fiscal years 2004 through 2009—a joint plan with the State Department—is also in draft and not planned for issuance until the end of fiscal year 2003.

In addition to its human capital strategy development, as part of the effort to comply with the President's Management Agenda, the USAID Administrator established a group in January 2003 to develop criteria for overseas staffing and to rationalize the deployment of foreign service officers overseas. The group subsequently developed—and the Administrator approved—a template for staffing overseas missions that gives most weight to the dollar size of the country program but also considers the relative performance of the host governments and provides some flexibility to the regional bureaus as necessary.

---

<sup>19</sup>Public Law 107-296, November 25, 2002.

---

Involving employees and stakeholders in the strategic workforce planning process is also important to encourage support and understanding for its outcomes. According to a USAID senior official, the human capital subcommittee has involved some internal groups in the planning process through the use of working groups that include senior and mid-level employees. In addition, according to USAID officials, the Administrator has discussed his human capital initiatives and answered questions at “town hall” meetings with USAID employees. However, because the strategy is still in draft, we cannot comment on the extent to which agency staff will be involved in implementing the strategy. Historically, USAID has established many internal committees to analyze workforce planning problems but has not always followed through in implementing their recommendations.<sup>20</sup> In addition, according to senior USAID officials, the agency has not included nongovernmental organizations and other implementing partners in the development of its human capital strategy.

---

### **USAID’s Efforts to Identify Critical Skills and Competencies Are Limited by Inadequate Personnel Information**

USAID has begun to identify the core competencies needed by its workforce, and it recently established a working group to conduct workforce analysis and planning related to core USAID competencies. However, it has not documented the critical skills and competencies of its current workforce, and its personnel information system does not always provide reliable and timely data. USAID must determine the critical skills and competencies required to meet its current and anticipated strategic program goals. This is especially important as changes in national security, technology, and other factors alter the environment within which foreign policy agencies operate. In addition, like many other federal agencies, USAID’s workforce is increasingly eligible for retirement, creating an opportunity to refocus its workforce competencies to those geared toward the critical skills and competencies it will need in the future. To meet these challenges effectively, USAID needs to know its present workforce skills and competencies and identify those that are critical to achieving its strategic goals.

Effective workforce planning and management require that human capital staff and other managers base their workforce analyses and decisions on complete, accurate, and timely personnel data. However, USAID’s personnel information system is not entirely accurate and does not contain all of the information USAID needs for sound workforce decision

---

<sup>20</sup>See appendix I for summaries of various studies related to USAID’s human capital issues.

---

making. For example, a recent audit of USAID's human capital data by its Inspector General found that the data collected through this automated process were not current, consistent, totally accurate, or complete.<sup>21</sup> USAID is attempting to address its personnel information system problems through a recently implemented Web-based application that will allow for customized, centralized, and real-time reporting. As of mid-June 2003, about 85 percent of the missions had submitted data through the new system. Officials at the human resource office, in responding to a draft of this report, expect this new system to be fully operational in time to generate the September 30, 2003, worldwide staffing report.

Nevertheless, USAID has no systematic or agencywide method to determine the skills and competencies of its current staff. Although the new personnel database will provide better information on the locations and position categories of its staff, it is not designed to identify current critical skills and competencies. According to officials from the human resource office, the new system will provide the position occupational code for all employees, but this will not include information on current skills and abilities. However, as part of its draft human capital strategy, in June 2003 USAID established a team to carry out a comprehensive workforce analysis and planning effort. The team will first develop a pilot workforce plan, including an analysis of current skills and future needs, in three headquarters offices—human resources, procurement, and global health. One of the working group's tasks is to identify an appropriate tool to collect, store, and manage data on competencies, training, and career development.

USAID's overseas assessment team also developed findings and made a number of recommendations regarding USAID's model for delivering assistance and the types of skills that the agency will need to meet future program needs.<sup>22</sup> For example, according to the team's study, USAID's foreign service recruitment should focus more on basic agency operational skills such as program and project development, financial management, procurement, and legal expertise. The study notes that these abilities are essential for missions in developing programs, policies, and strategies; ensuring accountability; and representing U.S. government interests with

---

<sup>21</sup>USAID Office of Inspector General, *Audit of USAID's Human Capital Data*, Audit Report 9-000-03-002-P (Washington, D.C.: Dec. 20, 2002).

<sup>22</sup>U.S. Agency for International Development, *Report of the Overseas Working Group*, May 2003.

---

host government officials and other stakeholders. Furthermore, according to the study, due to the shortage of U.S. direct-hire foreign service staff, about 160 personal services contractors currently serve in these positions, which USAID considers inherently governmental functions and normally fills with U.S. direct-hire staff.

---

### USAID's Strategies to Address Critical Skill Gaps Are Not Comprehensive

Although USAID has implemented some recruitment strategies to address attrition concerns and staffing gaps, the strategies are limited to certain segments of the workforce. Furthermore, USAID cannot be certain that these measures will be effective, because the recruitment plans have not been based on analyses that match current skills with those needed to meet future strategic goals. Our strategic human capital model stresses the importance of developing human capital strategies—the programs, policies, and processes that agencies use to build and manage their workforces—that are tailored to agencies' unique needs.<sup>23</sup> Applying this principle to strategic workforce planning means that agencies consider how hiring, training, staff development, performance management, and other human capital strategies can be used to eliminate gaps and gain the critical skills and competencies needed in the future.

USAID has implemented specific workforce strategies for some segments of its workforce to address shortages in critical skills and competencies, but these efforts are not comprehensive. Since fiscal year 1999, USAID has hired more than 200 mid-level foreign service officers through its New Entry Professionals program and 47 civil service employees through the Presidential Management Intern program. The agency recently reinstated its International Development Intern program for junior foreign service officers and plans to make 15 offers in March 2004. According to USAID officials, the agency is hiring staff with updated technical and management skills. These measures are important efforts to bring in experienced mid-level staff and junior staff with new skill sets that can help shape the agency's future as the current workforce becomes eligible for retirement. However, USAID has not developed a workforce plan for its civil service staff—a factor noted by OMB in its Presidential Management Agenda "scorecard" of USAID's human capital management efforts. In responding to our draft report, USAID stated that it will not refine its civil service recruitment plan until its workforce analysis is complete. In the meantime,

---

<sup>23</sup>U.S. General Accounting Office, *A Model of Strategic Human Capital Management*, GAO-02-373SP (Washington, D.C.: Mar. 15, 2002).

---

the current civil service plan calls for hiring about 15 Presidential Management Interns a year, allowing offices to replace civil service staff in accordance with approved reorganization plans, and hiring above established ceilings for critical staff needs, such as contracts officers. USAID also has not yet developed workforce plans for its personal services contractors, who make up the majority of its workforce, although USAID plans to do so in response to a recommendation by its Inspector General.<sup>24</sup>

In addition to its recruitment efforts, USAID has revived certain training programs that were halted during the 1990s, such as executive leadership training and management programs. However, these target mostly senior management, according to a USAID survey of civil service employees. In responding to our draft, USAID noted that its leadership training is conducted at three levels—emerging, senior, and executive—and that its challenge is to broaden such training and make it more available. USAID also noted that it needs to offer entry-level training to all staff, not just foreign service officers. In addition, the agency is revising its training curriculum to provide more online training opportunities for all staff.

USAID's personnel information system has not always provided accurate data, and the agency has not undertaken a comprehensive analysis of the skills and competencies of its current staff and matched this data to future requirements. As a result, USAID cannot ensure that its recruitment plans accurately reflect its hiring needs. Since 1999, missions have been required to submit staffing projections as part of USAID's annual report and budget justification process. The human resource office uses this information to develop its annual foreign service recruitment and training plans. According to a human resource official, the recent overseas staffing assessment will result in better guidance to the field and to headquarters offices on reporting their staffing needs.

---

## USAID Has Not Created a System to Monitor and Evaluate Its Progress

Because USAID's human capital strategy is still in draft and not yet approved, we cannot comment on whether its action plan will have specific timetables and indicators to evaluate its progress in meeting its human capital goals and to help ensure that these efforts continue under the leadership of successive administrators. Strategic workforce planning

---

<sup>24</sup> Inspector General report, 9-000-03-002-P. USAID employs 116 personal services contractors at its headquarters in Washington, D.C. and 5,124 at its overseas missions.

---

entails the development and use of indicators to measure both the progress in achieving human capital goals and how the outcomes of these strategies can help an organization accomplish its mission and programmatic goals. USAID has had difficulties in defining practical, meaningful measures that assess the impact of human capital strategies on program results. For example, USAID's fiscal year 2002 performance plan continues to emphasize the agency's efforts to achieve activity-oriented goals, such as the number of employees hired or trained, but these measures do not help gauge how well USAID's human capital efforts helped the agency achieve its programmatic goals. As a result, the link between specific human capital strategies and strategic program outcomes is not clear.

---

## Conclusions

USAID has evolved from an agency consisting primarily of U.S. direct-hire foreign service officers who directly implemented development projects to one in which foreign service officers manage and oversee development programs and projects carried out by institutional contractors and grantees. Since 1992, the number of U.S. direct-hire staff has decreased by 37 percent, but the number of countries with USAID programs has almost doubled. In addition, USAID program funding increased 57 percent in fiscal years 2002 and 2003. As a result, USAID has increasingly relied on contractor staff—primarily personal services contractors—to manage its day-to-day activities overseas. In addition to having fewer U.S. direct-hire foreign service officers to provide direction and accountability for its foreign assistance programs, USAID operates in overseas environments that present unique challenges to its ability to manage a quality workforce. With fewer and less experienced U.S. direct-hire staff managing increasing levels of foreign assistance in more countries, along with expected increases in program funds for Afghanistan and Iraq, significant funding increases for the global initiative to fight human immunodeficiency virus/acquired immune deficiency, and potential USAID involvement in the Millennium Challenge Account, USAID's ability to provide oversight over its foreign assistance activities and pursue U.S. foreign policy objectives is becoming increasingly difficult. Because USAID has not adopted a strategic approach to workforce planning and management, it cannot ensure that it has addressed these challenges appropriately and identified the right skill mix and competencies needed to carry out its development assistance programs.

---

## Recommendations for Executive Action

To help ensure that USAID can identify its future workforce needs and pursue strategies that will help its workforce achieve the agency's goals, we recommend that the USAID Administrator develop and institutionalize a strategic workforce planning and management system that reflects current workforce planning principles. This effort should include the implementation of a reliable personnel information system, an agencywide assessment of staff's skills and abilities, workforce strategies that address identified staffing gaps in the foreign and civil services, and a periodic evaluation of how these efforts contribute toward the achievement of the agency's program goals.

---

## Scope and Methodology

To determine how workforce changes have affected USAID's ability to carry out its mission, we reviewed the agency's workforce planning documents and a number of internal and external reports on USAID's human capital and workforce planning issues. We also interviewed knowledgeable USAID officials representing the agency's regional, technical, and management bureaus in Washington, D.C., and conducted fieldwork at seven overseas missions—the Dominican Republic, Ecuador, Egypt, Mali, Peru, Senegal, and the West Africa Regional Program in Mali.<sup>25</sup> To ensure consistency in our data collection efforts, we used the same data collection instrument at each location.<sup>26</sup> We also administered a separate data collection instrument at USAID's human resource office in Washington, D.C. In examining the changes in USAID's workforce since 1990, we analyzed personnel data provided by USAID and internal and external reports on the changing roles of USAID's workforce. We did not formally verify the accuracy of USAID's data; however, we noted in our findings that USAID's personnel data were not entirely accurate, complete, or up to date.

To examine USAID's progress in developing and implementing a strategic workforce planning system, we evaluated the agency's efforts in terms of principles used by leading organizations that we identified through our work with the Office of Personnel Management, other U.S. government agencies, the National Academy for Public Administration, and the

---

<sup>25</sup>We also examined mission workforce documents and interviewed officials at USAID's mission to Indonesia. The mission was relocated to Arlington, Virginia, following its evacuation in October 2002. It has since been relocated back to Indonesia.

<sup>26</sup>We did not use the data collection instrument on our visit to the Dominican Republic, which we visited in November 2002 to conduct survey work and test our audit approach.

---

International Personnel Management Association. We analyzed USAID's workforce planning documents, reviewed internal and external reports on its human capital and workforce planning efforts, and interviewed cognizant USAID officials at its Bureau for Management and its Bureau for Policy and Program Coordination.

We conducted our work between July 2002 and June 2003 in accordance with generally accepted government auditing standards.

---

## Agency Comments and Our Evaluation

USAID provided written comments on a draft of this report (see app. III). It concurred with our major findings and recommendations and noted that our work grasped the agency's complex human capital situation. USAID also reiterated that it recently established a working group to carry out an integrated workforce analysis and planning effort. According to USAID, this effort will assess the critical skills and competencies of its workforce, identify the gaps between what the agency currently has and what it will need in the future, and design workforce strategies to fill those gaps. USAID also provided separate technical comments on our draft, which we have incorporated as appropriate.

---

As arranged with your office, we plan no further distribution of this report for 30 days from the date of the report unless you publicly announce its contents earlier. At that time, we will send copies to interested congressional committees and to the Administrator, USAID; the Secretary of State; and the Director, Office of Management and Budget. We will also make copies available to others upon request. In addition, this report will be available at no extra charge on the GAO Web site at <http://www.gao.gov>.

---

If you or your staff have any questions about this report, please contact me at (202) 512-4128 or at FordJ@gao.gov. Other contacts and staff acknowledgments are listed in appendix IV.

A handwritten signature in black ink, appearing to read "Jess T. Ford".

Jess T. Ford, Director  
International Affairs and Trade

# Appendix I: Selected Reports Related to USAID's Workforce Planning

Report	Findings	Recommendations
Quainton, Anthony C.E. and Fulmer, Amanda M., <i>Human Capital Reform: 21st Century for USAID</i> (Virginia, IBM Endowment for the Business of Government: March 2003).	<ul style="list-style-type: none"> <li>USAID needs increased workforce planning, greater focus on recruitment, more training opportunities, and increased retention.</li> <li>Human resources department is not effective.</li> </ul>	<ul style="list-style-type: none"> <li>Strengthen workforce planning and better link workforce planning to the agency's mission.</li> </ul>
USAID Office of the Inspector General. <i>Audit of USAID's Human Capital Data</i> , Audit Report Number 9-000-03-002-P (Washington, D.C.: Dec. 20, 2002).	<ul style="list-style-type: none"> <li>USAID's human capital data collected and maintained was not up to date, consistent, totally accurate, or complete.</li> </ul>	<ul style="list-style-type: none"> <li>Develop definitions and requirements so reported data is on time, consistent, accurate, and complete.</li> <li>Provide training for staff members who enter and correct personnel data.</li> <li>Develop procedures for missions to attest to the accuracy of their workforce data.</li> <li>Institute process to collect data on the reasons for employee attrition.</li> <li>Develop workforce plans for USAID's civil and nondirect-hire workforce.</li> </ul>
USAID Office of the Inspector General, <i>Audit of USAID's Workforce Planning for Procurement Officers</i> , Audit Report Number 9-000-03-001-P (Washington, D.C.: Nov. 13, 2002).	<ul style="list-style-type: none"> <li>USAID has not developed a comprehensive workforce plan that covers its entire procurement workforce.</li> </ul>	<ul style="list-style-type: none"> <li>USAID needs to develop a comprehensive workforce plan for the USAID procurement workforce.</li> </ul>
U.S. General Accounting Office, <i>Foreign Assistance: Disaster Recovery Program Addressed Intended Purposes but USAID Needs Greater Flexibility to Improve Its Response Capability</i> , GAO-02-787 (Washington, D.C.: July 24, 2002).	<ul style="list-style-type: none"> <li>Start-up challenges and obstacles affected the initial pace of program implementation.</li> <li>USAID lacked a "surge capacity" to quickly design and implement a large-scale program with relatively short time frames.</li> </ul>	<ul style="list-style-type: none"> <li>Implement procedures to (1) allow USAID to quickly reassign key personnel, (2) allow missions to expedite the hiring of contractor staff, and (3) facilitate coordination with other U.S. government agencies involved in reconstruction.</li> </ul>
U.S. Agency for International Development, USAID's <i>Workforce Analysis</i> (Washington, D.C.: June 29, 2001).	<ul style="list-style-type: none"> <li>Short-term budget matters take precedence over long-term workforce planning needs.</li> <li>Lack of training.</li> <li>Limited hiring of entry-level staff.</li> <li>Agency's program budget increased, but its workforce decreased for 10 years.</li> </ul>	<ul style="list-style-type: none"> <li>Foreign and civil service new hires must possess managerial and analytical skills.</li> <li>Agency must decide what skills should be hired and what should be contracted.</li> </ul>
U.S. Agency for International Development, <i>Human Resources Business Area Analysis: Executive Summary</i> (Washington, D.C.: August 1995).	<ul style="list-style-type: none"> <li>USAID has significant barriers to workforce planning.</li> </ul>	<ul style="list-style-type: none"> <li>Establish a workforce planning committee to identify program needs on a continuing basis.</li> <li>Reduce the number of personnel backstops and develop qualifications in multiple skills categories.</li> <li>Create an inventory of staff work history, experience, skills, and abilities.</li> <li>Adopt a single unified personnel system.</li> </ul>

---

**Appendix I: Selected Reports Related to  
USAID's Workforce Planning**

<b>Report</b>	<b>Findings</b>	<b>Recommendations</b>
U.S. General Accounting Office, <i>Foreign Assistance: AID Strategic Direction and Continued Management Improvements Needed</i> , GAO/NSIAD-93-106 (Washington, D.C.: June 11, 1993).	<ul style="list-style-type: none"><li>• Responsibilities of workforce are changing.</li><li>• Workforce lacked needed skills.</li><li>• USAID had not adequately planned for workforce needs.</li><li>• Ineffective placement, training, and recruitment constrained workforce management.</li></ul>	<ul style="list-style-type: none"><li>• Develop and implement a comprehensive workforce planning and management capability as a systematic, agencywide effort.</li><li>• Institutionalize this capability to ensure its continuation by successive administrations.</li></ul>
U.S. Agency for International Development, <i>Workforce Planning Working Group Report</i> (Washington, D.C.: 1991)	<ul style="list-style-type: none"><li>• USAID does not have an effective workforce planning system.</li></ul>	<ul style="list-style-type: none"><li>• Determine the desired general composition of the direct-hire workforce and develop a plan for reshaping the workforce along those lines.</li><li>• Conduct an individual skills profile of the existing workforce and analyze it in the context of the desired general composition of the direct-hire workforce.</li><li>• Restructure the personnel backstop system to simplify, reduce, and thereby broaden categories.</li></ul>

---

# Appendix II: USAID Worldwide Foreign Assistance Programs Locations

---

## Countries Receiving USAID Assistance with U.S. Direct-Hire Staff Presence

### Africa Region

Angola	Mali
Benin	Mozambique
Democratic Republic of Congo	Namibia
Eritrea	Nigeria
Ethiopia	Rwanda
Ghana	Senegal
Guinea	South Africa
Kenya	Tanzania
Liberia	Uganda
Madagascar	Zambia
Malawi	Zimbabwe

### Asia and the Near East Region

Cambodia	Morocco
East Timor	Nepal
Egypt	Pakistan
Indonesia	Philippines
Jordan	Sri Lanka
Lebanon	Thailand
Mongolia	West Bank and Gaza
	Yemen

### Europe and Eurasia Region

Albania	Kyrgyzstan
Armenia	Moldova
Azerbaijan	Romania
Bosnia and Herzegovina	Russia
Bulgaria	Former Yugoslav Republic of Macedonia
Croatia	Yugoslav Republic of Montenegro
Georgia	Yugoslav Republic of Serbia
Kazakhstan	Ukraine
Kosovo	Uzbekistan

---

**Appendix II: USAID Worldwide Foreign Assistance Programs Locations**

---

**Latin America and the Caribbean Region**

Bolivia	Haiti
Brazil	Honduras
Colombia	Jamaica
Dominican Republic	Mexico
Ecuador	Nicaragua
El Salvador	Panama
Guatemala	Paraguay
Guyana	Peru

**Countries Receiving USAID Assistance with No U.S. Direct-Hire Staff Presence**

**Africa Region**

Botswana	Guinea Bissau
Burkina Faso	Lesotho
Burundi	Mauritania
Cameroon	Mauritius
Cape Verdi	Niger
Central Africa Republic	Sao Tome
Chad	Seychelles
Comoros	Sierra Leone
Congo (Brazzaville)	Somalia
Cote d'Ivoire	Sudan
Equatorial Guinea	Swaziland
Gabon	The Gambia
	Togo

**Asia and the Near East Region**

Algeria	Palau
Bahrain	Papua New Guinea
China	Samoa
Djibouti	Singapore
Hong Kong	Solomon Islands
Iraq	South Korea
Israel	Taiwan
Kiribati	Tajikistan
Laos	Tonga
Malaysia	Tunisia
Myanmar (Burma)	Turkey
Niue	Turkmenistan
North Korea	Vanuatu
Oman	Vietnam

---

**Appendix II: USAID Worldwide Foreign Assistance Programs Locations**

<b>Europe and Eurasia Region</b>	Belarus Cyprus Czech Republic Estonia Greece Hungary	Ireland and Northern Ireland Latvia Lithuania Poland Slovakia Slovenia
<b>Latin America and the Caribbean Region</b>	Anguilla Antigua and Barbuda Argentina Bahamas Barbados British Virgin Islands Belize Cayman Islands Chile Costa Rica Cuba Dominica	Eastern Caribbean and Windward Islands Grenada Montserrat St. Kitts and Nevis St. Lucia St. Vincent and the Grenadines Suriname Trinidad and Tobago Turks and Caicos Islands Uruguay Venezuela

**USAID Regional Service Platforms.** Services include legal, executive office, financial/controller, procurement, and program and project development support services. Services vary among the 26 platforms; for example, the regional office in Kenya provides all services to up to 14 countries, while the Honduras mission simply shares a contracts officer with Nicaragua.

<b>Africa Region</b>	Benin Botswana - Regional Center for Southern Africa Ghana Guinea	Kenya - Regional Economic Development Services Office for East and Southern Africa Mali - West African Regional Program Senegal South Africa
<b>Asia and the Near East Region</b>	Bangladesh Egypt India Indonesia	Jordan Pakistan Philippines Thailand - Regional Development Office (planned)

---

**Appendix II: USAID Worldwide Foreign Assistance Programs Locations**

---

<b>Europe and Eurasia Region</b>	Georgia - Caucasus Regional Office Hungary - Regional Services Center Kazakhstan - Central Asia Regional Office Ukraine - West/Newly Independent States Regional Office
<b>Latin America and the Caribbean Region</b>	Bolivia (La Paz) Dominican Republic (Santo Domingo) El Salvador (San Salvador) Guatemala (Guatemala City) Honduras (Tegucigalpa) Peru (Lima)

# Appendix III: Comments from the U.S. Agency for International Development



United States Agency for International Development

JUL 30 2003

Mr. Jess T. Ford  
Director  
International Affairs and Trade  
U.S. General Accounting Office  
441 G Street, N.W.  
Washington, D.C. 20548

Dear Mr. Ford:

I am pleased to provide the U.S. Agency for International Development's (USAID's) formal response to the draft GAO report entitled "FOREIGN ASSISTANCE: Strategic Workforce Planning Can Help USAID Address Current and Future Challenges" (July 2003).

I wish to commend your team for the exemplary manner in which they conducted this review and their fine work in grasping our complex Human Capital situation. We concur in the major findings and recommendations. The report could give greater visibility to a significant effort underway. Last month USAID chartered a working group to carry out comprehensive and integrated workforce analysis and workforce planning that covers the entire workforce. It will assess the critical skills and competencies of our workforce; identify the gaps between what we have and what we need for the future; and design the strategies for closing those gaps.

Thank you for this opportunity to respond to the GAO draft report and for the courtesies extended by your staff during the conduct of this review. Please note that under separate cover we have submitted our technical comments per your staff's instructions.

Sincerely,

John Marshall  
Assistant Administrator  
Bureau for Management

---

# Appendix IV: GAO Contacts and Staff Acknowledgments

---

## GAO Contacts

Albert H. Huntington, III (202) 512-4140  
Audrey Solis (202) 512-3042

## Acknowledgments

In addition to the above named individuals, Kimberley Ebner, Jeanette Espinola, and Rhonda Horried made key contributions to this report. Martin de Alteriis, Mark Dowling, Reid Lowe, and José M. Peña, III, provided technical assistance.

---

## GAO's Mission

The General Accounting Office, the audit, evaluation and investigative arm of Congress, exists to support Congress in meeting its constitutional responsibilities and to help improve the performance and accountability of the federal government for the American people. GAO examines the use of public funds; evaluates federal programs and policies; and provides analyses, recommendations, and other assistance to help Congress make informed oversight, policy, and funding decisions. GAO's commitment to good government is reflected in its core values of accountability, integrity, and reliability.

---

## Obtaining Copies of GAO Reports and Testimony

The fastest and easiest way to obtain copies of GAO documents at no cost is through the Internet. GAO's Web site ([www.gao.gov](http://www.gao.gov)) contains abstracts and full-text files of current reports and testimony and an expanding archive of older products. The Web site features a search engine to help you locate documents using key words and phrases. You can print these documents in their entirety, including charts and other graphics.

Each day, GAO issues a list of newly released reports, testimony, and correspondence. GAO posts this list, known as "Today's Reports," on its Web site daily. The list contains links to the full-text document files. To have GAO e-mail this list to you every afternoon, go to [www.gao.gov](http://www.gao.gov) and select "Subscribe to e-mail alerts" under the "Order GAO Products" heading.

---

## Order by Mail or Phone

The first copy of each printed report is free. Additional copies are \$2 each. A check or money order should be made out to the Superintendent of Documents. GAO also accepts VISA and Mastercard. Orders for 100 or more copies mailed to a single address are discounted 25 percent. Orders should be sent to:

U.S. General Accounting Office  
441 G Street NW, Room LM  
Washington, D.C. 20548

To order by Phone:      Voice: (202) 512-6000  
                              TDD: (202) 512-2537  
                              Fax: (202) 512-6061

---

## To Report Fraud, Waste, and Abuse in Federal Programs

Contact:

Web site: [www.gao.gov/fraudnet/fraudnet.htm](http://www.gao.gov/fraudnet/fraudnet.htm)  
E-mail: [fraudnet@gao.gov](mailto:fraudnet@gao.gov)

Automated answering system: (800) 424-5454 or (202) 512-7470

---

## Public Affairs

Jeff Nelligan, Managing Director, [NelliganJ@gao.gov](mailto:NelliganJ@gao.gov) (202) 512-4800  
U.S. General Accounting Office, 441 G Street NW, Room 7149  
Washington, D.C. 20548