



September 2019

USAID REFORM

Efforts Address Most Key Practices but Could Improve in Performance Assessment and Strategic Workforce Planning

Accessible Version

GAO Highlights

Highlights of [GAO-19-609](#), a report to congressional addressees

Why GAO Did This Study

In March 2017, the President issued an executive order to federal agencies intended to improve the efficiency, effectiveness, and accountability of the executive branch. The order required the Director of the Office of Management and Budget (OMB) to develop a plan to reorganize and streamline the government. In April 2017, OMB issued additional guidance to agencies on implementing the order. In response, USAID launched several efforts to reform its organizational structure, workforce, programs, and processes with the ultimate goal of ending the need for foreign assistance by helping partner countries become more self-reliant. GAO's prior work has shown that successful agency reforms depend on following key practices for organizational transformation, such as establishing goals and outcomes and involving key stakeholders.

This report examines (1) the status of USAID's reform efforts and (2) the extent to which USAID has addressed key practices in planning and implementing those efforts. GAO reviewed USAID reform plans, proposals, and related documents and met with officials involved in its reform efforts. GAO also assessed USAID's planning and implementation of its reform efforts against 11 key practices identified in GAO's June 2018 report, *Government Reorganization: Key Questions to Assess Agency Reform Efforts* ([GAO-18-427](#)).

What GAO Recommends

USAID should (1) establish outcome-oriented performance measures to assess the effectiveness of its reform efforts and (2) complete a strategic workforce plan necessary to support its reform efforts. USAID concurred with the recommendations.

View [GAO-19-609](#). For more information, contact Jason Bair at (202) 512-6881 or BairJ@gao.gov.

USAID REFORM

Efforts Address Most Key Practices but Could Improve in Performance Assessment and Strategic Workforce Planning

What GAO Found

The reform efforts of the U.S. Agency for International Development (USAID) consist of a total of 32 reform projects—31 projects being implemented by USAID's Transformation Task Team and an additional Human Resources Transformation project that predates the 31 projects. As of July 2019, USAID has completed 19 reform projects and is implementing 12 additional projects, which it intends to complete by mid-2021. The task team has one additional project in the planning phase.

In planning and implementing these efforts, USAID has generally addressed nine of 11 key practices for organizational transformation and partially addressed two. For example, USAID generally addressed the key practice of involving employees and key stakeholders such as the Department of State and Congress through a variety of mechanisms, such as briefings and town halls. USAID also used data and evidence to guide its reform efforts by integrating employee and external input into its reform plans. Moreover, USAID addressed fragmentation, overlap, and duplication by planning a restructuring effort to streamline operations and achieve efficiencies. Further, it generally addressed leadership focus and attention by designating a reform coordinator and establishing a dedicated team responsible for managing and planning USAID's reform efforts.

However, while USAID established goals for its reform efforts, it established outcome-oriented performance measures for only four of its 32 projects. Establishing such measures would improve its ability to assess the results of the changes it is making. In addition, while USAID is developing a strategic workforce plan, it has yet to develop the tools needed to identify and meet staffing needs arising from the reforms in order to fully assess its workforce. Completing a strategic workforce plan with these tools could help USAID ensure it has the workforce needed to meet existing and emergent program demands. Addressing these gaps could help USAID make long-term improvements in its efficiency and effectiveness.

Extent to Which USAID's Reform Efforts Have Addressed GAO-Identified Key Practices for Planning and Implementing Agency Reforms

Key practice	Extent addressed
Determining the appropriate role of the federal government	generally addressed
Involving employees and key stakeholders	generally addressed
Using data and evidence	generally addressed
Addressing fragmentation, overlap, and duplication	generally addressed
Addressing high risk areas and long-standing management challenges	generally addressed
Leadership focus and attention	generally addressed
Managing and monitoring	generally addressed
Employee engagement	generally addressed
Employee performance management	generally addressed
Establishing goals and outcomes	partially addressed
Strategic workforce planning	partially addressed

Legend:

● = Generally addressed: USAID addressed a practice without significant gaps in its coverage of the actions associated with this key practice.

⊙ = Partially addressed: USAID addressed a practice with significant gaps in its coverage of the actions associated with this key practice.

Source: GAO analysis of U.S. Agency for International Development (USAID) information. | GAO-19-609

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Abbreviations

FEVS	Federal Employee Viewpoint Survey
IT	information technology
OIG	Office of Inspector General
OMB	Office of Management and Budget
State	Department of State
T3	Transformation Task Team
USAID	U.S. Agency for International Development

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September 11, 2019

The Honorable Robert Menendez
Ranking Member
Committee on Foreign Relations
United States Senate

The Honorable Gary C. Peters
Ranking Member
Committee on Homeland Security and Governmental Affairs
United States Senate

The Honorable Lindsey Graham
Chairman
The Honorable Patrick J. Leahy
Ranking Member
Subcommittee on State, Foreign Operations, and Related Programs
Committee on Appropriations
United States Senate

The Honorable Eliot L. Engel
Chairman
Committee on Foreign Affairs
House of Representatives

As the U.S. government's lead agency for international development, the U.S. Agency for International Development (USAID) manages billions of dollars in U.S. foreign assistance that the Congress appropriates each year. In March 2017, the President issued Executive Order 13781, which directed the Office of Management and Budget (OMB) to propose a plan for improving the efficiency, effectiveness, and accountability of the executive branch by reorganizing governmental functions and eliminating unnecessary agencies, components of agencies, and agency programs.¹ In April 2017, OMB issued Memorandum M-17-22, requiring executive branch agencies to submit reform plans to OMB by September 2017.²

¹Exec. Order No. 13781, *Comprehensive Plan for Reorganizing the Executive Branch*, 82 Fed. Reg. 13959 (Mar. 13, 2017).

²OMB, *Comprehensive Plan for Reforming the Federal Government and Reducing the Federal Civilian Workforce*, M-17-22 (Washington, D.C.: Apr. 12, 2017).

The OMB memo included detailed guidance on how agencies were to develop these reform plans.

In 2017, the U.S. Agency for International Development (USAID) initiated a series of reform efforts in response to Executive Order 13781 and the subsequent guidance from OMB. Our prior work has shown that the success of agency reforms hinges on the agencies' adherence to key practices for organizational transformations, such as establishing clear outcome-oriented goals and performance measures and consulting with Congress, federal employees, and other key stakeholders to develop the proposed reforms. In a June 2018 report, we presented key practices based on our prior work that can help assess agency reform efforts.³

We performed our work under the authority of the Comptroller General to conduct work to assist Congress with its oversight responsibilities.⁴ This report (1) examines the status of USAID's reform efforts and (2) assesses the extent to which USAID has addressed key practices for successful planning and implementation of agency reform efforts.⁵ To address both of these topics, we reviewed USAID internal reform plans, proposals, and related documents and interviewed USAID and Department of State (State) officials involved in USAID's reform efforts. To assess USAID's planning and implementation, we compared its reform efforts against key practices for assessing agency reforms compiled in our June 2018 report on government reorganization. These practices were distilled from a body of prior work and reviewed by subject matter specialists. We then made a determination as to what extent, if any, USAID had addressed those practices. For the purposes of our review, our scope was limited to USAID's efforts to plan and start the implementation of its internal reform

³GAO, *Government Reorganization: Key Questions to Assess Agency Reform Efforts*, [GAO-18-427](#) (Washington, D.C.: June 13, 2018).

⁴31 U.S.C. § 717(b).

⁵In this report, the term "reform efforts" refers to all reform-related projects, proposals, plans, activities, and documents.

projects.⁶ See appendix I for more information on our scope and methodology.

We conducted this performance audit from February 2018 to September 2019 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Background

Initial USAID Reform Efforts

In response to Executive Order 13781, USAID established the Transformation Task Team (T3) in June 2017 to plan and lead the agency's reform efforts. As noted in a previous GAO report, USAID launched several internal reform efforts and participated in a joint State-USAID redesign process during mid-2017, which resulted in a joint reform plan.⁷ USAID also developed a supplemental reform plan that focused on issues internal to USAID. State and USAID submitted these plans to OMB in September 2017. In January 2018, USAID suspended its participation

⁶Our scope excludes reforms in OMB's June 2018 government-wide plan to reform and reorganize executive branch departments and agencies, *Delivering Government Solutions in the 21st Century: Reform Plan and Reorganization Recommendations*. The plan proposed three interagency reforms involving USAID: (1) optimize State and USAID humanitarian assistance; (2) consolidate the U.S. government's development finance tools, such as the Overseas Private Investment Corporation and the Development Credit Authority of USAID, into a new Development Finance Institution; and (3) consolidate the small grants functions, expertise, and grant-making from the Inter-American Foundation and U.S. African Development Foundation into USAID beginning in fiscal year 2019. As of June 2019, the administration had taken action on the first two proposals. In October 2018, Congress established the new U.S. International Development Finance Corporation, which is to be operational by October 2019. In November 2018, State established a new mechanism for coordinating and overseeing U.S. humanitarian assistance with USAID, the Humanitarian Assistance Steering Council.

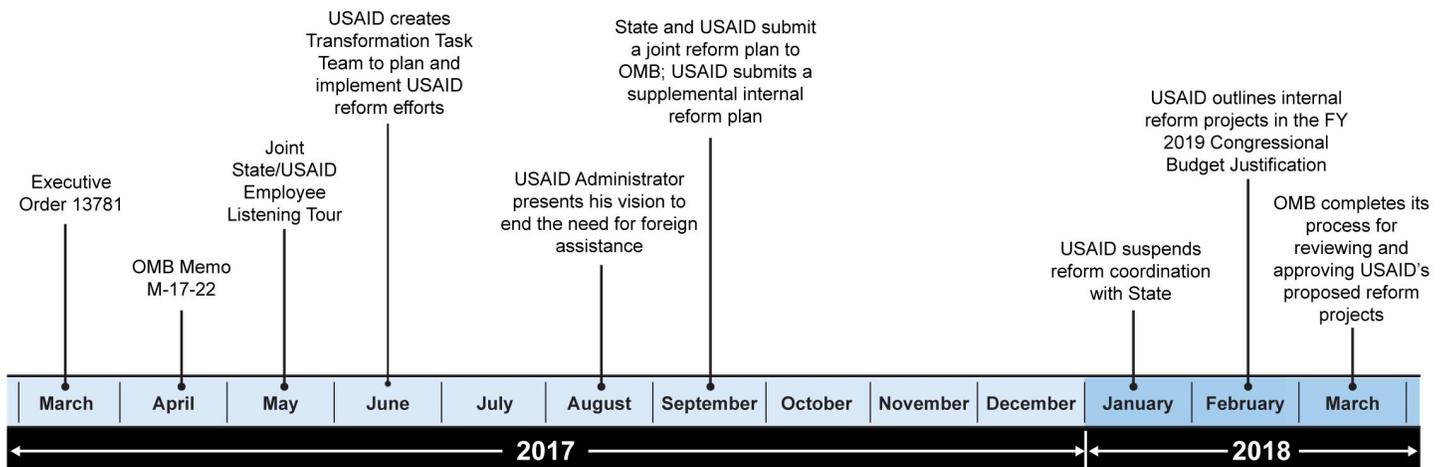
⁷GAO, *State Department: Leadership Focus Needed to Guide Agency Reform Efforts*, [GAO-19-450](#) (Washington, D.C.: Aug. 1, 2019). According to the *State-USAID Joint Strategic Plan, FY 2018 – FY 2022*, these agencies cooperate closely to ensure that foreign policy and development activities are successfully achieving the objectives of the National Security Strategy of the United States.

in the joint State–USAID redesign process and continued to plan and implement its own internal reforms.

According to USAID, its reform efforts are intended to support its bilateral partners to become more self-reliant and capable of leading their own development, with the ultimate goal of ending the need for foreign assistance.⁸ To achieve this goal, USAID identified five objectives, referred to as “desired outcomes,” as the basis for its reform efforts. The five objectives are: (1) establish metrics and approaches to help host country recipients of assistance become more self-reliant; (2) restructure bureaus and offices to strengthen the organization’s core capabilities; (3) advance national security interests; (4) improve human capital processes; and (5) maximize taxpayer investments in foreign assistance.

According to USAID officials, OMB generally approved the USAID reform plans and associated projects by March 2018. Figure 1 shows the key events in the initial phases of USAID’s reform efforts up to the point OMB provided this approval.

Figure 1: Timeline of U.S. Agency for International Development (USAID) Reform Efforts from March 2017 to March 2018



Legend: FY = fiscal year; OMB = Office of Management and Budget; State = Department of State; USAID = U.S. Agency for International Development.

Source: GAO analysis of State and USAID documents. | GAO-19-609

⁸According to USAID’s April 2019 document, *Policy Framework: Ending the Need for Foreign Assistance*, USAID’s approach to ending the need for foreign assistance is grounded in three principles: (1) advance country progress, by (2) making investments for impact, through (3) programs that sustain results.

Key Practices for Agency Reform Efforts

In developing our June 2018 report to assist Congress, OMB, and agencies in assessing agency reform plans, we reviewed our prior work on key practices for organizational transformations; collaboration; government streamlining and efficiency; fragmentation, overlap, and duplication; and high risk and other long-standing agency management challenges.⁹ The resulting report includes 58 key questions to aid in assessing reform efforts. (See app. II for a complete list of the 58 key questions.) The questions are organized into four broad categories and 12 subcategories, as shown in table 1. These subcategories encompass the key practices that we used to assess USAID’s reform efforts. For the purposes of this report, we determined that the subcategory of Workforce Reduction Strategies was not applicable to our assessment because USAID is not undertaking workforce reductions as part of its reform effort.¹⁰

Table 1: Categories and Subcategories of Key Practices That We Identified for Assessing Agency Reforms

Category	Subcategory
Goals & Outcomes	Appropriate Role of the Federal Government
Goals & Outcomes	Establishing Goals and Outcomes
Process for Developing the Reforms	Involving Employees and Key Stakeholders
Process for Developing the Reforms	Using Data and Evidence
Process for Developing the Reforms	Addressing Fragmentation, Overlap, and Duplication
Process for Developing the Reforms	Addressing High Risk Areas and Long-Standing Management Challenges
Implementing Reforms	Leadership Focus and Attention
Implementing Reforms	Managing and Monitoring
Strategically Managing the Federal Workforce	Employee Engagement
Strategically Managing the Federal Workforce	Strategic Workforce Planning
Strategically Managing the Federal Workforce	Workforce Reduction Strategies
Strategically Managing the Federal Workforce	Employee Performance Management

Source: GAO. | GAO-19-609

⁹[GAO-18-427](#).

¹⁰In 2017 USAID submitted near-term workforce reduction and long-term workforce reduction plans in response to OMB memorandum M-17-22. However, USAID officials stated their proposals regarding workforce reductions were overtaken by events when congressional appropriations for fiscal years 2018 and 2019 maintained USAID staffing at the levels associated with its workforce as of December 2017.

Note: We reported these categories and subcategories in GAO, *Government Reorganization: Key Questions to Assess Agency Reform Efforts*, GAO-18-427 (Washington, D.C.: June 13, 2018).

USAID Has Completed 19 Reform Projects, Is Implementing 12, and Is Planning One Other as of July 2019

USAID’s reform efforts consist of a total of 32 reform projects—31 projects being implemented by USAID’s Transformation Task Team (T3) and an additional Human Resources Transformation project that predates USAID’s other reform efforts.¹¹ As shown in table 2, as of July 2019, USAID has completed 19 projects and is implementing 12 others, all of which USAID intends to complete by 2021. The task team also has one project still in the planning phase.

Table 2: USAID Reform Projects by Objective, Target End Date, and Status as of July 2019

Objective	Project name	Project description	Target end date (as of July 2019)	Status
Journey to Self-Reliance	(1) Metrics	Establish a set of objective metrics for identifying and tracking each partner country’s trajectory toward stronger self-reliance.	April 2019	Completed
Journey to Self-Reliance	(2) Redefining USAID’s Relationship with Partner Governments	Identify, elevate, and mainstream program practices, tools, and approaches for incentivizing host country commitment and strengthening in-country capacity.	April 2019	Completed
Journey to Self-Reliance	(3) Strategic Transitions and Partnerships	Develop a thoughtful and purposeful approach for transitioning to new partnership models with countries that have achieved advanced levels of self-reliance.	April 2019	Completed
Journey to Self-Reliance	(4) Financing Self-Reliance	Strengthen partner countries’ ability to finance their own development agenda.	April 2019	Completed
Journey to Self-Reliance	(5) Private Sector Engagement	Develop a strategic approach to planning and programming whereby USAID consults, strategizes, aligns, collaborates, and implements with the private sector for greater scale, sustainability, and effectiveness across all sectors.	December 2019	Implementing ^a

¹¹The Human Resources Transformation project is derived from USAID’s 2016-2021 Human Resource Transformation Strategy and Action Plan, which intended to “achieve a fundamental change in the way USAID supports the human resources and talent management needs of its current and future workforce.”

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Objective	Project name	Project description	Target end date (as of July 2019)	Status
Strengthen Core Capabilities	(6) Bureau for Humanitarian Assistance	Create new bureau to advance agency's goal of seamlessly delivering food and non-food international disaster aid.	June 2019	Completed ^b
Strengthen Core Capabilities	(7) Bureau for Resilience and Food Security	Create new bureau to strengthen support to the field, in order to build resilient communities and countries and to improve water security to reduce hunger, poverty, and malnutrition.	June 2019	Completed ^b
Strengthen Core Capabilities	(8) Bureau for Conflict Prevention and Stabilization	Create new bureau to strengthen USAID's capacity to prevent conflict and violence, address fragility, respond to global crises in a more strategic, integrated way, and act as a stabilizing force in times of transition.	June 2019	Completed ^b
Strengthen Core Capabilities	(9) Bureau for Policy, Resources and Performance	Create new bureau to consolidate and better align agency program and operating expense resources with development policy priorities, evidence-based country strategies, and program performance.	July 2019	Implementing ^a
Strengthen Core Capabilities	(10) Bureau for Development, Democracy and Innovation	Create new bureau to reorient Washington-based technical expertise to drive program decision-making toward the field, offering more consistent, coordinated, and responsive technical support.	June 2019	Completed ^b
Strengthen Core Capabilities	(11) Bureau for Management	Restructure the bureau to centralize services for program and management support, security, and human capital and talent management.	August 2019 ^c	Implementing ^a
Strengthen Core Capabilities	(12) Streamline Coordinators	Move USAID officials responsible for coordinating various cross-agency issues, such as countering violent extremism, to the proposed new bureaus in order to align their functions and reduce overlap.	March 2020	Implementing ^a
Strengthen Core Capabilities	(13) Bureau for Asia	Reintegrate the Office of Afghanistan and Pakistan Affairs into the enlarged Bureau for Asia to help shape a more stable and prosperous region and align with the Indo-Pacific and South Asia Strategies.	July 2019	Implementing ^b
Strengthen Core Capabilities	(14) Create an Agency Approach to Field Services	Improve the responsiveness of Washington-based support to field clients while ensuring the integration of cross-cutting priorities into the program cycle.	September 2019	Implementing
Strengthen Core Capabilities	(15) Coordinate Contracting Officer's Representative and Agreement Officer's Representative Functions	Create an agency-wide view of the accountability and responsibility of functions related to the Contracting Officer's Representative and Agreement Officer's Representative.	April 2019	Completed
Strengthen Core Capabilities	(16) Legislative and Public Affairs Bureau Assessment	Assess the functions and performance of the Legislative and Public Affairs Bureau to serve the agency's needs and create recommendations to strengthen and better support these functions.	May 2019	Completed
Strengthen Core Capabilities	(17) Regional Bureau Technical Functions	Clarify responsibilities for the provision of technical services by moving them from regional bureaus into the proposed and existing technical bureaus to create more efficiency.	September 2019	In planning phase

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Objective	Project name	Project description	Target end date (as of July 2019)	Status
Strengthen Core Capabilities	(18) Global Health Project	To enable the Bureau for Global Health to better respond to emerging global health needs, support partner countries in their journey to self-reliance, and ensure that its field colleagues have the clarity and support that they need, the bureau will implement reforms to its programs, processes, workforce, and structure.	December 2019	Implementing
Advance National Security	(19) Improving Coordination with the Department of Defense	Strengthen unity of effort, from the policy to tactical levels and across the conflict spectrum between USAID and the Department of Defense, to enable more effective, efficient, and durable security and development results.	February 2019	Completed
Strengthen Core Capabilities	(20) Preventing and Countering Violent Extremism	Enhance USAID's leadership in preventing and countering violent extremism by elevating the agency's role in the U.S. government and internationally.	May 2019	Completed
Strengthen Core Capabilities	(21) Working in Non-Permissive Environments ^d	Build an agency workforce that has the capabilities, tools, and resources to work more safely and effectively in non-permissive conditions, to better achieve USAID and U.S. government development and foreign policy objectives.	May 2019	Completed
Strengthen Core Capabilities	(22) Clear Choice Strategy	Develop, coordinate, and execute a strategy to counter models promoted by other nations that undermine economic cooperation and stability by offering a "clear choice" between free and repressive approaches to international development.	September 2018	Completed
Empower People to Lead	(23) Manage Human Capital Talent	Streamline and automate key human resources functions, including improving the user experience and self-service capabilities for USAID employees.	September 2019	Implementing
Empower People to Lead	(24) Workforce Flexibility and Mobility	Develop and test a new non-career excepted-service hiring mechanism that is both agile and efficient, improving the agency's ability to hire the right talent, at the right time, in the right place, for the right duration.	March 2019	Completed
Empower People to Lead	(25) Culture of Leadership and Accountability	Identify the leadership methods that will lead to an empowered and adaptable workforce that can thrive in our world's increasingly complex and changing environments.	September 2018	Completed
Empower People to Lead	(26) Knowledge Management	Develop a framework with key recommendations to make it easier for employees to share, document, synthesize, find, and review knowledge to improve the agency's operations and programs.	September 2018	Completed
Empower People to Lead	(27) Explore Delivery of Human Resources Operations	Explore the outsourcing of human resources operations to improve efficiency and customer experience, reduce the cost of maintaining outdated systems, and streamline human resources functions.	October 2018	Completed
Empower People to Lead	(28) Leveraging Foreign Service National Talent	Further promote Foreign Service National talent by advancing and leveraging their unique skills to strengthen agency capacity and contribute to both their individual and their country's development, and to guide partner countries on their respective journeys to self-reliance.	TBD	Implementing

Objective	Project name	Project description	Target end date (as of July 2019)	Status
Respect Taxpayer Investments	(29) Optimizing Operational Platforms	Assess USAID’s workforce, operations, and infrastructure located in regional platforms around the world to ensure resources and decision-making are field-driven, that every taxpayer dollar is spent effectively and efficiently, and that these platforms are supporting countries on their journey to self-reliance.	September 2019	Implementing
Respect Taxpayer Investments	(30) Effective Partnering and Procurement Reforms	Develop an agency-wide Acquisition and Assistance Strategy and a set of actionable reform recommendations to transform procurement and partnering approaches and achieve greater development outcomes.	June 2019	Implementing
Respect Taxpayer Investments	(31) Backlog of Audit Findings	Review, enhance, and revise USAID’s management of audit engagements and recommendations by eliminating the agency’s backlog of unresolved audit recommendations, and developing and implementing practices that strengthen the current program and reduce the potential for a future backlog.	July 2019	Completed
Additional Project	(32) Human Resources Transformation	USAID initiated this project prior to the formation of USAID’s Transformation Task Team (T3). In May 2016, USAID awarded a 5-year contract to a firm to optimize human resources data, streamline processes, and improve the agency’s workforce planning capabilities, among other things.	2021	Implementing

Source: GAO analysis of U.S. Agency for International Development (USAID) documents and data. | GAO-19-609

^aUSAID sends notifications to congressional committees regarding each of its reorganization proposals pursuant to sections 7015(a) and 7073 of the Department of State, Foreign Operations, and Related Programs Appropriations Act, 2019, Pub.L. No. 116-6, Division F (Feb. 15, 2019), and related provisions in prior appropriations acts. As of June 2019, according to USAID officials, T3 handover of responsibility for implementation of this project to an appropriate bureau was awaiting the committees’ approval of reorganizational proposals associated with this project.

^bAs of June 2019, the congressional committees had approved the reorganization proposals associated with this ongoing project, according to USAID. T3 officials noted they had either (1) completed the handover of responsibility for implementation of the projects associated with these proposals, or (2) was in the process of completing the project “standup package”—the handover plans detailing the reorganized bureaus’ capabilities, processes, staffing model, and master list of required changes.

^cStatus as of August 2019.

^dUSAID describes a non-permissive environment as a context, at the national or subnational level, in which uncertainty, instability, inaccessibility, or insecurity constrain USAID’s ability to operate safely and effectively.

In order to develop and implement the 32 reform projects, USAID has identified approximately \$33 million in estimated costs associated with its reforms up through April 2019. According to USAID, this total includes about \$3 million to develop the T3 reform efforts in fiscal year 2018 and approximately \$6 million to implement its reform efforts over a period of 2 years, which USAID assumes will cover fiscal years 2019 and 2020. In addition, USAID estimated that, as of April 2019, it has expended about \$24 million in fiscal year 2017–2019 funds for human resource efforts that

are associated with its ongoing Human Resources Transformation project.¹²

Reform Efforts Generally Addressed Nearly All Key Practices, but Gaps Exist Related to Performance Measures and Strategic Workforce Planning

USAID Generally Addressed Nine Key Practices for Planning and Implementing Agency Reforms

As shown in table 3, USAID's reform efforts generally addressed nine of the key practices that we previously identified as critical to the success of agency reforms, and its reform efforts partially addressed two others.

¹²USAID's estimate of approximately \$24 million is part of USAID's expenditures under a contract with a firm for the Human Resources Transformation project, which has a total ceiling (including multiple option years) of approximately \$44 million for work to be completed in fiscal years 2017 to 2022. According to USAID data, this figure consists of approximately \$19.4 million of expenditures incurred from fiscal years 2017-2018 as well as approximately \$4.3 million incurred in fiscal year 2019 up to April 2019. USAID staff noted they excluded costs incurred by this project in fiscal year 2016 as they predated T3's reform efforts. We did not independently verify USAID's cost estimates.

Table 3: Extent to Which USAID’s Reform Efforts Address Key Practices That Our Prior Work Has Identified as Critical to the Success of Agency Reforms

Key practice	Extent addressed	Summary of GAO findings
Determining the Appropriate Role of the Federal Government	generally addressed	Considered the capabilities and capacity of the private sector and host country partners in developing reform projects.
Involving Employees and Key Stakeholders	generally addressed	Involved employees through a variety of mechanisms, such as town halls and engaged with Congress and the Department of State through multiple briefings.
Using Data and Evidence	generally addressed	USAID developed its reform projects based on recommendations and input from various external organizations.
Addressing Fragmentation, Overlap, and Duplication	generally addressed	Proposed and planned a restructuring of its bureaus and offices to streamline operations and gain efficiencies.
Addressing High Risk Areas and Long-Standing Management Challenges	generally addressed	Reform efforts address a number of high risk and long-standing management challenges including a project to address external audit findings.
Leadership Focus and Attention	generally addressed	Established reform coordinator and dedicated team for managing and planning reform efforts.
Managing and Monitoring	generally addressed	Established a database to track progress and a process to hand over reform projects from central team to bureau and office-level units.
Employee Engagement	generally addressed	Plans to use Federal Employee Viewpoint Survey to engage employees, and diversity goals incorporated into Human Resources Transformation project.
Employee Performance Management	generally addressed	Agency’s human resources transformation project proposes reforms to better manage employee performance.
Establishing Goals and Outcomes	partially addressed	Established goals and supporting objectives, but only established outcome-oriented performance measures for some of its reform efforts.
Strategic Workforce Planning	partially addressed	Agency’s human resources transformation project proposes activities to support strategic workforce planning, but it has not developed and implemented the workforce planning tools necessary to allow planners to define workforce baselines, identify future workforce needs, assess gaps, and build capacity where needed.

Legend:

- Generally addressed – USAID addressed a practice without significant gaps in its coverage of the actions associated with this key practice.
- ⊙ Partially addressed – USAID addressed a practice with significant gaps in its coverage of the actions associated with this key practice.

Source: GAO analysis of U.S. Agency for International Development (USAID) data. | GAO-19-609

Note: This assessment considered the possibility that USAID did not substantively address any of the actions associated with one or more key practices. However, we determined that USAID generally or partially addressed all 11 key practices.

USAID documents and data indicate that USAID’s reform efforts generally addressed the following nine key practices:

Determining the Appropriate Role of the Federal Government

USAID determined the appropriate role of the federal government by considering the private sector and governments’ ability to manage

responsibility for and invest their own resources into foreign development and humanitarian assistance programs. Our prior work shows it is important for agencies engaged in reforms to reexamine the role of the federal government in carrying out specific missions and programs, policies, and activities by reviewing their continued relevance and determining whether the federal government is best suited to provide that service or if it can be provided by some other level of government or sector more efficiently or effectively.¹³ In line with the USAID Administrator's vision of ending the need for foreign assistance, USAID has developed several projects under its "Journey to Self-Reliance" objective to increase bilateral partner countries' ability to plan, finance, and implement solutions to solve their own development challenges.

Beginning in mid-2017, USAID launched a process to identify a set of third-party metrics for assessing a country's level of self-reliance. In June 2018, USAID announced the identification of 17 metrics to capture a country's overall commitment and capacity for self-reliance. The publicly available metrics cover areas such as open and accountable governance; inclusive development; economic policy; and the relative capacities of the government. Starting in fiscal year 2019, USAID produced 136 "country roadmaps," or tools for measuring each low- and middle-income country's overall level of self-reliance through its performance on the 17 metrics. USAID is using the country roadmaps as a tool to inform strategic decision-making and resource allocation processes, better focus USAID's investments, and indicate when a recipient country should be considered for a "strategic transition" to a new partnership model with the U.S. government. For example, USAID identified Albania as a country to pilot this concept, which envisions a new partnership model for a country exhibiting an advanced level of self-reliance and the development of a strategy and plan for how to shift to this new model over time.

In addition, USAID's "Journey to Self-Reliance" efforts include a project to expand its engagement with the private sector.¹⁴ According to a USAID document, donor agencies are unable to fulfill their goals for sustainable development on their own; in contrast, the private sector has the scale

¹³See [GAO-18-427](#).

¹⁴For USAID, the private sector includes for-profit, commercial entities and their affiliated foundations; financial intermediaries; business associations; large, medium and small businesses; American, multinational, regional and local businesses; and for-profit approaches that generate sustainable income (e.g., a venture fund run by a nongovernmental organization).

and resources to address the complexity of challenges that developing countries face in becoming self-reliant. In December 2018, USAID released a new “Private Sector Engagement Policy” intended to increase and deepen the collaboration of USAID staff and its partners with the private sector across all areas of the agency’s work.

Involving Employees and Key Stakeholders

USAID involved its employees and key stakeholders in its internal reform efforts. Our prior work has shown that it is important for agencies to directly and continuously involve not only their employees but also key stakeholders in the development of major reforms.¹⁵ USAID has involved its employees in its reform efforts through a variety of means. For example, since 2017, USAID reform leaders have conducted town-hall style meetings with employees in Washington, D.C., and in the field. USAID reform leaders have also briefed senior management, bureau- and office-level leadership, and mission directors about reform efforts. In addition, they have communicated reform updates in the agency’s internal newsletter and have informed employees of reform projects through multiple venues, such as web-based seminars and agency notices.

USAID has also involved key stakeholders, including Congress and State, in its reform efforts. The Administrator has testified before Congress, and USAID officials have briefed Congress about the status of the reform efforts. USAID also submitted reorganization proposals to congressional committees for review and approval. Moreover, USAID engaged with State officials at the senior and working levels on several of its reform projects, including its self-reliance metrics, strategic transitions, and workforce flexibility and mobility projects. However, T3 officials noted that its engagement with State has been hindered by leadership challenges at State, including the lack of a single official or entity at State with responsibility for coordinating with USAID on reform efforts. In our prior work, we found a lapse in State’s leadership focus on reform efforts, and we recommended that State establish a dedicated team to manage the implementation of all reform projects that the Secretary of State decides to pursue.¹⁶

¹⁵[GAO-18-427](#).

¹⁶[GAO-19-450](#).

Using Data and Evidence

USAID's T3 used various sources of evidence and data to design its reform plans, including recommendations made by external organizations and employee feedback. Our prior work has shown that agencies are better equipped to address management and performance challenges when managers effectively use data and evidence, such as from program evaluations and performance data that provide information on how well a program or agency is achieving its goals.¹⁷

USAID developed its reform projects based on research and recommendations from various sources, including GAO, the USAID Office of Inspector General, USAID's Advisory Committee on Voluntary Foreign Aid, think tanks, and coalitions of organizations focused on international development. For example, USAID's reform proposal to merge and restructure its Offices of U.S. Foreign Disaster Assistance and Food for Peace into the Bureau for Humanitarian Assistance stems, in part, from the results of an in-depth, external study that USAID commissioned in 2016, which entailed significant consultations with internal and external stakeholders as well as data analysis. As another example, USAID's "Explore Delivery of Human Resources Operations" project was based, in part, on two GAO reports recommending steps to improve the collection of contract data.¹⁸

In May 2017, State launched a "listening tour" intended to gather ideas and feedback from State and USAID employees on the joint State-USAID redesign process. As a key component of this outreach effort, State hired a contractor to design and administer a confidential, online listening survey, which was sent to State and USAID employees.¹⁹ The listening survey identified pain points, recommendations, and themes that informed USAID's reform plans. For example, USAID's projects aimed at reorganizing its structure address a listening tour theme regarding the

¹⁷[GAO-18-427](#).

¹⁸GAO, *Federal Contracting: Improvements Needed in How Some Agencies Report Personal Services Contracts*, [GAO-17-610](#), (Washington, D.C.: July 27, 2017); and *Contingency Contracting: Contractor Personnel Tracking System Needs Better Plans and Guidance*, [GAO-15-250](#) (Washington, D.C.: Feb. 18, 2015).

¹⁹According to the contractor's report, 6,142 USAID headquarters and overseas employees responded to the survey. The contractor also conducted in-person interviews with a randomly selected cross-section of personnel, which included 94 employees from USAID.

need to better align its bureau and office functions with USAID's core mission. In another example, some of USAID's human resource reform projects address another listening tour theme related to the need to support USAID employees in focusing more of their attention on achieving strategic priorities and less time on inefficient and burdensome administrative tasks.

Addressing Fragmentation, Overlap, and Duplication

According to USAID, it sought to reduce or better manage fragmentation, overlap, and duplication through multiple reform efforts, including its restructuring projects, its consolidated framework for private sector engagement, and efforts aimed at redefining and rationalizing roles and responsibilities in areas such as countering violent extremism and civilian-military coordination. In our prior work, we have identified actions that agencies could take to achieve greater efficiency or effectiveness by reducing or better managing programmatic fragmentation, overlap, and duplication.²⁰

In July and August 2018, USAID sent to various congressional committees for approval a series of initiatives to restructure its bureaus and offices to streamline operations and gain efficiencies.²¹ USAID included a proposal to restructure the Office of the Administrator by adding two associate administrators. According to a USAID document, this change would allow the administrator to more effectively manage the complexity of USAID's work and reduce the number of entities directly reporting to the administrator from 27 to 11. One of the new associate administrators would manage USAID's relief, response and resilience functions, and the other would manage the agency's strategy,

²⁰See GAO, *2019 Annual Report: Additional Opportunities to Reduce Fragmentation, Overlap, and Duplication and Achieve Billions in Financial Benefits*, [GAO-19-285SP](#) (Washington, D.C.: May 21, 2019) and GAO's Duplication Action Tracker (https://www.gao.gov/duplication/action_tracker/all_areas), an online tool for monitoring the progress federal agencies and Congress have made in addressing the actions identified in GAO's annual Duplication and Cost Savings reports.

²¹USAID sends notifications to these committees regarding each of its reorganization proposals pursuant to sections 7015(a) and 7081 of the Department of State, Foreign Operations, and Related Programs Appropriations Act, 2018, Pub. L. No. 115-141, Division K (Mar. 23, 2018). According to USAID, it awaits approval from the committees before moving forward with the proposals.

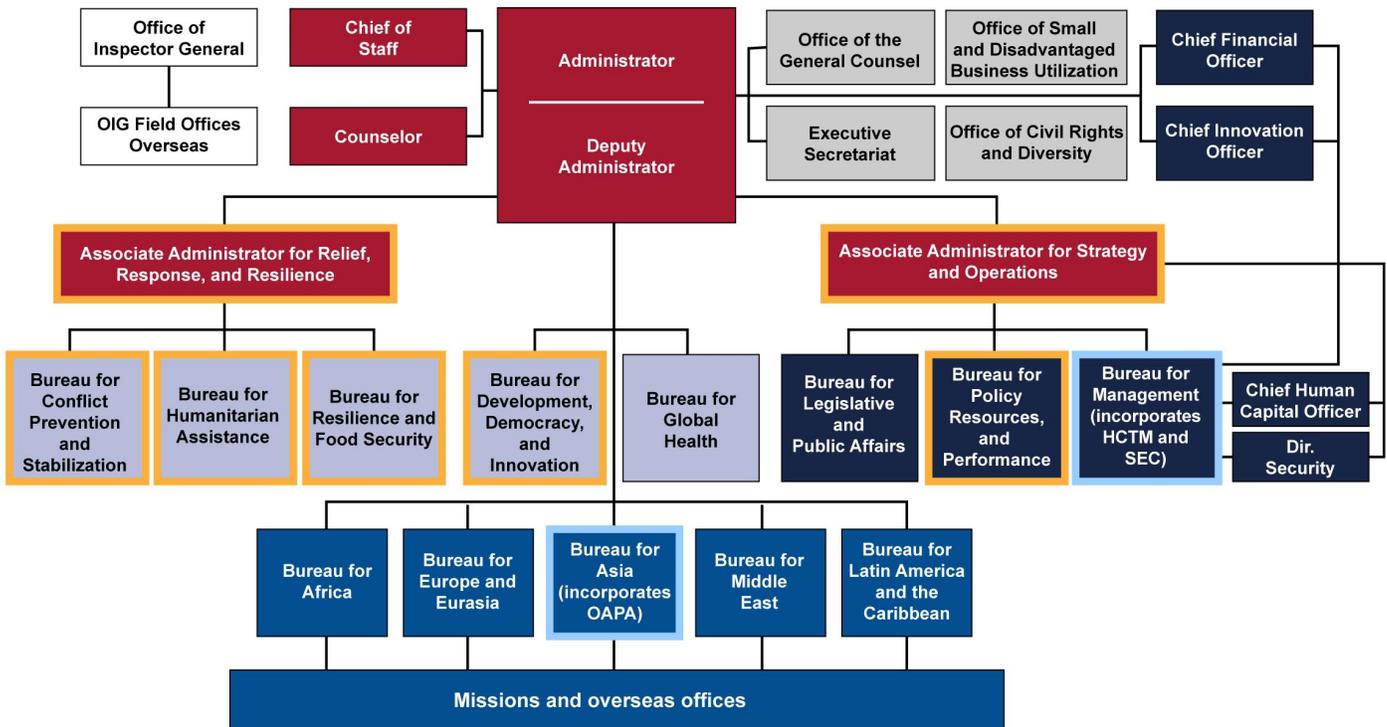
management, and operations.²² The congressional committees had not approved all of these proposals as of June 2019, according to USAID.

As of June 2019, according to USAID, the congressional committees had approved five of the seven reorganized bureaus proposed by USAID: the Bureau for Humanitarian Assistance; the Bureau for Resilience and Food Security; the Bureau for Conflict Prevention and Stabilization; the Bureau for Development, Democracy, and Innovation; and the Bureau for Asia. Two other proposed bureaus had not yet received approval from all of the committees: the Bureau for Management and the Bureau for Policy, Resources, and Performance. Figure 2 shows USAID's proposed changes to its headquarters organizational structure.²³

²²USAID 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."

²³See app. III for a depiction of USAID's headquarters structure before the implementation of the proposed organizational reforms.

Figure 2: Proposed U.S. Agency for International Development (USAID) Headquarters Structure



- Central bureau
- Geographical bureau
- Functional bureau
- Independent office
- Agency front office
- New bureaus and offices
- Reorganized/Enlarged bureaus

Legend: OAPA = Office of Afghanistan and Pakistan Affairs; OIG = Office of Inspector General; HCTM = Office of Human Capital and Talent Management; SEC = Office of Security.

Source: GAO analysis of USAID documents. | GAO-19-609

According to USAID documents, reorganizing these bureaus is in part intended to reduce fragmentation, overlap, and duplication, as well as to make the agency more functionally aligned and field-focused. For example, USAID states that the Bureau for Humanitarian Assistance will reduce duplication and fragmentation by unifying humanitarian assistance and eliminating the distinction between food and non-food emergency response, eliminating confusion in the field, and providing beneficiaries and partners with one cohesive USAID platform and voice on humanitarian assistance. As another example, USAID states that the

Bureau for Policy, Resources, and Performance would consolidate USAID's policy, budget, and performance functions, which are currently divided among five bureaus and offices.

Addressing High Risk Areas and Long-Standing Management Challenges

USAID's reform efforts address several high risk and long-standing management challenges, including a project to specifically address external audit findings and implement auditors' recommendations. Our prior work noted that reforms improving the effectiveness and responsiveness of the federal government often require addressing long-standing weaknesses in how some federal programs and agencies operate.²⁴ For example, agency reforms provide an opportunity to address the high risk areas and government-wide challenges that we have called attention to and that are vulnerable to fraud, waste, abuse, and mismanagement, or are in need of transformation.²⁵

USAID has undertaken multiple projects to address high risk areas and long-standing challenges. USAID T3's "Addressing the Audit Backlog" project was specifically designed to review, enhance, and revise USAID's management of audit engagements and recommendations by eliminating the agency's backlog of unresolved audit recommendations, developing and implementing practices that would strengthen current programs, and reducing the potential for a future backlog. In this way, USAID intends to save taxpayer dollars by preventing and responding to fraud, mismanagement, wasteful practices, and other challenges identified in the audits. USAID reported that it had eliminated the backlog of unresolved audit recommendations as of May 2018. As of early April 2019, USAID had implemented 75 of GAO's 86 recommendations from fiscal years 2015 through 2018.

In addition, several other reform projects address high risk areas and long-standing management challenges identified by the USAID Office of Inspector General (OIG). For example, USAID's "Working in Non-Permissive Environments" project addresses challenges USAID faces working in insecure, inaccessible, or unstable environments. USAID OIG

²⁴[GAO-18-427](#).

²⁵GAO, *High-Risk Series: Progress on Many High-Risk Areas, While Substantial Efforts Needed on Others*, [GAO-17-317](#) (Washington, D.C.: Feb. 15, 2017).

identified developing strategies to work effectively in non-permissive and contingency environments, as one of the five top management challenges for USAID in fiscal year 2017.²⁶

Leadership Focus and Attention

USAID's leadership has demonstrated focus on and attention to the planning and conduct of USAID's reform efforts. Our prior work shows that a dedicated team of high-performing leaders within the agency should lead organizational transformations, such as agency reforms. USAID has demonstrated leadership at various levels to manage and guide the agency's reform efforts. For example, USAID's Administrator first outlined his vision of USAID's mission as being focused on ending the need for foreign assistance in August 2017, and USAID's reform efforts are aimed at operationalizing the Administrator's vision to end the need for foreign assistance. USAID's Administrator has had visible and continuous involvement in USAID's reform efforts, including through informing various congressional committees, on multiple occasions, of ongoing developments with USAID's reform process.

USAID has designated leaders who are responsible for the day-to-day management of USAID's reform efforts. In June 2017, USAID's Acting Administrator established the Transformation Task Team (T3) to lead the agency's response to Executive Order 13781 and the subsequent guidance from OMB. T3 is led by a Coordinator who concurrently serves as the Assistant to the Administrator in USAID's Bureau for Policy, Planning, and Learning. The Coordinator told us that he meets with the USAID Administrator on a regular basis to report the status of USAID's projects. T3 also includes seven deputy coordinators who are accountable for the progress of all of the projects within a desired outcome as well as 24 project managers who lead project implementation. The T3 Coordinator indicated that the size of his team will decrease over time as it hands over management of USAID's reform projects to bureau-level leaders.

USAID also assigned Senior Leader Champions to each of its reform projects. The champions provide strategic guidance and act as the representational "face and voice" of the project to Congress and the agency. Further, USAID also established a Transformation Advisory

²⁶USAID Office of Inspector General, Statement on *Top Management Challenges for USAID and Millennium Challenge Corporation*, Fiscal Year 2017, November 15, 2016

Council made up of senior leaders of USAID who have provided strategic guidance to USAID's reform efforts since October 2017. The council is chaired by the T3 Coordinator and made up of Senior Leader Champions, mission director liaisons, T3 leadership, and other standing members.²⁷ The Transformation Advisory Council meets to discuss the progress of reform projects, ensure cross-project coordination, and to resolve any duplication or dependencies.²⁸

Managing and Monitoring

USAID has developed and maintained a system for managing and monitoring its reform process. We have previously reported that organizational transformations must be carefully and closely managed by developing an implementation plan with key milestones and deliverables to track and communicate implementation progress, among other actions. In May 2018, USAID T3 issued a task order for a contractor to help ensure that USAID has the capacity to manage the planning and implementation of USAID's reform efforts. The contractor is responsible for providing project and performance management support. Such support included tracking USAID's reform projects, providing summaries and executive reports on the progress of USAID reform projects, and also knowledge management, including the retention of key documents and information related to project and performance management. The contractor established a data tracking system that contains project end dates and deliverables to track the progress of reform implementation. The system notes which projects are on schedule, delayed, or complete. The contractor has also generated periodic executive reports that outline next steps for implementation reform and provide updates organized by USAID's five reform objectives.

USAID T3 has developed guidance for transferring responsibility for project implementation to the appropriate bureaus and offices. The guidance details who in the bureau will be responsible and accountable for the project, resources that will be needed to initiate and complete handover of the project, and the future end state of the projects, among

²⁷Other standing members include leaders of the Management Bureau, Office of Human Capital and Talent Management, Office of the General Counsel, Bureau for Legislative and Public Affairs, and Office of Budget and Resource Management.

²⁸The council met on a monthly basis from October 2017 through at least August 2018.

other items. As of July 2019, USAID had completed bureau handover plans for 24 T3 reform projects.²⁹

USAID has demonstrated transparency over its reform efforts through publicizing reform-related information on its website, including fact sheets on its projects. USAID has also publicly released several of its reform deliverables. For example, USAID made its “Journey to Self-Reliance” portal available on its external website.³⁰ Through the portal, viewers have access to USAID’s Fiscal Year 2019 Country Roadmaps and can download a wide range of supporting resources on the “Journey to Self-Reliance” effort and the methodology that underpins this effort.

Employee Engagement and Employee Performance Management

USAID’s reform efforts generally addressed two interrelated subcategories of strategic workforce planning by instituting policies to manage employee engagement and to improve employee performance management. These policy initiatives were part of USAID’s broader effort to create a human resource services system that, according to USAID documents, will support a modern workforce in carrying out USAID’s mission.³¹ Our prior work has found that increased levels of employee engagement—generally defined as the sense of purpose and commitment employees feel toward their employer and its mission—can lead to better organizational performance and can sustain or increase levels of employee engagement and morale, even as employees weather reorganizations and other difficult external circumstances. Our prior work also found that performance management systems—which are used to plan work and set individual employee performance expectations, monitor

²⁹Not all USAID reform projects require a bureau handover plan. For example, USAID indicated that it does not plan to prepare a handover plan for the Streamline Coordinator project.

³⁰U.S. Agency for International Development, *The Journey to Self-Reliance Country Roadmaps*, accessed August 27, 2019, <https://selfreliance.usaid.gov/>.

³¹USAID’s workforce consists of various distinct groups, including: (1) U.S. Foreign Service direct hires; (2) U.S. Civil Service direct hires; (3) U.S. personal services contractors; and (4) foreign nationals and third-country nationals, which can be either direct hires or personal services contractors. According to USAID, a personal services contractor is an individual who enters into a contract that generally establishes an employer-employee relationship with the agency and in many respects appears to be a government employee. However, USAID further states that its personal services contractors are legally not government employees for the purpose of any law administered by the Office of Personnel Management.

performance, develop capacities to perform and to rate and incentivize individual performance—can help the organization manage employees on a daily basis and provide supervisors and employees with the tools they need to improve performance.³²

USAID developed and began implementing its Human Resources Transformation project prior to the start of the current reform effort led by T3. This project includes objectives and initiatives to both promote employee engagement issues and establish a performance management system during the 5-year transformation. USAID created a project management office to plan and carry out between three and five initiatives associated with each of the Human Resources Transformation project's objectives and a performance monitoring plan to track the progress of each initiative.³³

As noted in figure 3, the three Human Resources Transformation objectives and the associated intermediate results called for by the project address both employee engagement and employee performance management issues. For example, Transformation Objective 3, "Agency Culture and Workplace Enhanced," promotes employee engagement by calling for an agency workplace enhanced by a stronger focus on the culture of accountability with a workforce reflecting the diversity of America's population.³⁴ The project is also using Federal Employee Viewpoint Survey (FEVS) data to periodically gauge employees' feedback and level of engagement on the reform efforts.³⁵

Moreover, USAID noted in its April 2019 Human Resources Transformation performance monitoring plan that USAID intends to measure the effectiveness of its efforts to improve employee engagement by assessing the extent to which those efforts increase employees'

³²[GAO-18-427](#).

³³USAID's Human Resources Transformation project refers to these initiatives as "Intermediate Results."

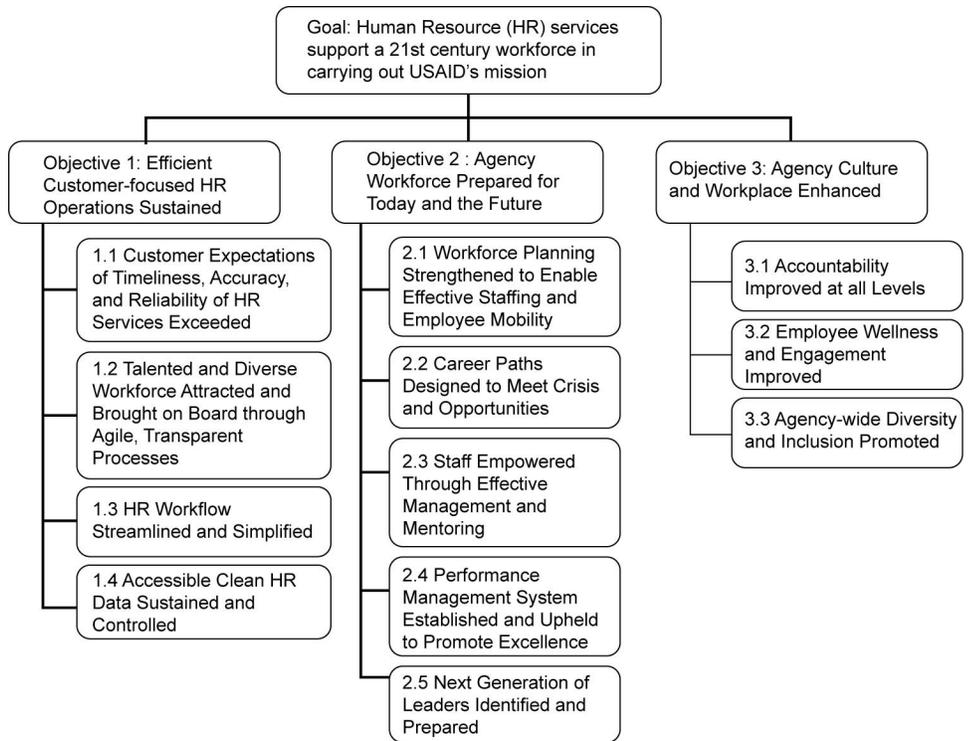
³⁴The April 2019 Human Resources Performance Monitoring Plan noted that further work on transformation objective 3 had been put on hold during the first year of this effort (fiscal year 2017) due to competing priorities. According to USAID officials, the work had yet to resume as of June 2019.

³⁵FEVS focuses on employee perceptions regarding critical areas of their work life, areas that drive employee satisfaction, commitment, and retention in the workforce. The U.S. Office of Personnel Management has administered the survey every year since 2010. See <https://www.opm.gov/fevs/reports/>.

positive response rates to human resources service- and delivery-related questions over the generally low baseline rates set by the FEVS 2016 survey response (ranging from 10 percent to 26 percent positive response rates). The monitoring plan noted that USAID expects to increase the positive response rates to these questions on the FEVS to upwards of 74 percent by 2021. Furthermore, one of the intermediate results associated with Transformation Objective 2, “Agency Workforce Prepared for Today and the Future,” includes an effort to establish and uphold a performance management system in areas such as provision of feedback, professional development, and career advancement.³⁶

³⁶According to the April 2019 Human Resources Performance Monitoring Plan, Intermediate Result 2.4, “Performance Management System Established and Upheld to Promote Excellence,” was not originally part of the contractor’s scope for the Human Resources Transformation project; however, the configuration and implementation of the performance management system will be part of the portal developed within T3’s “Managing Human Capital Talent” project and, as such, Intermediate Result 2.4 is now included in the project’s scope of work.

Figure 3: U.S. Agency for International Development (USAID) Human Resources Transformation Results Framework



Source: USAID. | GAO-19-609

T3 also initiated six projects associated with its “Empower People to Lead” objective that incorporate some of the Human Resources Transformation project efforts to improve employee engagement and implement a performance management system. For example, T3’s project on “Managing Human Capital Talent” is developing new automated tools to transition the paper-based Foreign Service and Civil Service performance management and evaluation processes into online evaluation systems administered electronically. As of July 2019, these tools include an automated Foreign Service assignment tool and a Civil Service performance management system and automated tool.³⁷

³⁷The Foreign Service assignment system and automated tool are designed to simplify and improve transparency in the assignment and bidding selection process for USAID’s Foreign Service officers and selecting officials. While this new approach has not been completely implemented, USAID officials noted that it had already allowed USAID, as of February 2019, to fill 55 of 60 priority overseas Foreign Service positions identified by the bureaus in 2018.

However, USAID delayed its expected completion date for these Foreign Service and Civil Service tools from the end of December 2018 to March 2019 and August 2019, respectively. Further, T3's "Leveraging Foreign Service National Talent" project expects changes in job satisfaction-related survey scores, over time, will help USAID measure the success of a reform project aimed at empowering the agency's Foreign Service Nationals workforce.

USAID Partially Addressed Two Key Reform Practices

USAID Established Goals but Generally Did Not Establish Outcome-Oriented Performance Measures to Gauge the Effectiveness of Efforts

Our prior work indicates that agency reforms should clearly identify what an agency is trying to achieve by establishing outcome-oriented performance measures³⁸ that enable the agency to assess the extent to which projects are achieving progress toward reform goals.³⁹ Moreover, T3 guidance states that, as responsibilities for project implementation are transferred to bureau- and office-level units, project-level managers should develop performance indicators to measure progress. While USAID has established high-level goals associated with its reform efforts, such as ending the need for foreign assistance, it has established outcome-oriented performance measures for only four of its reform efforts. Table 4 below provides examples of outcome-oriented performance measures for those four reform projects.

³⁸[GAO-18-427](#).

³⁹Performance measurement is the ongoing monitoring and reporting of program accomplishments, particularly progress toward pre-established goals. Performance measures may address the type or level of program activities conducted (process), the direct products and services delivered by a program (outputs), or the results of those products and services (outcomes). GAO, *Performance Measurement and Evaluation: Definitions and Relationships*, [GAO-11-646SP](#) (Washington, D.C.: May 2, 2011).

Table 4: USAID Reform Projects That Have Outcome-Oriented Performance Measures

Reform project	Example of an outcome-oriented performance measure
Workplace Flexibility and Mobility	Improved efficiency, as measured by the time taken to hire the right talent for the new Bureaus for Global Health, Conflict Prevention and Stabilization, and Humanitarian Assistance.
Leveraging Foreign Service National Talent	Increase in job satisfaction, as gauged by the Federal Employee Viewpoint Survey.
USAID Effective Partnering and Procurement Reform	By September 30, 2019, USAID will have increased the use of collaborative partnering methods and co-creation within new awards by 10 percent, measured by dollars and percentage of procurement actions.
Human Resources Transformation	To meet mission requirements across all regions by 2021, USAID will have filled 100 percent of its priority Foreign Service Officer positions.

Source: GAO analysis of U.S. Agency for International Development (USAID) documents and data. | GAO-19-609

USAID has not established outcome-oriented performance measures that would enable it to gauge the effectiveness of the remaining reform efforts.⁴⁰ For example, USAID’s five reform objectives—(1) Journey to Self-Reliance, (2) Strengthen Core Capabilities, (3) Advance National Security, (4) Empower People to Lead, and (5) Respect Taxpayer Investments—are not tied to outcome-oriented performance measures.

In explaining why they had not developed outcome-oriented performance measures for all projects, USAID T3 officials indicated that thus far they have focused their efforts on establishing outputs (e.g., products and services) for the reform projects. Establishing outcome-oriented performance measures for its reform projects would enhance USAID’s ability to assess the effectiveness of its reform efforts.

USAID Is Developing a Strategic Workforce Plan but Lacks the Planning Tools to Justify How Work Force Adjustments Will Help Achieve Its Objectives

USAID documents and officials demonstrate that the agency is developing an agency-wide strategic workforce plan in support of its ongoing reform efforts, but the plan and its associated workforce planning tools were not ready to implement as of July 2019.⁴¹ Strategic workforce planning is an essential activity that an agency needs to conduct to ensure that its human capital program aligns with its current and

⁴⁰Other high-level goals include achieving greater development outcomes and strengthening USAID.

⁴¹According to a USAID document, USAID’s prior Workforce Plan and Consolidated Workforce Planning Model, developed in 2010, were out of date as 2016.

emerging mission and programmatic goals, and that the agency is able to meet its future needs.⁴² Our prior work also indicates the importance of preceding any staff realignments or downsizing with strategic workforce planning so that changed staff levels do not inadvertently result in skills gaps or other adverse effects that could increase use of overtime and contracting.⁴³

USAID has taken a number of steps since 2017 to develop an agency-wide strategic workforce plan both prior to and during the current reform effort, including developing staff realignment plans as part of its process for standing up the proposed new bureau structures. However, USAID has not yet developed or implemented the data collection and measurement tools that it has identified as necessary to gauge current workforce capabilities, assess staffing needs arising from the proposed reorganization, and identify ways to close gaps arising from changes in workforce requirements. USAID documents note that such tools could allow USAID to achieve its goal of hiring the right talent, at the right time, for the right duration.

USAID is using both the Human Resource Transformation project and two of T3's projects to develop a strategic workforce plan and associated tools:

- USAID developed and began implementing the Human Resources Transformation project prior to the start of the current reform effort with the expectation that by 2020 the agency would have the organizational structure and workforce characteristics that support achievement of USAID's mission. This new structure would include an optimally sized workforce with an effective mix of all USAID employee

⁴²GAO, *U.S. Secret Service: Action Needed to Address Gaps in IT Workforce Planning and Management Practices*, [GAO-19-60](#) (Washington, D.C., November 15, 2018).

⁴³See [GAO-18-427](#). GAO has also issued a number of reports since 2003 calling for USAID to improve its workforce planning. See also GAO, *Foreign Assistance: USAID Needs to Improve Its Strategic Planning to Address Current and Future Workforce Needs*, [GAO-10-496](#) (Washington D.C: June 30, 2010) and *Foreign Assistance: Strategic Workforce Planning Can Help USAID Address Current and Future Challenges*, [GAO-03-946](#) (Washington, D.C.: Aug. 22, 2003).

types created through the use of a new workforce planning model.⁴⁴ Project documents note, however, that developing this planning model in turn would require developing a Workforce Planning Tool to define workforce baselines and existing assets, identify future workforce needs, assess gaps, and build capacity where needed. In June 2016, USAID’s 2016–2021 Human Resource Transformation Strategy and Action Plan stated that developing this model would be difficult but nevertheless estimated that implementing this effort would require no more than 2 years. However, USAID officials noted that the Human Resources Transformation efforts did not “fully begin” until 2018.

- T3 is implementing two projects associated with its objective titled “Empower People to Lead.” First, T3’s Manage Human Capital Talent project instituted an Employee Portal to provide all direct-hire employees access to their human resources data in one centralized online location.⁴⁵ According to USAID documents, this project is also developing for management an automated assignment, performance management, and workforce planning tools, including separate automated planning, performance, and assignment tools for its Civil Service and Foreign Service personnel. The agency originally intended to implement these tools by the end of calendar year 2018. USAID’s April 2019 performance monitoring plan indicates that the tools—particularly the workforce planning model that USAID describes as a human-capital data analytics system to automate various standardized and ad hoc reports and access previously unconnected personnel data sources—will not be available before the end of fiscal year 2019. Second, T3’s “Workforce Flexibility and Mobility” project is focused on implementing a demonstration project, the “Adaptive Personnel Project,” to replace non-career, program-funded positions with an excepted-service management system. The “Adaptive Personnel Project” is to be launched as a pilot project in two USAID bureaus in fiscal year 2020.⁴⁶

⁴⁴The Human Resources Transformation project, which is being implemented through a contractor, identified six direct hire and non-direct hire employee types it considers will be affected by this transformation effort: (1) Foreign Service, (2) Civil Service, (3) Personal Services Contractors, (4) Foreign Service Limited, (5) Foreign Service Nationals, and (6) Contractors.

⁴⁵According to USAID officials, OMB and the Office of Personnel Management have recognized USAID’s Employee Portal as a best practice.

⁴⁶According to USAID, the launch of this pilot project may be delayed if Congress does not authorize and appropriate fiscal year 2020 funds for this purpose.

As of April 2019, USAID documents and USAID and employee union officials noted that the strategic workforce plan has not yet been completed. Moreover, the April 2019 Human Resources Performance Monitoring Plan notes that the workforce planning tool needed to gauge current capabilities and close gaps is not yet deployed and in use due to competing programmatic and budgetary priorities. In addition, USAID's T3 project data tracking system indicates that the agency has delayed the implementation of the projects needed to establish baselines and create pilot projects until late 2019 or later in order to focus on broader strategic workforce planning objectives, such as the Strategic Workforce plan and "Adaptive Personnel Project."

The lack of a strategic workforce plan may limit USAID's efforts to estimate how its proposed reorganization will affect future staffing needs. For example, USAID officials indicated in 2018 that the proposed reorganization of its headquarters bureaus was intended to be "staff neutral." Its congressional notification pertaining to this reorganization projected no net increase in its total combined headquarters workforce level of 3,262 employees.⁴⁷ Nevertheless, in its Fiscal Year 2020 Congressional Budget Justification, USAID identified a need for 40 additional Civil Service positions to "refocus Washington bureaus and offices toward being effective service providers to the field consistent with the vision of ending the need of foreign assistance." USAID requested \$7.2 million to fund those positions in the restructured bureaus. Without a strategic workforce plan, USAID cannot determine whether its current or planned workforce requirements align with its reform and reorganization objectives.

Conclusions

USAID is entrusted with managing billions of dollars in foreign assistance funding, and USAID leadership recognizes that reforming its internal operations and programming is integral to achieving its mission. In developing and implementing its reform efforts, USAID addressed many key practices that are critical to ensuring a successful agency reform or reorganization, such as using data and evidence and providing leadership focus and attention. Specifically, USAID's reform efforts generally addressed nine of the 11 key practices we assessed. However, taking

⁴⁷USAID Congressional Notification, Congressional Notification #8, "Restructuring of the Office of the Administrator" (Aug. 30, 2018).

additional steps in two areas could further improve its reform efforts. First, while it established goals and desired outcomes for its reform efforts, it has not yet generally established outcome-oriented performance measures necessary to assess the effectiveness and success of these efforts. Second, while USAID has been developing a strategic workforce plan since 2017, it has yet to complete this plan, which includes developing the associated workforce planning tools to identify the staff needed to meet existing and emergent program demands associated with its transformation goals. Addressing these gaps could help USAID better position itself to make long-term and sustainable improvements in its efficiency and effectiveness.

Recommendations for Executive Action

We are making the following two recommendations to USAID:

The Administrator of USAID should establish outcome-oriented performance measures to assess the effectiveness of USAID's reform projects. (Recommendation 1)

The Administrator of USAID should ensure that the agency completes a strategic workforce plan necessary to support its reform efforts. (Recommendation 2)

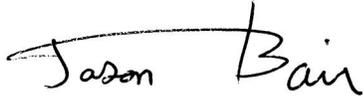
Agency Comments

We provided a draft of this report to USAID, State, and OMB for review and comment. We received comments from USAID, which are reprinted in appendix IV. USAID concurred with our recommendations. We also received technical comments from USAID and State, which we incorporated in our report as appropriate.

We are sending copies of this report to the appropriate congressional committees, the Administrator of USAID, the Secretary of State, and other interested parties. In addition, the report is available at no charge on the GAO website at <http://www.gao.gov>.

If you or your staff have any questions about this report, please contact me at (202) 512-6881 or BairJ@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page

of this report. GAO staff who made key contributions to this report are listed in appendix V.

A handwritten signature in black ink that reads "Jason Bair". The signature is written in a cursive style with a long horizontal stroke above the word "Jason".

Jason Bair
Acting Director, International Affairs and Trade

Appendix I: Objectives, Scope, and Methodology

We performed our work under the authority of the Comptroller General to conduct work to assist Congress with its oversight responsibilities.¹ This report (1) examines the status of the U.S. Agency for International Development's (USAID) reform efforts and (2) assesses the extent to which USAID has addressed key practices and considerations critical to the successful planning and implementation of agency reform efforts.² The scope of our review was limited to USAID's internal reform efforts and did not include government-wide or interagency reform proposals, such as those referenced in the Office of Management and Budget's *Delivering Government Solutions in the 21st Century* report.³

For both objectives, we reviewed USAID's reform plans, proposals, and related documents and interviewed officials involved in USAID's reform efforts. We interviewed USAID officials on the USAID Transformation Task Team, including the task team Coordinator and Deputy Coordinators. We also interviewed USAID representatives from two USAID employee unions: the American Federation of Government Employees and the American Foreign Service Association. In addition, we interviewed officials from the Department of State and the Office of Management and Budget.

To determine the status of USAID's reform efforts, we also reviewed USAID reform plans, reports, briefings, and project factsheets. We also interviewed USAID officials responsible for the planning and implementation of the agency's reform projects. To determine the total number of USAID reform projects, we included all USAID reform projects identified by USAID as of July 2019. To provide the estimated costs associated with USAID's reform efforts for contextual purposes, we

¹31 U.S.C. § 717(b).

²In this report, the term "reform efforts" refers to all reform-related projects, proposals, plans, activities, and documents.

³In June 2018, OMB released a government-wide plan, *Delivering Government Solutions in the 21st Century: Reform Plan and Reorganization Recommendations*, to reform and reorganize executive branch departments and agencies.

obtained data from USAID on the costs of: 1) developing T3 reform efforts, including T3's operational costs, 2) implementing T3 reform efforts, and 3) its Human Resource Transformation project contract data. We reviewed supporting documentation, and interviewed cognizant USAID officials about the completeness and accuracy of the data. We did not independently assess the data used to estimate the costs associated with its reform efforts. We determined it was beyond the scope of this review to perform a full cost-benefit analysis to assess the potential financial impact of USAID's reform efforts using the cost estimates provided by USAID.

To determine the extent to which USAID has addressed key practices for planning and implementing its reform efforts, we assessed USAID's reform efforts against key practices identified in our June 2018 report, which are organized by 12 subcategories of change management practices.⁴ The subcategories are based on 58 key questions for consideration in assessing reform efforts. We did not apply criteria from the "Workforce Reduction Strategies" subcategory of our June 2018 report. We deemed those criteria not applicable to USAID's reform efforts because USAID officials stated their proposals regarding workforce reductions were overtaken by events when congressional appropriations for fiscal years 2018 and 2019 maintained USAID staffing at the levels associated with its workforce as of December 2017. For the other 11 subcategories included in our assessment, we determined which key questions of each subcategory were most relevant USAID's reform efforts and applied those key questions to our assessment.

We categorized USAID reform-related actions into two separate categories: (1) those that generally addressed the subcategory and (2) actions that partially addressed the subcategory. We determined that USAID's reform efforts had generally addressed a practice if we did not identify significant gaps in its coverage of the actions associated with this subcategory. We determined that USAID's reform efforts had partially addressed a practice if we identified significant gaps in its coverage of the actions associated with this subcategory. We would have determined that USAID had not addressed a practice if it had not substantively addressed any of the key elements in the subcategory. However, we found that USAID at least partially addressed all of the practices. We defined

⁴GAO, *Government Reorganization: Key Questions to Assess Agency Reform Efforts*, [GAO-18-427](#) (Washington, D.C.: June 13, 2018).

“significant gaps” as the areas we identified, based on our analysis of the key questions of each subcategory, that were both relevant to USAID as an agency and important for the success of the reform efforts. Each of two analysts made an independent qualitative judgment as to whether or not USAID had generally, partially, or had not addressed those criteria. The two analysts then reviewed and reconciled any differences in the data used to reach each determination, and their results were subject to supervisory review. The analysts’ determinations were then reviewed by other GAO stakeholders with experience in this topic, and any concerns raised were resolved through discussion to reach the final determinations.

We conducted this performance audit from February 2018 to September 2019 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Appendix II: Key Questions for Assessing Agency Reform Efforts

We developed key questions based on our prior work on key practices that can help assess agency reform efforts. The 58 questions are organized into four broad categories and 12 subcategories, as shown in table 5.

Table 5: Key Questions for Assessing Agency Reform Efforts

Category	Subcategory	Key questions
Goals and Outcomes	Determining the Appropriate Role of the Federal Government	How well have the proposed reforms indicated the likely result of the elimination, merging, or restructuring of activities with other levels of government or sectors?
Goals and Outcomes	Determining the Appropriate Role of the Federal Government	To what extent have the proposed reform included considerations for other levels' of government or sectors' ability or likelihood to invest their own resources to address the underlying challenges?
Goals and Outcomes	Determining the Appropriate Role of the Federal Government	To what extent does have the proposed reforms included goals to transfer a particular responsibility to another level of government—such as state or local government—or sector, and has the agency made the case that such a transfer could improve the overall accomplishment of public purpose?
Goals and Outcomes	Determining the Appropriate Role of the Federal Government	To what extent have the proposed reforms considered if a new mechanism is needed to integrate and coordinate programs between levels of government? If so, what statutory or regulatory changes would be needed to support such a transfer in responsibilities and to address concerns such as cost-sharing or funding?
Goals and Outcomes	Determining the Appropriate Role of the Federal Government	To what extent has the agency identified any risks of using contractors to perform agency activities, and if so, has it developed appropriate risk mitigating strategies?
Goals and Outcomes	Establishing Goals and Outcomes	To what extent has the agency established clear outcome-oriented goals and performance measures for the proposed reforms?
Goals and Outcomes	Establishing Goals and Outcomes	To what extent has the agency shown that the proposed reforms align with the agency's mission and strategic plan?
Goals and Outcomes	Establishing Goals and Outcomes	To what extent has the agency considered and resolved any agency crosscutting or government-wide issues in developing their proposed reforms? For example, what are the implications of proposed reforms on other agencies?
Goals and Outcomes	Establishing Goals and Outcomes	To what extent has the agency considered the likely costs and benefits of the proposed reforms? If so, what are they?
Goals and Outcomes	Establishing Goals and Outcomes	To what extent has the agency considered how the upfront costs of the proposed reforms would be funded?

**Appendix II: Key Questions for Assessing
Agency Reform Efforts**

Category	Subcategory	Key questions
Goals and Outcomes	Establishing Goals and Outcomes	To what extent has the agency included both short-term and long-term efficiency initiatives in the proposed reforms?
Process for Developing Reforms	Involving Employees and Key Stakeholders	How and to what extent has the agency consulted with the Congress, and other key stakeholders, to develop its proposed reforms?
Process for Developing Reforms	Involving Employees and Key Stakeholders	How and to what extent has the agency engaged employees and employee unions in developing the reforms (e.g., through surveys, focus groups) to gain their ownership for the proposed changes?
Process for Developing Reforms	Involving Employees and Key Stakeholders	How and to what extent has the agency involved other stakeholders, as well as its customers and other agencies serving similar customers or supporting similar goals, in the development of the proposed reforms to ensure the reflection of their views?
Process for Developing Reforms	Involving Employees and Key Stakeholders	How and to what extent has the agency considered the views of state and local governments that would be affected by the proposed reforms?
Process for Developing Reforms	Involving Employees and Key Stakeholders	How and to what extent have agencies gathered the views of the public and incorporate these views in the proposed reforms?
Process for Developing Reforms	Involving Employees and Key Stakeholders	Is there a two-way continuing communications strategy that listens and responds to concerns of employees regarding the effects of potential reforms?
Process for Developing Reforms	Involving Employees and Key Stakeholders	How will the agency publicize its reform goals and timeline and report on its related progress?
Process for Developing Reforms	Using Data and Evidence	What data and evidence has the agency used to develop and justify its proposed reforms?
Process for Developing Reforms	Using Data and Evidence	How has the agency determined that the evidence contained sufficiently reliable data to support a business-case or cost benefit-analysis of the reforms?
Process for Developing Reforms	Using Data and Evidence	How, if at all, were the results of agency's strategic review process used to help guide the proposed reforms?
Process for Developing Reforms	Using Data and Evidence	How, if at all, were the results of agency's enterprise risk management process used to help guide the proposed reforms?
Process for Developing Reforms	Addressing Fragmentation, Overlap, and Duplication	To what extent has the agency addressed areas of fragmentation, overlap, and duplication—including the ones we identified—in developing its reform proposals?
Process for Developing Reforms	Addressing Fragmentation, Overlap, and Duplication	To what extent have the agency reform proposals helped to reduce or better manage the identified areas of fragmentation, overlap, or duplication?
Process for Developing Reforms	Addressing Fragmentation, Overlap, and Duplication	To what extent has the agency identified cost savings or efficiencies that could result from reducing or better managing areas of fragmentation, overlap, and duplication?

**Appendix II: Key Questions for Assessing
Agency Reform Efforts**

Category	Subcategory	Key questions
Process for Developing Reforms	Addressing High Risk Areas and Long-Standing Management Challenges	What management challenges and weaknesses are the reform efforts designed to address?
Process for Developing Reforms	Addressing High Risk Areas and Long-Standing Management Challenges	How specifically has the agency considered high-risk issues, agency Inspector General's major management challenges, and other external and internal reviews in developing its reform efforts?
Process for Developing Reforms	Addressing High Risk Areas and Long-Standing Management Challenges	Are the agency's efforts to address those challenges consistent with the proven approach GAO has found to resolve high risk issues? Agencies can show progress by addressing our five criteria for removal from the High Risk List: leadership commitment, capacity, action plan, monitoring, and demonstrated progress. The five criteria form a road map for efforts to improve and ultimately address high risk issues.
Process for Developing Reforms	Addressing High Risk Areas and Long-Standing Management Challenges	How has the agency identified and addressed critical management challenges in areas such as information technology, cybersecurity, acquisition management, and financial management that can assist in the reform process?
Process for Developing Reforms	Addressing High Risk Areas and Long-Standing Management Challenges	How does the agency plan to monitor the effects proposed reforms will have on high risk areas?
Process for Developing Reforms	Addressing High Risk Areas and Long-Standing Management Challenges	Has the agency addressed ways to decrease the risk of fraud, waste, and abuse of programs as part of its proposed reforms?
Process for Developing Reforms	Addressing High Risk Areas and Long-Standing Management Challenges	How have findings and open recommendations from GAO and the agency Inspectors General been addressed in the proposed reform?
Process for Developing Reforms	Addressing High Risk Areas and Long-Standing Management Challenges	How has the agency addressed GAO's priority open recommendations, which are those that warrant priority attention from heads of key departments and agencies?
Implementing the Reforms	Leadership Focus and Attention	Has the agency designated a leader or leaders to be responsible for the implementation of the proposed reforms?
Implementing the Reforms	Leadership Focus and Attention	Has agency leadership defined and articulated a succinct and compelling reason for the reforms (i.e. a case for change)?
Implementing the Reforms	Leadership Focus and Attention	How will the agency hold the leader or leaders accountable for successful implementation of the reforms?
Implementing the Reforms	Leadership Focus and Attention	Has the agency established a dedicated implementation team that has the capacity, including staffing, resources, and change management, to manage the reform process?
Implementing the Reforms	Managing and Monitoring	How has the agency ensured their continued delivery of services during reform implementation?
Implementing the Reforms	Managing and Monitoring	What implementation goals and a timeline have been set to build momentum and show progress for the reforms? In other words, has the agency developed an implementation plan with key milestones and deliverables to track implementation progress?

**Appendix II: Key Questions for Assessing
Agency Reform Efforts**

Category	Subcategory	Key questions
Implementing the Reforms	Managing and Monitoring	How is the agency ensuring transparency over the progress of its reform efforts through web-based reporting on key milestones?
Implementing the Reforms	Managing and Monitoring	Has the agency put processes in place to collect the needed data and evidence that will effectively measure the reform's outcome-oriented goals?
Implementing the Reforms	Managing and Monitoring	How is the agency planning to measure customer satisfaction with the changes resulting from its reforms?
Strategically Managing the Federal Workforce	Employee Engagement	What do FEVS results show for the agency's current employee engagement status both overall and disaggregated to lower organizational levels?
Strategically Managing the Federal Workforce	Employee Engagement	How does the agency plan to sustain and strengthen employee engagement during and after the reforms?
Strategically Managing the Federal Workforce	Employee Engagement	How specifically is the agency planning to manage diversity and ensure an inclusive work environment in its reforms, or as it considers workforce reductions?
Strategically Managing the Federal Workforce	Strategic Workforce Planning	To what extent has the agency conducted strategic workforce planning to determine whether it will have the needed resources and capacity, including the skills and competencies, in place for the proposed reforms or reorganization?
Strategically Managing the Federal Workforce	Strategic Workforce Planning	How has the agency assessed the effects of the proposed agency reforms on the current and future workforce and what does that assessment show?
Strategically Managing the Federal Workforce	Strategic Workforce Planning	To what extent does the agency track the number and cost of contractors supporting its agency mission and the functions those contractors are performing?
Strategically Managing the Federal Workforce	Strategic Workforce Planning	How has the agency ensured that actions planned to maintain productivity and service levels do not cost more than the savings generated by reducing the workforce?
Strategically Managing the Federal Workforce	Strategic Workforce Planning	What succession planning has the agency developed and implemented for leadership and other key positions in areas critical to reforms and mission accomplishment?
Strategically Managing the Federal Workforce	Strategic Workforce Planning	To what extent have reforms included important practices for effective recruitment and hiring such as customized strategies to recruit highly specialized and hard-to-fill positions?
Strategically Managing the Federal Workforce	Strategic Workforce Planning	What employment- and mission-related data has the agency identified to monitor progress of reform efforts and to ensure no adverse impact on agency mission, and how is it using that data?

**Appendix II: Key Questions for Assessing
Agency Reform Efforts**

Category	Subcategory	Key questions
Strategically Managing the Federal Workforce	Workforce Reduction Strategies	To what extent has the agency considered skills gaps, mission shortfalls, increased contracting and spending, and challenges in aligning workforce with agency needs prior to implementing workforce reduction strategies?
Strategically Managing the Federal Workforce	Workforce Reduction Strategies	In situations when "early outs" and "buyouts" are proposed, to what extent has the agency linked proposed early outs and buyouts to specific organizational objectives, including the agency's future operational, restructuring, downsizing, or other reform goals?
Strategically Managing the Federal Workforce	Employee Performance Management	To what extent has the agency aligned its employee performance management system with its planned reform goals?
Strategically Managing the Federal Workforce	Employee Performance Management	How has the agency included accountability for proposed change implementation in the performance expectations and assessments of leadership and staff at all levels?
Strategically Managing the Federal Workforce	Employee Performance Management	As part of the proposed reform development process, to what extent has the agency assessed its performance management to ensure it creates incentives for and rewards top performers, while ensuring it deals with poor performers?
Strategically Managing the Federal Workforce	Employee Performance Management	To what extent is the agency taking action to deal with employees with unacceptable performance and increasing the use of alternative dispute resolution to address workplace disputes that involve disciplinary or adverse actions?

Source: GAO. | GAO-19-450

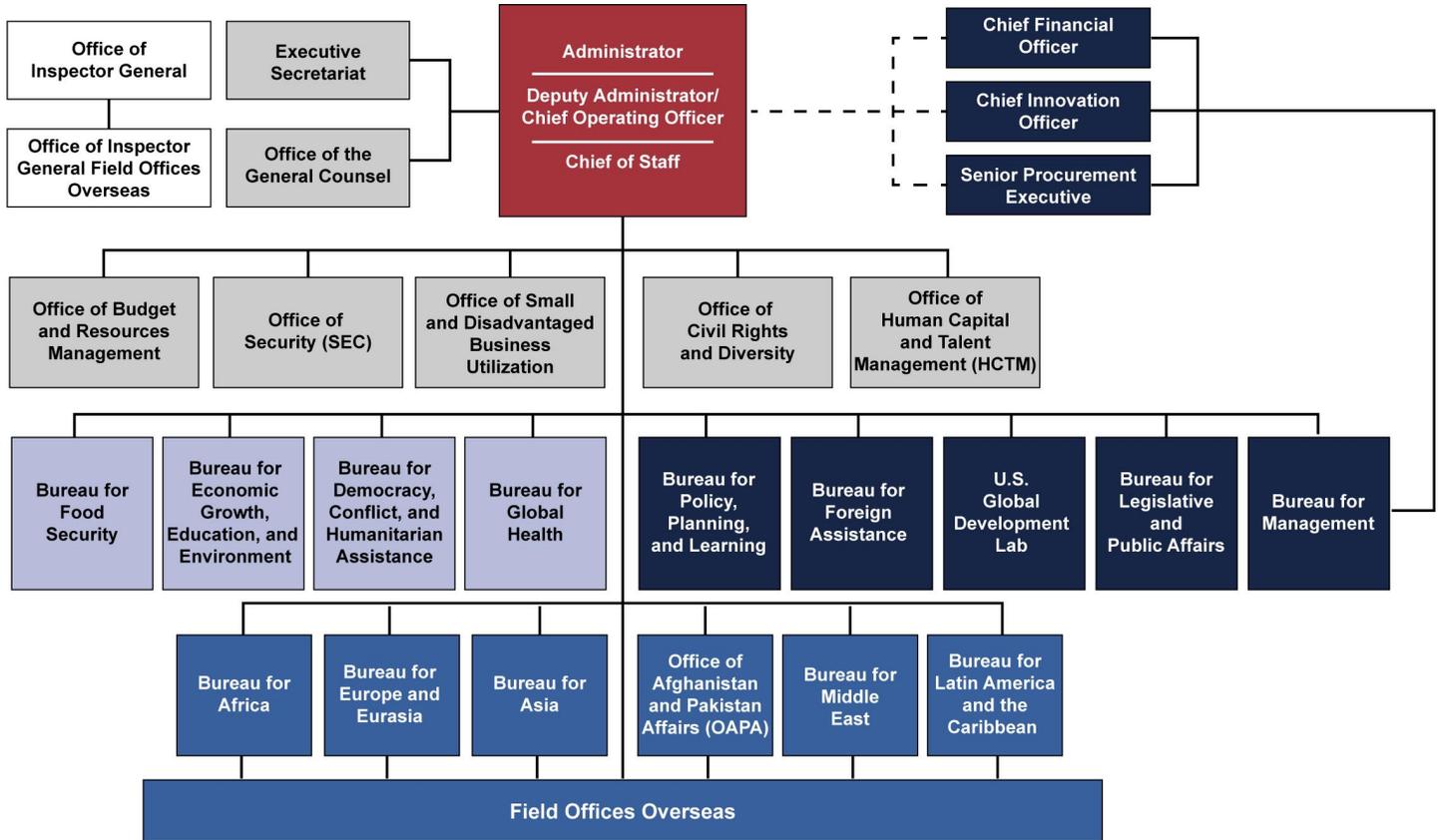
Note: The questions are from *Government Reorganization: Key Questions to Assess Agency Reform Efforts*, [GAO-18-427](#) (Washington, D.C.: June 13, 2018).

Appendix III: U.S. Agency for International Development (USAID) Headquarters Structure before Implementation of Proposed Organizational Reforms

As of June 2019, the U.S. Agency for International Development (USAID) headquarters was organized as shown in figure 4.

Appendix III: U.S. Agency for International Development (USAID) Headquarters Structure before Implementation of Proposed Organizational Reforms

Figure 4: U.S. Agency for International Development (USAID) Headquarters Structure before Implementation of Proposed Organizational Reforms



- Central bureau
- Geographical bureau
- Functional bureau
- Independent office
- - - Indirect reporting

Source: USAID. | GAO-19-609

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

**Appendix IV: Comments from the U.S. Agency
for International Development**



August 23, 2019

Thomas Melito
Managing Director
International Affairs and Trade
U.S. Government Accountability Office
441 G Street, N.W.
Washington, D.C. 20548

Re: USAID Reform: Efforts Address Most Key Practices but Could Improve in
Performance Assessment and Strategic Workforce Planning (GAO-19-609)

Dear Mr. Melito:

I am pleased to provide the formal response of the U.S. Agency for International Development (USAID) to the draft report produced by the U.S. Government Accountability Office (GAO) titled, *USAID Reform: Efforts Address Most Key Practices but Could Improve in Performance Assessment and Strategic Workforce Planning* (GAO-19-609).

USAID remains committed to addressing Executive Order 13781 and the memorandum on the reorganization of the Federal Government issued by the Office of Management and Budget (OMB) in April 2017. USAID is proud we have accomplished a significant amount through our Transformation, which is attributable to the hard work and dedication of our team around the world. We appreciate that the draft report notes USAID's successes at involving employees and key stakeholders; using data and evidence; addressing fragmentation, overlap, and duplication; addressing high-risk areas and long-standing management challenges; emphasizing leadership focus and attention; managing and monitoring the reform process; and addressing engagement with employees and the management of their performance.

I am transmitting this letter and attached comments for inclusion in the GAO's final report. Thank you for the opportunity to respond to the draft report and for the courtesies extended by your staff while conducting this engagement. We appreciate the opportunity to participate in the evaluation of USAID's Transformation.

Sincerely,

Frederick Nutt
Assistant Administrator
Bureau for Management

**COMMENTS BY THE U. S. AGENCY FOR INTERNATIONAL DEVELOPMENT ON
THE DRAFT REPORT PRODUCED BY THE U. S. GOVERNMENT
ACCOUNTABILITY OFFICE (GAO) TITLED, *USAID Reform: Efforts Address Most Key
Practices but Could Improve in Performance Assessment and Strategic Workforce Planning*
(GAO-19-609)**

The U.S. Agency for International Development (USAID) would like to thank the U.S. Government Accountability Office (GAO) for the opportunity to respond to this draft report. We appreciate the extensive work of the GAO's engagement team and the specific findings that will help USAID enhance our ability to make effective and long-lasting improvements for the Agency.

Recommendation 1: The Administrator of USAID should establish outcome-oriented performance measures to assess the effectiveness of USAID's reform projects.

- USAID concurs with this recommendation. The Agency is committed to monitoring the progress of the Transformation to ensure the effectiveness of USAID's reform projects.
- The Agency will establish a performance-monitoring plan that will include data from the approved "Handover Steps and Timeline" for the Transformation as we transfer responsibility for implementation from the Transformation Task Team to our Bureaus and Independent Offices (B/IOs). USAID also create an outcome metric for each Transformation project or collection of projects by January 31, 2019. These metrics will be primarily milestone-based, and the Agency will monitor progress through regular reporting to the greatest extent possible, and on a bi-annual basis in all other cases.

Recommendation 2: The Administrator of USAID should ensure that the Agency completes a strategic workforce plan necessary to support its reform efforts.

- USAID concurs with this recommendation. The Agency developed restructuring principles, sub-structure planning guidance, and procedures to support the reform efforts for standing up the eight B/IOs we are reorganizing.
- USAID designed a workforce-planning process implemented through "Stand-up Packages" that led B/IOs to specify sub-structure functions, capabilities, organizational components, and personnel requirements for the new structures.
- USAID established Agency Clearance Teams (ACT), composed of representatives from the Offices for Human Capital and Talent-Management and the General Counsel, the Bureau for Management, and the Restructuring Management Unit (RMU), which are responsible for reviewing and approving the Stand-up Packages.
- USAID is also in the process of developing the Agency's Strategic Workforce Plan for Fiscal Years 2019 – 2021. The Plan will enable the Agency to define workforce baselines, identify future workforce needs, assess gaps, and build capacity where needed to implement our Transformation. It will also provide a framework to meet Congressionally directed staffing levels across the Foreign Service and Civil Service. The Plan will lay the foundation for how we will move towards a more data-driven, standardized, and strategic approach to planning for, aligning, and managing our workforce with the objective of our reforms and reorganization. It will also underscore

- the Agency's need for a more-agile talent-management system that swiftly recruits, trains, deploys, and retains creative and innovative people to meet the challenges of the future.
- USAID plans to finalize Agency's Strategic Workforce Plan by September 30, 2019, and will submit the Plan to Congress as directed.

Appendix V: GAO Contact and Staff Acknowledgments

GAO Contact

Jason Bair, (202) 512-6881, or bairj@gao.gov

Staff Acknowledgments

In addition to the contact named above, Thomas Costa (Assistant Director), B. Patrick Hickey (Analyst in Charge), Joshua Akery, Peter Beck, David Dayton, Martin de Alteriis, Emily Gupta, Christopher Keblitis, Steven Putansu, Sarah Veale, and Alexander Welsh made key contributions to this report.

Appendix VI: Accessible Data

Agency Comment Letter

Accessible Text for Appendix IV Comments from the U.S.
Agency for International Development

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August 23, 2019

Thomas Melito

Managing Director

International Affairs and Trade

U.S. Government Accountability Office

441 G Street, N.W.

Washington, D.C. 20548

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Assistant Administrator

Bureau for Management

Page 2

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Page 3

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-
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