Development Credit Authority

($ in thousands)	FY 2007 Actual	FY 2007 Supp	FY 2008 Estimate	FY 2008 Supp	FY 2009 Request
Development Credit Authority – Administrative Expenses	7,920	—	8,094	—	7,600
Development Credit Authority – Transfer Authority	[21,000]	—	[21,000]	—	[21,000]

The FY 2009 request includes **$21 million** in Development Credit Authority (DCA) transfer authority to provide loan guarantees in all regions and sectors targeted by USAID and **$7.6 million** for DCA administrative expenses. DCA transfer authority allows field missions to transfer funds from other USAID appropriation accounts to the DCA program account to finance the subsidy cost of DCA credit guarantees, which allow credit to be used as a flexible tool for a wide range of development purposes. These projects can promote broad-based economic growth in developing and transitional economies, and augment grant assistance by mobilizing private capital in developing countries for sustainable development projects. DCA thereby supports the capacity of host countries to finance their own development.

The ability of DCA projects to leverage assistance resources is significant. To date, DCA has been used to mobilize in excess of $1.3 billion in local private financing at a budget cost of approximately $45 million. DCA transfer authority has enabled more than 49 USAID missions to enter into 181 guarantee agreements in virtually every development sector. Program areas and elements are determined by the missions to reflect the nature of the projects financed. DCA projects have already proven very effective in channeling resources to micro-enterprises, small and medium-scale businesses, farmers, mortgage markets, and certain infrastructure sectors, especially energy.

In FY 2009, DCA guarantees will support much needed financing of water and sanitation facilities in the Philippines, Indonesia, Vietnam, Uganda, and Ghana. DCA will continue to support small and medium enterprises and infrastructure projects in Africa, and to promote the flow of credit to microfinance institutions, small and medium enterprises, agribusinesses, energy-efficiency projects, housing, and municipalities in USAID-assisted countries in FY 2009.

In accordance with the Federal Credit Reform Act of 1990, the request for credit administrative expenses will fund the total cost of development, implementation, and financial management of the DCA program, as well as the continued administration of the Agency's legacy credit portfolios which amount to more than $21 billion.

USAID Operating Expenses

Sources ($ in thousands)	FY 2007 Actual	FY 2007 Supp	FY 2008 Estimate*	FY 2008 Supp	FY 2009 Request**
Operating Expenses, New Budget Authority	626,832	8,700	650,657	41,000	767,184
Other Sources***	129,712	–	122,479	–	64,100
Total	**756,544**	**8,700**	**773,136**	**41,000**	**831,284**

* The FY 2008 estimate includes funding designated as emergency funding as described in Section 5 (preceding Division A) of the FY 2008 Consolidated Appropriations Act. $20.8 million of emergency funding was appropriated for USAID Operating Expenses.
** The Administration did not include a detailed FY 2009 supplemental request within the Budget. When needs are better known, the Administration will request additional funds for foreign operations, including costs related to supporting freedom in Iraq and building a stable Afghanistan.
*** Other sources include Trust Funds and Special Authorities in program accounts, including DA, CSH, and ESF.

The ability of the United States to demonstrate and convey the merits of good governance, economic development, and social progress to developing countries in the global community is critical to achieving national security objectives. As with the Transformational Diplomacy goals, USAID recognizes that any effort to improve development initiatives will require a significantly increased overseas presence, together with expanded technical and stewardship capabilities.

The FY 2009 request includes funding for a Development Leadership Initiative (DLI) to significantly increase USAID's permanent Foreign Service Officer (FSO) corps, strengthening the Agency's capacity to effectively deliver U.S. foreign assistance on the ground with local partners, where programs have the greatest impact.

The DLI will allow USAID to strategically align overseas staff with FY 2009 program funding levels and strengthen the Agency's capacity to meet the dramatic stewardship and technical demands of the National Security Strategy for foreign assistance. An increased FSO corps with strengthened technical capabilities in agriculture, health, economic development, governance, and other areas will enable the United States to focus its development and humanitarian resources in a manner that significantly improves the Agency's ability to effectively meet foreign assistance goals and improve program performance.

Uses of Funds:

($ in thousands)	FY 2007 Actual	FY 2007 Supp	FY 2008 Estimate	FY 2008 Supp	FY 2009 Request
Development Leadership Initiative	-	-	-	-	92,100
Overseas Operations	408,707	8,700	376,833	41,000	371,416
Washington Operations	193,769	-	229,141	-	239,818
Central Support	154,068	-	167,162	-	127,950
Total Uses	**756,544**	**8,700**	**773,136**	**41,000**	**831,284**

USAID Workforce:

	FY 2007 Actual	FY 2007 Supp	FY 2008 Estimate	FY 2008 Supp	FY 2009 Request
U.S. Direct Hires Funded by Operating Expenses					
End-of-year On-board	1,995	0	2,147	18	2,447
Estimated Full-Time Equivalent Work Years	2,005	0	2,005	15	2,180
Limited-Term Program-Funded Appointments					
End-of-year On-board	204	0	230	0	230
Estimated Full-Time Equivalent Work Years	194	0	230	0	230

Development Leadership Initiative (DLI)

The USAID Foreign Service Officer corps is one of the most valuable elements of the United States Government's (USG) development and humanitarian assistance efforts. FSOs serve on the frontlines of development, implementing the USG's foreign assistance strategy on the ground, responding to humanitarian crises, and working to meet transformational development goals. FSOs develop important relationships with host country nationals, advise both Washington and in-country counterparts in development strategy and help mobilize the participation and resources of other development partners. USAID FSOs provide leadership overseas to develop, implement, and integrate programs that bring peace, prosperity, and security to the world.

The size and make-up of the Agency's permanent FSO workforce must keep pace with the significant increase in USAID managed programs and USG foreign assistance priorities. Funding for USAID-managed programs increased by 40% between FY 1995 and FY 2007. Approximately 45% of the entire permanent Foreign Service workforce is eligible to retire. Within the Senior Foreign Service, 71% of FSOs are eligible to retire. Both of these percentages will increase significantly over the next three to four years. At current hiring, attrition, and retirement rates, USAID's ability to achieve its mission and provide the leadership role needed to promote foreign policy objectives will be weakened, unless the Agency is able to backfill and strengthen its overseas workforce. This combination of increased program funding and an increasingly retirement eligible Foreign Service Officer corps risks the erosion of the Agency's core leadership and technical capabilities.

Under the Foreign Assistance Reform agenda, USAID has already begun to shift staff to meet the USG's foreign assistance priorities. However, USAID must go beyond repositioning of existing staff, in accordance with the Foreign Assistance Framework.

The FY 2009 request includes $92.1 million for the DLI. The DLI funding will enable the Agency to hire 300 new FSOs in FY 2009, increasing the total FSO workforce by 30 percent. In addition, the DLI budget funds the associated costs of hiring 300 new FSOs including: 125 new Foreign Service Nationals (FSNs) to support an increased U.S. direct hire overseas workforce; increased infrastructure costs such as travel, rent, and equipment in Washington prior to FSO deployment overseas; and other personnel support services such as recruitment and training.

DLI Request Categories ($ in thousands)	FY 2009 Request
Personnel Compensation*	27,555
Travel & Transportation	1,944
Rental Payments	7,079
Other Services	16,729
Facilities Operation & Maintenance	10,000
Furniture & Equipment	28,793
Total	**92,100**

* The total personnel compensation amount reflects the salary and benefits for 50 FSOs
every two months, resulting in 175 full time equivalencies for the 300 new hires.

FSO Backstops

The 300 FSOs will fill critical stewardship and technical backstops. Specifically, USAID plans to hire the following officers:

- 75 Program and Planning Officers
- 44 Democracy, Conflict, Governance, and Humanitarian Assistance Officers
- 42 Public Health Officers
- 39 Financial Management Officers
- 35 Contract Officers
- 34 Economic Growth and Agriculture Officers
- 14 Executive Officers
- 11 Education Officers
- 6 Legal Advisors

The DLI will allow USAID to strategically align overseas staff with increasing program responsibilities and resources. This will eliminate current vulnerabilities, such as unfilled positions, staff without essential job skills and leadership training, and long personnel gaps in the field and Washington. To better align overseas staff with USG foreign assistance priorities, new Foreign Service Officers will be deployed primarily to the poorest, least stable nations where disease, poverty, and oppression provide the most fertile ground for extremism. USAID also will deploy new personnel to maintain a strong presence in strategic countries.

Overseas Operations*

($ in thousands)	FY 2007 Actual	FY 2007 Supp	FY 2008 Estimate	FY 2008 Supp	FY 2009 Request
Field Missions	286,845	8,700	257,462	41,000	235,494
USDH Salaries & Benefits	114,676	0	110,421	0	108,972
NEP/IDI Support**	0	0	7,950	0	5,550
Facility Relocations	7,186	0	1,000	0	7,000
FS Pay Modernization	0	0	0	0	14,400
Total Overseas Operations	**408,707**	**8,700**	**376,833**	**41,000**	**371,416**

* The FY 2008 estimate includes funding designated as emergency funding as described in Section 5 (preceding Division A) of the FY 2008 Consolidated Appropriations Act. $20.8 million of emergency funding was appropriated for USAID Operating Expenses.
** The Agency funded $6 million for NEP/IDI support in FY 2007. Since New Entry Professional/International Development Intern support funds are allocated to the missions, the $6 million is reflected in the FY 2007 field missions' total.

Field Missions

This budget line item funds the following activities:

- Residential and office rents, utilities, security guard costs, and communications: These costs are largely non-discretionary.
- Intergovernmental payments: The majority of these payments are for International Cooperative Administrative Support Services (ICASS). ICASS is the cost of administrative support provided to missions by other U.S. Government agencies (generally the Department of State). USAID's Working Capital Fund, which finances the costs associated with USAID's provision of services, is described later in this section.
- Operational travel and training: This category includes essential travel to visit development sites and work with host-country officials; other operational travel, including responses to disaster; and the costs of tuition and travel for training not sponsored by Headquarters.
- Supplies, materials, and equipment: This category includes the cost of replacing office and residential equipment, official vehicles, IT hardware and software, general office and residential supplies and materials, and some security-related equipment.
- Mandatory travel and transportation: This category includes travel and transportation expenses for post assignment, home leave, rest and recuperation, and the shipment of furniture and equipment.
- Contractual support: This category includes mission requirements for data-entry assistance and other administrative support provided through contracts.
- Operation and maintenance of facilities and equipment: This category includes the cost of operating and maintaining facilities and equipment at overseas missions.

USDH Salaries and Benefits – Overseas

This category includes salaries and the Agency's share of benefits, such as retirement, thrift savings plan, and social security, health, and life insurance, for approximately 700 FSOs (excluding the new hires under DLI) serving overseas. Overseas salaries also include various post differentials including "difficult-to-staff incentives" for FSOs willing to extend tours at posts where harsh living conditions deter personnel from seeking assignments.

New Entry Professional/International Development Intern Support

These funds are used for post-duty travel and training expenses for New Entry Professional (NEP),

International Development Intern (IDI), and junior officer staff. For the first three years of employment, the Agency centrally supports these officers to allow the widest breadth of experience and training before assignment overseas. In addition, these funds will support 40 junior officer training positions overseas.

Facility Relocations

This category includes funding for secure interim office buildings for two missions vulnerable to vehicle-borne, improvised explosive-device attacks based on insufficient perimeter setback and inadequate building construction (under Overseas Security Policy Board standards), where the completion of planned New Embassy Compounds (NECs) and/or embassy annex buildings at posts range from FY 2012 to FY 2018. Funding will enable the two missions to move to alternate facilities and install the needed security countermeasures until NECs are completed.

Foreign Service Pay Modernization

USAID requests $14.4 million for Foreign Service pay modernization. The request will fund a performance-based pay system and global-pay rate for Foreign Service staff grades FS-01 and below. A global pay rate will attract and retain a labor market for worldwide-available staff and addresses the pay disincentive to overseas service.

Washington Operations

($ in thousands)	FY 2007 Actual	FY 2007 Supp	FY 2008 Estimate	FY 2008 Supp	FY 2009 Request
Washington Bureaus/Offices	26,106	-	24,063	-	20,770
Office of Security	9,849	-	9,888	-	15,619
USDH Salaries & Benefits	157,814	-	195,190	-	203,429
Total	**193,769**	-	**229,141**	-	**239,818**

Washington Bureaus/Offices

In addition to administrative supplies, the funds will provide resources for the following:

- Operational and training travel: This category includes essential travel to visit missions and development sites, work with host country officials, participate in training, and other operational travel, including travel to respond to disasters.
- Advisory and assistance services: This category includes manpower contracts and advisory services to support essential functions, such as preparation of the Agency's Financial Statements, voucher payment processing, and financial analysis.

Office of Security

The USAID Office of Security request represents a continuing effort to protect USAID employees and facilities against global terrorism and national security information against espionage. The 2009 request will fund additional physical security for missions not collocated with embassies, including building renovations, security enhancements, and increased local security-guard services. The budget is allocated among four major categories as detailed below.

Categories (\$ in thousands)	FY 2007 Actual	FY 2007 Supp	FY 2008 Estimate	FY 2008 Supp	FY 2009 Request
Physical Security	8,915	-	8,493	-	14,244
Personnel Security	925	-	1,050	-	1,000
Information Security	9	-	20	-	25
Counterterrorism	-	-	325	-	350
Total	**9,849**	**-**	**9,888**	**-**	**15,619**

Physical security

Funding will allow USAID to complete physical security enhancement projects for missions overseas and USAID headquarters, install and maintain communications systems at missions, and procure armored vehicles for overseas missions.

Personnel security

Funding will allow USAID to conduct required background investigations and periodic update investigations for all U.S. direct-hire personnel. It also covers required pre-employment investigations and security clearances or employment authorizations for contractors who will work in USAID office space.

Information security

Funding will allow USAID to provide security training to new and existing agency employees. The increase from the FY 2007 level reflects the costs for implementing an interactive teleconferencing system for overseas training sessions.

Counterterrorism

Funding will primarily cover costs associated with maintaining and enhancing information technology systems that support terrorist screening processes that will result from expanded implementation of the screening program.

USDH Salaries and Benefits – Washington

This budget item includes salaries and the Agency's share of benefits, such as retirement, Thrift Savings Plan, and social security, health, and life insurance for approximately 1,420 Civil Service and Foreign Service employees.

Central Support

Categories ($ in thousands)	FY 2007 Actual	FY 2007 Supp	FY 2008 Estimate	FY 2008 Supp	FY 2009 Request
Information Technology	76,628	-	68,600	-	56,008
Personnel Support	2,223	-	1,560	-	2,000
HR Reform	3,000	-	10,000	-	5,000
Staff Training	9,105	-	10,300	-	5,000
Washington Rent	51,525	-	54,867	-	45,971
Other Agency Costs	11,587	-	21,835	-	13,971
Total	**154,068**	**-**	**167,162**	**-**	**127,950**

Information Technology (IT)

The USAID Information Technology (IT) budget supports IT systems, infrastructure, and architecture critical in helping USAID staff fulfill the Agency's mission. In addition, the IT budget supports Homeland Security Presidential Directive (HSPD)-12 and technology modernization.

($ in thousands)	FY 2007 Actual	FY 2007 Supp	FY 2008 Estimate	FY 2008 Supp	FY 2009 Request
IT Systems	25,785	-	14,731	-	17,424
IT Infrastructure	32,590	-	35,556	-	29,870
IT Architecture	7,263	-	7,313	-	6,714
HSPD-12	-	-	-	-	2,000
Tech. Modernization	10,990	-	11,000	-	-
Total	**76,628**	**-**	**68,600**	**-**	**56,008**

IT Systems

Funding will support the management, operations, and maintenance of the Agency's suite of enterprise-wide, legacy, and database systems. Funding also will support joint systems maintenance activities with the Department of State and the design, development, programming, and implementation of small, automated information-management systems.

IT Infrastructure

Funding will support telecommunications operations, networks, servers, and security platforms worldwide. Funding also will provide management and customer support to headquarters and 90 overseas sites.

IT Architecture, Planning and Program Management

Funding will support the costs associated with strategic planning, systems engineering, IT governance configuration, and contract and program management.

Homeland Security Presidential Directive-12

Funding will support the implementation of Homeland Security Presidential Directive-12 (HSPD-12) "Policy for a Common Identification Standard for Federal Employees and Contractors." HSPD-12 requires the development and implementation of a mandatory, government-wide standard for secure and reliable forms of identification for Federal employees and contractors. Funding will support standardized identity proofing of all employees and contractors, improved physical access control, and increased interoperability and information-sharing between agencies.

Personnel Support

Funding will cover mandatory Agency-wide personnel support and workforce planning initiatives. Funding will support travel to allow Human Resources officers to help overseas missions soundly manage staffing, training, mentoring, and personal development plans, recruiters to target universities nationally, and low-income recruits the opportunity to interview. Funding also will support IT systems improvements, including adding key components to the workforce management system to ensure accountability of the Manage-to-Budget program and upgrading the USDH payroll system.

Human Resources Reform

Funding will cover activities to reform the human capital function to make it as efficient and effective as possible. Funding will support temporary contracts to provide services until HR hires staff to provide them; improved recruitment activities, advertising, and special support for worldwide recruitment; the design and implementation of reform measures and IT systems. In addition, funding will support the continued implementation of the worldwide Workforce Planning Model (WPM) results, including transforming the WPM into a web-based program usable by all management units, and staff realignment based on the recommendations of the headquarter-to-field alignment study.

Staff Training

The USAID staff training strategy will strengthen the core management and technical skills of the Agency's workforce. USAID will address the gap between skills needed for a 21st century workforce and those currently available within the Agency; implement cost-effective training models, e.g., distance learning approaches, to close the gap; deploy and maintain a learning management system with a supporting database to accurately capture employee training data; and continue the after-hours tuition assistance programs. The Agency will continue close collaboration with the State Department to build a more flexible workforce and increase its capacity to respond to ever-increasing demands.

The FY 2009 request supports enhanced training in security and leadership; implementation of certification programs for senior leaders, program managers, technical officers, and support staff; mandatory training for all supervisors; and continued language training.

Washington Rent, Utilities, and Support Costs

In FY 2009, payments for office rent, utilities, and building specific and basic security for the Ronald Reagan Building and warehouse and other space in the metropolitan area are estimated at $40.6 million, 90% of the General Support budget. The remainder of the request is relatively fixed, funding building and equipment maintenance; contracts for mail distribution, printing, records maintenance, Agency directives and travel management services; postal fees; APO mail; bulk paper supplies; transit subsidies; health and safety; long-term storage for FS household effects; and other general support costs for

headquarter personnel.

Other Agency Costs

The request for other Agency costs primarily covers mandatory costs, the largest being payments to the Department of State for administrative support and dispatch-agent fees and the Department of Labor for employee medical and compensation claims relating to job-related injury or death. This category includes travel and related costs associated with the Foreign Service panels, and funding for medical, property, and tort claims.

Resources

USAID's operating expenses are financed from several sources, including new budget authority, local-currency trust funds, reimbursements for services provided to others, recoveries of prior-year obligations, and unobligated balances carried forward from prior-year availabilities. The table below provides the details.

	FY 2007 Actual	FY 2007 Supp	FY 2008 Estimate	FY 2008 Supp	FY 2009 Request
Appropriated Funds					
Enacted Level/NOA	633,132	8,700	655,800	41,000	767,184
of which Emergency			*[20,800]*		
Rescission	(6,300)		(5,143)		
Subtotal	**626,832**	**8,700**	**650,657**	**41,000**	**767,184**
Trust and Program Funds					
Local Currency Trust Funds	18,153		18,308		19,400
Reimbursements	6,127		4,500		4,500
Space Cost Reimbursements	5,770		4,800		4,800
IT Cost Reimbursements	13,257		14,400		14,400
Program Authorities	13,269		21,800		6,000
Unobligated Balance - Start of Year	114,459		58,671		15,000
Of which:					
Iraq/Afghanistan/Sudan Supplemental	*[64,800]*		*[11,312]*		
Recovery of Prior-Year Obligations	8,648		15,000		12,500
Ending Balance – Current-Year Recoveries	(8,648)		(15,000)		(12,500)
Ending Balance - Other Funds	(41,323)	(8,700)			
Subtotal	**129,712**	**(8,700)**	**122,479**		**64,100**
Total Available	**756,544**	**-**	**773,136**	**41,000**	**831,284**

Program-Funded U.S. Direct Hire Authority

Categories	FY 2007 Actual	FY 2007 Supp	FY 2008 Estimate	FY 2008 Supp	FY 2009 Request
Washington & Overseas	63,300	0	81,000	0	81,000

The FY 2008 Appropriations Act provides USAID with a Non-Career Foreign Service Officer (FSO) hiring authority. USAID is requesting an extension of this authority into FY 2009. The authority allows USAID to use up to $81 million in program funds to convert up to 175 personal services contractor or other non-U.S. Direct Hire (USDH) positions into limited-term direct-hire appointments, *i.e*. Foreign Service Limited (FSL). The primary objective of this initiative is to place responsibility for the conduct of inherently governmental functions in the hands of government employees, not contract staff.

With this authority in place since FY 2004 and the requested extension into FY 2009, the Agency will increase its overall USDH workforce by 230, while decreasing the non-USDH workforce by approximately the same number. The FSL positions are usually less expensive than the non-USDHs they replaced due to the elimination of overhead costs paid to third parties.

Within the overall $81 million limitation, USAID is requesting continued junior officer placement authority to use up to $15 million to fund the support costs of junior Foreign Service officers deployed overseas. The Operating Expense account will centrally fund the payroll costs of the junior officers, which will allow USAID to hire and place new junior FSOs overseas while reducing the Agency's reliance on personal service contractors. For each junior officer supported by program funds under this authority, there will be one less program-funded non-USDH.

USAID Capital Investment Fund

Category ($ in thousands)	FY 2007 Actual	FY 2007 Supp	FY 2008 Estimate	FY 2008 Supp	FY 2009 Request
Information Technology	21,200	-	12,287	-	35,775
Overseas Facility Construction	48,100	-	75,000	-	135,225
Total	**69,300**	**-**	**87,287**	**-**	**171,000**

USAID utilizes the Capital Investment Fund to modernize and improve information technology (IT) systems and finance construction of USAID buildings and office space overseas in conjunction with the Department of State (DOS) and the Capital Security Cost Sharing Program. Prior to FY 2003, the Operating Expense (OE) account funded these activities. These no-year funds provide greater flexibility to manage investments in technology systems and facility construction not allowed by the annual OE appropriation.

Information Technology (IT) (http://www.usaid.gov/policy/budget/exhibit300s/)

Category ($ in thousands)	FY 2007 Actual	FY 2007 Supp	FY 2008 Estimate	FY 2008 Supp	FY 2009 Request
IT Systems					
Joint Assistance Mgmt. System	3,078	-	-	-	-
Global Acquisition System	9,130	-	2,607	-	10,000
Joint Financial Management System	5,347	-	5,000	-	10,800
Time & Attendance System	-	-	984	-	-
Foreign Assistance Coordination & Tracking System (FACTS)	-	-	-	-	2,000
President's Management Agenda	2,602	-	3,696	-	5,738
Subtotal	**20,157**	**-**	**12,287**	**-**	**28,538**
IT Infrastructure					
USAID/DOS Infrastructure	993	-	-	-	5,000
ISS LOB Center of Excellence	50	-	-	-	0
IT Infrastructure Enhancement	-	-	-	-	2,237
Subtotal	**1,043**	**-**	**-**	**-**	**7,237**
Total	**21,200**	**-**	**12,287**	**-**	**35,775**

Separating improvement funds from on-going operations funds allows Agency funding certainty independent of operational cost fluctuations. In FY 2009, USAID will support the following IT systems and infrastructure initiatives:

IT Systems

Global Acquisition System (GLAS): USAID delivers foreign assistance and achieves development goals through its acquisition and assistance instruments. As a commercial off-the-shelf web-based tool, GLAS will meet USAID's unique functional and technical acquisition requirements and will fully interface with the Agency's financial management system, Phoenix. GLAS is designed to give USAID stewardship

over its resources and to meet three primary objectives: to ensure compliance by providing common processes and tools domestically and abroad; to capture robust data through improved data quality, timely agency reporting, standardized business practices and enhanced accuracy in planning and workload management; and increased operating capacity by improving the day-to-day operations for acquisition staff domestically and abroad. In FY 2009, the project will include baseline functionality and Washington and overseas mission pilot deployment, including training and help-desk support.

Joint Financial Management System (JFMS): JFMS provides the basic financial management systems that DOS and USAID use to produce accurate and timely financial information. The technical backbone that hosts the Agency's financial system of record, Phoenix, is a key component in allowing managers to better direct, analyze, and allocate USAID's limited resources. Additionally, JFMS supports agency cost-sharing, budgeting, overseas staffing, logistics, procurement, fixed assets, and strategic planning in compliance with the Government Performance Results Act and other mandates.

Foreign Assistance Coordination & Tracking System (FACTS): FACTS will be the central data repository for USAID and DOS that combines all government planning and tracking of foreign assistance funds over which the Director of Foreign Assistance has authority. FACTS is designed to facilitate integrated planning across all USG agencies at the country level to ensure that foreign assistance funds are allocated in alignment with U.S. foreign policy objectives and to enhance capabilities to monitor performance. FACTS will include information on foreign policy objectives, program areas and elements, as well as the mechanisms and funding attributed to each level. It will also include targets and indicators for measuring performance at every level from the highest objective to the specific partner implementing a program. FACTS will have data needed to respond to other required Congressional reports and frequently asked questions, including target populations reached and recipient organizations. The request will enable the Director of Foreign Assistance to ensure that foreign assistance funds support the Department of State's transformational diplomacy goal and the five specific foreign assistance objectives.

President's Management Agenda: This investment supports on-going implementation of Presidential Management Agenda Initiatives, which include cross-agency e-Government (E-Gov) and Line of Business (LOB) initiatives. E-Gov and LOB initiatives support USAID business objectives and strategies by using IT to improve internal efficiency and service provision, lower per-transaction cost, and increase availability of information to partners. E-Gov and LOB investments map very closely to USAID's primary mission and provide significant value to internal and external stakeholders.

E-Government Initiatives:

Grants.gov ($517,763 Agency Contribution): This initiative enables USAID to leverage existing technology and services that allow our grantee and grantor stakeholders to more readily access and manage grant opportunities and submit grant applications on a global basis. Under this initiative, with the Department of Health and Human Services (HHS) as a managing partner, USAID achieves the benefits of coordination with the HHS and vendors to take advantage of best practices, compliance, and outreach efforts. USAID uses government-wide forms 100 percent of the time for its application packages. As of September 2007, USAID posted approximately 70 funding opportunities and application packages on Grants.gov and received 178 electronic applications from the grants community.

HR Resource Systems/HR LOB ($65,217 Agency Contribution): The HR LOB drives the underlying core of what enables USAID to achieve our mission domestically and abroad. Transformational Diplomacy relies on hiring, training, and retaining the highest quality workforce. This effort will benefit USAID by providing improved strategic management of human capital and operational efficiencies. USAID will achieve the benefits of "best-in-class"

HR solutions without the costs of developing and maintaining our own HR systems. Employees across the agency benefit from improved HR services.

E-Gov E-Training ($500,000 Service Fees): This initiative will benefit USAID by supporting the outsourcing of training initiatives to OPM's GoLearn learning management system and associated training management services via the internet. The program offers numerous courses more cost effectively than sending an on-site trainer.

E-Gov E-Travel ($81,901 Service Fees): This initiative provides employees with a web-enabled travel management system. E-Travel enables staff benefits by allowing them to make travel reservations on-line via the Internet in a paperless, fast and efficient manner.

Budget Formulation & Execution (BFE) LOB ($95,000 Agency Contribution): This initiative focuses on building a "budget of the future," employing standards and technologies for and anticipating benefits of electronic information exchange linking budget, execution, performance, and financial information throughout all phases of the annual budget formulation and execution cycles. The BFE LoB, in conjunction with Department of the Treasury as the system owner, made available the first shared fee-for-service budget formulation system, the Budget Formulation and Execution Manager (BFEM). USAID purchased BFEM for the 2009 budget cycle which resulted in greater ease in collection of budget data and production of budget submissions. USAID avoided the costs of procuring and setting up a custom system by participating in the shared service system.

Recruitment One-Stop ($6,638 Service Fees): This initiative will provide the benefits associated with external hosting of recruitment software and services accessible via OPM's USAJOBs website.

Enhanced Human Resource Integration ($73,937 Service Fees): This initiative will provide the benefits of automated, standard employee records and comprehensive knowledge-management workforce analysis.

Financial Management LOB ($44,444 Agency Contribution): This initiative will benefit USAID by leveraging common standards and shared service solutions government-wide. The FM LoB alignment of Common Government-wide Accounting Code structure and Business Process Standard implementation with Treasury central systems will improve business processes and enables reliable data interchange within USAID and across departments and agencies interfacing to the Treasury central systems.

Grants Management LOB ($59,316 Agency Contribution): This initiative will improve customer access and efficiency of the submission process, decision-making, integration with financial management processes, efficiency of reporting procedures to increase usable information content, and optimization of post-award and closeout actions. An automated grants management solution will provide, for USAID and its constituents, higher quality reports and documents that will be more accurate and uniform both domestically and abroad. Agency Administrators, Congress, and the President will have insight into the spending of funds on Federal financial assistance. Without an agency-wide grants management system, USAID would not be able to provide accurate data on where the money was spent or what results were achieved. USAID manages approximately 2,600 grant related transactions totaling approximately $2 billion annually. Currently, USAID is completing the Fit/Gap Analysis that is required by the GM LoB to determine functional and technical fit between USAID requirements and the capabilities of the Consortium Lead solutions.

Geospatial LOB ($15,000 Agency Contribution): This initiative will provide benefits for best practices, compliance, and outreach efforts associated with geospatial management activities throughout the Federal Government and international community. USAID is looking forward to the returns on investments with regard to the efficiency and synergy across the government. The LoB provides more immediate access to geospatial information which improves productivity, improves mission delivery, and increases service to citizens. Geospatially enabling traditional business data will improve business process efficiency, allow for geographically based work planning and investment processes, assist in infrastructure asset tracking, improve mission delivery, and promote use of business intelligence in USAID's decision support systems.

E-Gov E-Authentication ($137,700 Service Fees): This initiative will allow trusted and secure standards-based authentication architecture to support Federal E-Government applications and initiatives.

Integrated Acquisition Environment ($79,024 Service Fees):   This initiative will create a centralized and secure business environment that will benefit USAID by facilitating and supporting cost-effective acquisition of goods and services. The GSA led a coordinated group of agencies (including USAID) and vendors to document and improve best practices, compliance, and outreach efforts associated with acquisition management. As a result, USAID no longer needs to build and maintain separate systems to record vendor and contract information, and to post procurement opportunities. Agency purchasing officials have access to databases with information from other agencies on vendor performance and have replaced many paper-based and labor intensive procedures. In FY 2007, USAID received estimated benefits of $559,169 based on the processes, personnel, roles, steps, and actions involved. The Agency also realized an estimated cost avoidance of $12,215 and estimated operational cost savings of $66,637.

Integrated Acquisition Environment – Loans and Grants ($189,973 Agency Contribution): This initiative will allow access to a centralized solution to provide consistent, government-wide identifiers for award recipients. Cross-government cooperation to determine unique identifiers for Loans & Grants transactions furthers USAID's ability to maintain data integrity while additionally enhancing the transparency of federal program performance information, funding, and Loans & Grants solicitations.

E-Rulemaking ($10,278 Service Fees): This initiative will clearly articulate and make accessible USAID's actions to the broadest audience possible. Reliance on the Federal Docket Management System (FDMS) enhances USAID's ability to receive public comment on a world-wide basis. USAID reaps substantial benefits by improving the transparency of its rulemaking actions as well as increasing public participation in the regulatory process. Use of the FDMS will result in direct budget cost savings and cost avoidance.

IT Infrastructure

USAID/DOS Infrastructure Integration: This project will perform planning, concept development, engineering, and implementation for automation environments to house shared USAID and DOS applications. These applications will become worldwide standards for both USAID and DOS staff. In the event the standard applications selected are web-based, it may be possible in some cases to house them centrally in Washington, on either the DOS or USAID network. IT infrastructure is one of the most critical resources that must be aligned to achieve the goals of transformational development and diplomacy. In the case of DOS and USAID, the opportunity to build a truly integrated IT environment for the Foreign Affairs community in host countries is a profound strategic benefit. The promulgation of

the principles of transformational diplomacy demands a much higher level of collaboration and information sharing among the personnel of all U.S. Government agencies located at U.S. presence posts and New Embassy Compounds (NECs). For NECs to achieve optimal value, they must be supported by integrated IT infrastructures.

IT Infrastructure Enhancement: This investment provides critical 24X7 worldwide IT infrastructure and support to Agency staff and missions. This includes the local area network, metropolitan area network, wide area network, and satellite communications for approximately 8,000 Agency end users. . The FY 2009 request will fund planned technical modernization, project-related upgrades, and implementation of DOS/USAID Joint Enterprise Architecture collaboration initiatives. Ongoing capital investment in Agency IT infrastructure ensures that Infrastructure provides all staff with the critical voice/data network and operational support to fulfill the Agency mission.

Facilities Construction

Category ($ in thousands)	FY 2007 Actual	FY 2007 Supp	FY 2008 Estimate	FY 2008 Supp	FY 2009 Request
Overseas Facility Construction	48,100	0	75,000	0	135,225

The Secure Embassy Construction and Counterterrorism Act of 1999 mandates collocation of all staff under the Chief of Mission authority in New Embassy Compounds (NECs). The Capital Security Cost Sharing (CSCS) Program funds construction of the NECs with contributions from all agencies in proportion to their overseas presence. The FY 2009 request of $135 million will support full USAID participation in the fifth year of the CSCS Program.

The CSCS Program is designed to: (1) generate $17.5 billion over 14 years to accelerate the construction of approximately 150 new secure, safe, functional diplomatic and consular office facilities for all U.S. Government personnel overseas; and (2) provide an incentive for all departments and agencies to rightsize their overseas staff by taking into account the capital costs of providing facilities for their staff.

To achieve these objectives, the CSCS Program uses a per capita charge for (1) each authorized or existing overseas position in U.S. diplomatic facilities, and (2) each projected position above current authorized positions in those NECs that have already been included in the President's Budget or for which a contract already has been awarded. The CSCS Program charges for International Cooperative Administrative Support Services (ICASS) positions are passed through to agencies based on their relative percentages of use of ICASS services. Agencies are eligible to receive a rent credit each year for office rent paid because existing diplomatic facilities are unable to accommodate their overseas personnel. Details of the CSCS Program, including the calculation of cost-sharing charges and the FY 2008 and FY 2009 charges by agency, may be found at www.state.gov/obo/c111275.htm.

In FY 2009, six new embassy compounds are scheduled in countries with USAID presence: Bangkok, Thailand; Bujumbura, Burundi; Dakar, Senegal; Kabul, Afghanistan; Maputo, Mozambique; and Santo Domingo, Dominican Republic.

USAID Foreign Service Retirement and Disability Fund

($ in thousands)	FY 2007 Actual	FY 2007 Supp	FY 2008 Estimate	FY 2008 Supp	FY 2009 Request
USAID Foreign Service Retirement and Disability Fund	38,700	—	36,400	—	34,600

In FY 1974, amendments to the Foreign Assistance Act of 1961, as amended, permitted USAID career Foreign Service employees to become participants in the Foreign Service Retirement and Disability Fund.

The extension of coverage to USAID employees created an unfunded liability in the system. An actuarial determination by the Department of the Treasury shows that the request will be required in FY 2009 to amortize this liability and the unfunded liability created by pay raises and benefit changes since FY 1974.

USAID Inspector General Operating Expenses

Sources ($ in thousands)	FY 2007 Actual	FY 2007 Supp	FY 2008 Estimate	FY 2008 Supp	FY 2009 Request
USAID Inspector General Operating Expenses, New Budget Authority	35,845	3,500	37,692	–	40,600
Other Sources*	8,930	–	9,547	–	5,808
Total Sources	**44,775**	**3,500**	**47,239**	**–**	**46,408**

* Other Sources include prior-year balances and recoveries, transfers, and collections.

The USAID Office of Inspector General (OIG) is committed to focusing its audit and investigative efforts where they will have the greatest impact, leading to improved programs and operations to better serve the international community. OIG's work is essential to increase the credibility of, and confidence in, the U.S. Government's foreign assistance program.

The FY 2009 request of $40.6 million will enable OIG to oversee more than $10 billion in foreign assistance funds managed by USAID and focus its activities to address the Nation's highest priorities, including: (1) accountability for funds used for relief and reconstruction efforts—particularly in Iraq and Afghanistan but also in various parts of the world where natural, political, or economic disasters threaten the stability of developing countries; (2) preventing organizations associated with terrorists from obtaining U.S. funds to carry out their activities; and (3) proper planning, allocating of resources, and implementation of programs to prevent the spread of HIV/AIDS and other serious diseases in Africa and Asia.

In FY 2009, OIG will increase its coordination of audit and investigative activities with other Government agencies responsible for oversight in Afghanistan. Further, OIG will devote substantial resources to auditing funds provided to the West Bank/Gaza region. OIG will also continue to work with the Office of the Auditor General in Pakistan to oversee financial audits of U.S. cash transfers provided to that country.

OIG will devote a greater percentage of its personnel and financial resources to investigating allegations of contract and procurement fraud in FY 2009. OIG will continue to participate in the National Procurement Fraud Task Force and the International Contract Corruption Task Force so that it can leverage the investigative resources of the task forces. This is crucial to OIG's effectiveness as the scope and complexity of its fraud cases increase.

Because of the relatively small size of OIG, challenges remain in its ability to conduct oversight of USAID-managed assistance programs in nearly 90 countries throughout the world, particularly those in Latin America, the Caribbean, and the former Soviet republics. Additionally, the fact that approximately 45% of OIG's audit work is mandatory—which includes reviews of USAID financial statements and information technology systems, and financial management audits of the United States African Development Foundation and the Inter-American Foundation—requires OIG to take a risk-based approach in prioritizing its audit and investigative activities.