October 13, 2006

MEMORANDUM

TO: Acting Director, DCHA/OTI, Robert Jenkins

FROM: Director, IG/A/PA, Steven H. Bernstein /s/

SUBJECT: Survey of USAID's Office of Transition Initiatives
              (Report No. 9-000-07-001-S)

This memorandum transmits our report on the subject survey. In finalizing our report, we considered your comments on our draft report and have included your response in its entirety in Appendix II.

This is not an audit report, and does not contain audit recommendations. However, the information presented in this report could form a basis for a future audit. This report includes six suggestions for your consideration to strengthen aspects of the Office of Transition Initiatives (OTI) and increase the effectiveness of its activities. In response to the draft report, OTI concurred with all of these suggestions.

I want to express my appreciation for the cooperation and courtesy extended to my staff during the survey.

CONTENTS

BACKGROUND

USAID's Office of Transition Initiatives (OTI) was created in 1994 to bridge the gap between relief and development, and to provide short-term political assistance to countries in crisis. Congress authorized the Transition Initiatives funding, which has the special ability to be used notwithstanding any other provision of law. According to "OTI's Special Tenth-Year Edition: A Decade of Transition," OTI uses these funds to achieve faster response and flexibility, as OTI is not faced with time consuming processes such as competitive bidding and procurement. Since its inception, OTI has conducted 36 country programs, averaging 3.27 years in duration, in 31 different countries. During FY 2006, ten country programs were in operation.

To support transitions to democracy and the long-term development of countries in crisis, Congress provided OTI $40 million in FY 2006, which was a reduction from an average of $50 million over previous years. Despite the funding reduction, OTI managed around $125 million in FY 2006 – about three times its allotted amount – through monies provided by additional funding. In August 2006, OTI's additional funding came from Development Assistance, Economic Support Fund, Tsunami Assistance and the International Disaster and Famine Assistance Funds.

"Support Which Implements Fast Transitions" (SWIFT) is an indefinite quantity contract allowing OTI to use contractors (pre-qualified through open competition) to implement country programs within days of receiving instructions to act. According to "OTI's Special Tenth-Year Edition: A Decade of Transition," SWIFT has enabled OTI to respond quickly and flexibly. SWIFT preserves the principle of competition while allowing quick start-up in new countries and direct grants to small, indigenous organizations. In addition, funds committed to a SWIFT contract may be redirected from one program area to another at any time, as situations demand.

Unlike traditional aid programs that aim at economic and social development, OTI's focus is overtly political. By helping local partners to change attitudes and behavior patterns, particularly those that affect political participation, OTI strives to strengthen the institutional framework so long-term development can succeed.

To support its ability to respond quickly and flexibly, OTI has established a roster of specialists known as the "bullpen," who agree to work up to 120 days per year on short notice anywhere in the world. When an opportunity arises, OTI calls on the bullpen to conduct assessments and design country strategies, enabling OTI to scale up quickly without creating a permanent bureaucracy. In addition, OTI is allotted only a small number of direct-hire positions, which limits the number of Foreign Service officers and civil servants it can hire. Accordingly, most of OTI's employees are temporary contract workers known as personal services contractors.[1] According to "OTI's Special Tenth-Year Edition: A Decade of Transition," this structure enables OTI to flexibly design its organization to address its current needs.

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[1] According to USAID's Automated Directives System Glossary, personal service contracts are severable contracts for the services of the individual, not an end-product.

SURVEY OBJECTIVE

The Office of Inspector General (OIG) conducted this survey in place of a risk assessment of OTI, which was part of the OIG fiscal year 2006 audit plan. The survey was conducted to answer the following question:

- What aspects of the Office of Transition Initiatives could be strengthened to increase the effectiveness of its activities?

Appendix I contains a discussion of the survey's scope and methodology.

SURVEY RESULTS

The survey determined that several aspects of the Office of Transition Initiatives (OTI) could be strengthened to increase the effectiveness of its activities. The survey team identified the following aspects to be strengthened:

- OTI's Message
- Criteria for Engagement
- OTI's Human Resources Approach
- Records Management
- Additional Issues for Consideration

OTI's Message

The message of OTI's purpose, intent, and planned program execution is not fully and uniformly understood by various officials within USAID and U.S. embassies. In Iraq, for example, OTI performed cleanup services in problematic neighborhoods to quell violence and to show immediate visual improvements in support of Iraq's new government. Observing these activities, the USAID/Sudan Mission Director requested that OTI perform cleanup duties within Sudan in preparation for an upcoming holiday. Sprucing up parts of Sudan for a holiday did not correspond with OTI's purpose of providing short-term political assistance to countries in crisis. When OTI refused, the Mission Director did not understand why his request was denied.

Similarly, when entering a new country, Mission Directors and Ambassadors are uncertain as to what part of the country team OTI would most effectively coordinate efforts or to whom it should logically report. Because some Mission Directors, Ambassadors, and other involved parties did not understand what OTI's purpose is, an OTI country team may be subject to ineffective organizational placement and its role in a country may be subjected to inappropriate influence.

This ineffective communication impacts coordination between and among OTI, USAID missions and embassies. Additionally, it creates misunderstandings about OTI's role as an organization and incorrect assumptions about how to employ its resources. OTI's message may not be fully and uniformly understood because of a lack of readily available OTI-specific policy and guidance. Making OTI's message more readily available would help prevent officials of USAID and the embassies from inappropriately employing OTI. To effectively convey OTI's message, we are making the following suggestion:

> *Suggestion No. 1: The Office of Transition Initiatives should develop an Automated Directives System chapter devoted to its roles and functions.*

Criteria for Engagement

Because its resources are finite, OTI selectively[2] initiates new country programs. According to OTI's strategic plan, this selection process is based on the application of four criteria for engagement[3] to potential OTI country interventions. However, the four criteria are not always completely applied in country assessments; some OTI employees suggested that a gap exists in the country program assessment process; and not all OTI employees understand how the criteria should be applied and how their application fits in the overall decision-making process. These aspects of OTI's country selection process are discussed in the following three subsections:

Applying the Criteria - According to OTI policy, decisions to initiate OTI programs should be made by applying the four criteria for engagement questions to all potential OTI country interventions. However, in the four country engagement assessments reviewed, two assessments did not address all four of the criteria for engagement questions and the other two assessments incompletely addressed the criteria clarifications (see Appendix III for criteria for engagement questions and criteria clarifications).

Reviews of the Nepal and Bolivia country assessments found that only three of the four criteria for engagement questions were addressed in each assessment. For example, in the assessment of Bolivia, the fourth criterion question, "Is the local operating environment sufficiently stable?" was not discussed. In the assessment of Nepal, the third criterion question, "Is OTI best qualified to meet the particular transition needs of the country?" was neither properly labeled nor addressed.

In the assessments of West Bank/Gaza and Northern Sudan, not all of the criteria clarifications underlying the four criteria for engagement questions were addressed. For example, the West Bank/Gaza assessment did not specifically assert whether or not an OTI intervention "can realistically improve the country's chances for a successful transition." Similarly, the Sudan assessment made no assertion that OTI involvement would improve chances for a successful transition.

OTI's incomplete application of the criteria in all four assessments raises questions about the effectiveness of OTI's current country selection process. To strengthen the effectiveness of OTI's current country selection process, we are making the following suggestion:

> *Suggestion No. 2: The Office of Transition Initiatives should develop controls to help ensure that all four of the criteria for engagement questions and their underlying criteria clarifications are consistently used in its country assessments.*

Opportunity Costs - OTI employees identified a gap in the country program assessment process. While the application of the criteria for engagement is intended to

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[2] OTI does not always have the latitude to make a country engagement decision. In those circumstances when OTI has no choice about whether or not to commence a country program, the application of the criteria for engagement does not apply.

[3] The four criteria for engagement are shown in Appendix III and include four criteria for engagement questions and their related criteria clarifications.

determine the appropriateness of a country for an OTI intervention, it omits a consideration of the opportunity costs of an engagement. For example, OTI should consider whether its commencement of a country program in West Bank/Gaza would mean that another country program could not be undertaken.

OTI notes that while many countries could benefit from OTI's assistance, funding and resource constraints require OTI to engage in new countries selectively. Identifying the opportunity cost of a country engagement in a country assessment could provide for a more informed decision. To strengthen the effectiveness of OTI's current country selection process, we are making the following suggestion:

> *Suggestion No. 3: The Office of Transition Initiatives should consider opportunity costs in evaluating countries for potential intervention.*

Application guidance - Not all OTI employees understand how the criteria should be applied and how their application fits in the overall decision-making process. Half of the OTI employees interviewed suggested that country assessment procedural guidance is needed. One OTI employee noted a lack of guidance on how to apply the criteria, but stated, "After a few times applying it, you know how to do it." Another employee suggested that the decision to enter a country is usually made before the criteria assessment is applied and that the application of the criteria is more of a final checklist than a determinant of country eligibility. A third OTI employee asserted that "OTI remains faithful" to utilizing the criteria to determine the appropriateness of a country for an OTI intervention.

While OTI management asserts that OTI has guidance for country assessments, some OTI staff members were unaware of its existence. Also, not all OTI employees understood how OTI management wants the criteria to be applied and how the application of the criteria corresponds to the overall decision-making process. For the OTI employees involved in making country selection decisions and for those countries where OTI has the latitude to make a decision, such circumstances could be problematic. To strengthen the effectiveness of OTI's current country selection process, we are making the following suggestion:

> *Suggestion No. 4: The Office of Transition Initiatives should supply guidance to its staff on the office's overall country eligibility assessment and selection process and on the purpose and application of the criteria for engagement.*

OTI's Human Resources Approach

OTI's staffing consists of 7 direct hires, 23 full-time personal service contractors and 12 part-time employees hired for 11 months or less. OTI employees suggested that this approach in fulfilling OTI's human resource needs has not been wholly positive. OTI and the Office of Acquisition and Assistance (OAA) spend a significant number of hours staffing OTI with personal service contractors (PSCs) instead of focusing the hours on program implementation. One person interviewed suggested that 40 percent of OTI's operational manpower is consumed by human resource issues related to the procurement of PSCs. Others interviewed noted the PSC staffing system creates a lack of continuity through the loss of skills and knowledge, a sense of detachment from the

office, limited career progression, a lack of job security, breakdowns in communication with OAA about needs, reduced morale and limited flexibility to respond to new challenges.

Improving OTI's human resources approach could assist in reducing operational costs and time, increasing resources devoted to program implementation, enhancing institutional memory and experience and improving morale. Although there may be benefits to using short-term and temporary staff, because of the weaknesses identified by OTI employees, we are making the following suggestion:

> *Suggestion No. 5: The Office of Transition Initiatives should develop a plan to work with management in the Bureau of Democracy Conflict and Humanitarian Assistance to strengthen the effectiveness of the office's human resources approach.*

Records Management

According to OTI's July 2005 Operations and Management Survey, 57 percent of OTI employees indicated that they did not clearly understand USAID's records management rules, and 46 percent indicated that OTI's records were not filed appropriately in preparation for an audit. Over 80 percent suggested that regular training on the Agency's record keeping requirements would be beneficial.

USAID's Records Management Program, described in *Automated Directives System* (ADS) Chapter 502, sets forth practices and control over the creation, maintenance, disposition, and preservation of all electronic records, electronic mediums, office records maintenance and files procedures. *U.S. Government Auditing Standards* note that Government managers of entities subject to audit are responsible for ensuring that reliable data are obtained, maintained, and fairly disclosed.

Having OTI employees clearly understand and comply with USAID's records management guidelines could improve access to OTI's vital records, ensure continuity of essential OTI activities, and enable OTI to fulfill its essential role and responsibility in being prepared for an audit.

To improve OTI employee understanding of rules applicable to USAID's records management program, we are making the following suggestion:

> *Suggestion No. 6: The Office of Transition Initiatives should institute employee training to explain the purposes and requirements of USAID's Records Management Program.*

Additional Issues for Consideration

OTI employees suggested areas they felt could be improved. The survey team did not develop any suggestions for these issues, but have instead reported the following employee suggestions for OTI management to consider.

1. An employee commented that OTI needs a micro-credit tool.

2. Another employee suggested that the ability to move money has eclipsed the ability to think and design a good strategic plan. The employee remarked that "A focused $100,000 can be better than dumping $1 million somewhere."

3. Two employees commented on the effectiveness of OTI's monitoring efforts. They raised the following concerns and suggestions:
   - What effect does OTI really have and is it focusing on the right country transition aspects? A possible solution would be for social scientists to perform a study to determine the effectiveness of its programs compared to similar locations not touched by OTI.
   - OTI needs more feedback on its programs both during operations and at their completion. As it currently stands, post-country reviews are either a "meaty pat on the back or a qualified pat on the back." Reviews need to be objective (using a more scientific process) rather than subjective/selective through perceptions. This would ensure people are getting the message and receiving good results. It would also set an example for others.

4. One employee was concerned about an increased risk of PSCs performing inherently governmental functions because OTI is only authorized to have seven Direct Hires. The employee commented that "This pretty much happens in most countries."

CONCLUSION

This survey was undertaken to determine what aspects of the Office of Transition Initiatives (OTI) could be strengthened to increase the effectiveness of its activities. OTI faces continuing challenges, and we have identified aspects of OTI's activities which could be strengthened to increase its administrative and program effectiveness. These areas include OTI's message, criteria for engagement, staffing, and records management. We have made six suggestions to assist in the improvement of these areas.

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EVALUATION OF MANAGEMENT COMMENTS

In response to our draft report, Office of Transition Initiatives management concurred with our six suggestions. Their response also provided several examples of how management has endeavored to improve the office's administrative/operational and programmatic areas and how management will address the survey report's suggestions in the upcoming fiscal year.

We note that in finalizing the survey report, we modified our suggestion No. 2 (page 4) to make it actionable. We added language relative to the creation of controls to ensure that the criteria for engagement questions and their underlying criteria clarifications are consistently used in country assessments. Management's response asserts that it will make a requirement that the four criteria need to be addressed completely in country assessments. Accordingly, we see no disconnect between the revised suggestion and management's response and planned actions.

SCOPE AND METHODOLOGY

Scope

The Inspector General's Performance Audits Division conducted this survey in accordance with the General Standards in the *Government Auditing Standards*. However, the survey was not an audit, so auditing standards relative to such matters as evidence and reporting were not applied to this survey.

The scope of the survey addressed Office of Transition Initiatives (OTI) activities. It included OTI's organization charts, strategy, funding legislation, country programs, focus areas, and criteria for engagement. Since the survey's objective related to aspects of OTI activities in need of strengthening, only areas deemed as potentially needing improvement were pursued. Fieldwork was conducted at USAID's Washington headquarters between June 27, 2006 and September 7, 2006. Fieldwork included interviews with OTI and USAID/Washington staff. A meeting was held with OTI management to gain greater confidence that the issues identified need improvement.

Although no final audit reports on OTI had been issued when the survey commenced, findings within the Regional Inspector General/Baghdad's draft audit report[4] on OTI's Iraq activities were considered. Those draft findings did not lead to the identification of areas needing strengthening in our interviews with OTI personnel.

Methodology

To answer the survey objective, the survey team conducted fieldwork using a multi-phased methodology. During the first phase, the survey team obtained and analyzed background information concerning OTI, including, but not limited to, staffing information, funding legislation, communications with Congress, country assessments, a listing of country programs, and policy documents. The purpose of this initial phase was to gather information, identify issues potentially needing improvement, devise interview questions about those issues, and potentially, develop suggestions.

The purpose of the second phase was to obtain OTI employee comments and opinions regarding areas of OTI's operations that may need improvement. Identified issues from the first phase were incorporated into interview questions based on auditor judgment and on feedback from OTI management and employees of USAID offices working with OTI. From these interview questions, eight were selected which focused on issues the survey team felt would resonate with OTI staff and provoke improvement suggestions. The questions were used to interview 10 of approximately 30 available OTI employees to confirm the existence of issues and to solicit suggestions for improvement. Responses were recorded in a table, analyzed, and developed into preliminary findings and suggestions. A preliminary findings meeting was held with OTI management to

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[4] The final audit report issued was *Audit of USAID Transition Initiatives in Iraq Audit Report,* No. E-267-06-004-P, August 16, 2006

confirm that each issue identified needs improvement and that effective remedial action had not yet been taken.

With respect to the materiality threshold, the survey team concluded that an area needed improvement if 50 percent or more of OTI employees interviewed, country assessments reviewed or employees questioned in OTI's Operations and Management Survey indicated that a problem was present and had not been addressed.

September 22, 2006

MEMORANDUM

TO: Director, IG/A/PA, Steven H. Bernstein

FROM: Acting Director DCHA/OTI, Robert Jenkins

SUBJECT: DCHA/OTI Management Response to Draft Survey of the Office of
Transition Initiatives (Report No. 9-000-06-00X-S)

OTI wishes to thank the OIG and its staff for its recently completed survey of our office
operations. We find the suggestions that you have offered to be useful and constructive
and will seek to implement them during the course of this upcoming fiscal year.

Since its inception in 1994, DCHA/OTI has played a lead role in addressing the gap
between relief and development and in providing short term political assistance to
countries in crises. We do this on a limited budget and as such each program intervention
requires careful management to assure maximum return on our investment. To
accomplish this, our office culture is to continually self-assess and identify areas for
improvement both in programming and operations to ensure the most programmatically
sound, rapid, and efficient response possible. During the past year for example we have
accomplished the following in the Administrative/Operational and Programmatic areas:

Administrative/Operational

- Conducted an annual survey in 2005 and 2006 of operations/management support
  to improve customer service and responsiveness. We have integrated these results
  into our annual operations/management team planning workshop.
- Utilized DCHA shared services to increase capacity for IT and training support.
- Hired a Human Resources Specialist, an IT Specialist, and a Training Specialist to
  improve staff retention, morale, technical support, and knowledge transfer. We
  have consolidated and updated training guides and materials and have conducted
  a training needs survey of our staff.
- Hired Administrative Assistants and a Travel Specialist to improve administrative
  support and enhance liaison with AMS and other Agency administrative offices.
  We have instituted new administrative processes, including a travel log and a
  payroll checklist.
- Developed new budget/finance system that integrates all budget, finance,
  procurement, and travel processes into one system.
- Developing records management training. Held our first "Filing Day" to engage
  office-wide participation. We brought in a management bullpenner to work with
  OTI training team to institutionalize the training in the future.

- Hired additional senior management advisors to provide added support for administrative functions to field staff and improve relationships with Mission administrative offices.

Programmatic

- Developed new Program Performance Review process to periodically and systematically review country programs and determine whether strategies, activities, and results are aligned with US foreign policy goals and OTI objectives.
- Developed new written guidance for Washington and field staff, including Strategy Planning and Program Performance, Field Operations Resource Materials, and Program Managers Manual.
- Organized the first-ever all-SWIFT partners meeting, which increased transparency among SWIFT partners and among SWIFT partners and OTI. We have developed a comprehensive and easy to use template for writing SWIFT II task orders that incorporates lessons learned from previous task orders. We have developed a guide to other existing Agency mechanisms to facilitate office use of alternative procurement options.
- Instituted "After Exit Reviews" of country programs to capture lessons learned and best practices and share these with other country programs.
- Implemented a documentation process for office budgeting decisions to increase transparency of decision-making.

In keeping with these management improvements, we particularly value OIG's insight regarding our program procedures.

Following are our specific comments in response to your suggestions in the "OIG Draft Survey of the Office of Transition Initiatives":

(1) IG Suggestion: OTI's Message. OTI should develop an Automated Directives System Chapter devoted to its roles and functions.

OTI Management Response: OTI agrees with this suggestion and will seek to begin the process of implementing it during the course of the next fiscal year.

(2) IG Suggestion: Criteria for Engagement. OTI should consistently use all four of the criteria for engagement questions and their underlying criteria clarifications in its country assessments.

OTI Management Response: OTI agrees that the criteria need to be addressed completely in our country assessments. While each of the criteria is discussed in OTI's deliberations leading to go-no go decisions on country programs, they have not always been addressed in our written assessments explicitly. We will now make this a requirement.

(3) **IG Suggestion:** Opportunity Costs. OTI should consider opportunity costs in evaluating countries for potential intervention.

OTI Management Response: OTI agrees with this suggestion. Demand for our program resources usually exceeds our budget resources and for that reason OTI programs need to be reserved to meet the most critical country requirements. Sometimes the program trade offs involved in program decision making are clear – in other instances less so. For example, when initiating a new program we may have no idea what other crises-deserving support may arise within days or weeks of a "go" decision. We thoroughly agree that an analysis of potential trade offs should be a formal part of our decision process within the limits we control, recognizing that many decisions are made by the Agency and/or others in the Administration.

(4) **IG Suggestion:** Application Guidance: OTI should supply guidance to its staff on the Office's overall country eligibility assessment and selection process and on the purpose and application of the criteria for engagement.

OTI Management Response: We agree with this suggestion, and will work with our new training unit to ensure that we use a training methodology that will help ensure that we are able to provide regular and standard guidance to all staff regarding the overall country eligibility criteria and selection process and their purpose and application. To this end we have already developed draft guidance on country engagement/disengagement considerations that we have made part of our orientation and training materials.

(5) **IG Suggestion:** OTI's Human Resources Approach. OTI should develop a plan to work with management in DCHA to strengthen the effectiveness of the Office's human resources approach.

OTI Management Response: As the OIG has correctly pointed out, OTI and OAA spend a significant number of staff hours addressing repetitive PSC staffing needs that are brought about because of the lack of a formal staffing structure that is adequate to OTI management requirements. This is a difficult issue; however, we will work with DCHA senior management in hopes that a satisfactory plan can be developed.

(6) **IG Suggestion:** Records management. OTI should institute employee training to explain the purposes and requirements of USAID's Records Management Program.

OTI Management Response: We agree with this suggestion and will include records management as part of our training in the next fiscal year.

(7) IG Suggestion: Additional Issues for Consideration.

    (a) Comment from IG Survey: An employee commented that OTI needs a micro-credit tool.

    OTI Management Response: In general, we have avoided establishing micro-credit programs in country programs as these activities are by their nature longer term both in development and implementation and therefore normally do not provide the quick impact and short time horizon that we look for in our political transition programs. That said, we are exploring appropriate ways to be more involved in the early stimulation of economic activity as part of our transition strategies. We also are continuing to explore relevant new tools such as current efforts to explore media support tools and protection related initiatives.

    (b) Comment from IG Survey: Another employee suggested that the ability to move money has eclipsed the ability to think and design a good strategic plan. The employee remarked that "A focused $100,000 can be better than dumping $1 million somewhere."

    OTI Management Response: In general we would agree that a focused $100,000 initiative is better than an unfocused $1 million intervention. We do place emphasis on the need for our programs to "move" money because the essence of our intervention is to have a quick term impact which cannot take place unless the program delivers early and effectively. This, however, does not mean that "dumping" equates to impact. Our M&E programs are designed to be real time which then permits frequent program adjustment to strengthen impact.

    (c) Comment from IG Survey: Two employees commented on the effectiveness of OTI's monitoring efforts.

    OTI Management Response: With regard to program monitoring and evaluation, this is a continuing concern of OTI's, as well as other parts of the Agency involved in crisis or conflict settings. We believe that our recently redesigned M&E program is providing us with more immediate feedback on our program effectiveness both at the project level and at the program level. It is important to note that judging political impact is a subjective process which cannot usually be objectively verified. Somewhat more "scientific" verification can sometimes be obtained through polling and focus groups. In extremely sensitive programs and/or difficult security environments such sampling is often difficult or prohibitively expensive.

    (d) Comment from IG Survey: An employee was also concerned about an increased risk of PSCs performing inherently governmental functions because OTI is only authorized to have seven Direct Hires. The employee commented that "This pretty much happens in most countries."

OTI Management Response: While the majority of OTI staff are PSCs, we are confident that ultimate decision making on the use of funds and policy decisions is in the hands of OTI's Direct Hires.

CRITERIA FOR ENGAGEMENT

OTI poses the following four criteria for engagement questions along with underlying criteria clarifications in determining the appropriateness of an OTI intervention:

- **How is the country significant to U.S. national interests?** OTI programs are guided by U.S. foreign policy objectives and priorities, and funding. One of the factors limiting how many countries OTI can work in relates to budgetary constraints. A successful OTI program in a transition setting requires a substantial OTI investment, an average of $5 million, not including funds from other appropriations accounts, such as Economic Support Funds (ESF) from State Department. To ensure that OTI programs can make a significant impact, OTI must balance the number of countries it engages in with available funding.

- **Does a window of opportunity exist for OTI to implement a program?** In most cases, a key event occurs – a sudden demise of an authoritarian regime, an election, a peace accord or other settlement – that marks a positive change toward more peaceful, democratic governance. There must also be sufficient political will among the population in a country to carry out activities.

- **Is OTI best positioned to address the particular situation?** OTI must determine whether U.S. government assistance is desired, whether OTI is the most appropriate U.S. government office to provide the desired support, and whether OTI's intervention can realistically improve the country's chances for a successful transition. OTI must also assess whether the resources and expertise it has available are sufficient to achieve the desired outcomes.

- **Is the local operating environment sufficiently stable?** While part of OTI's comparative advantage lies in its expertise and experience working in difficult assistance environments, there must be a minimum level of stability to enable OTI staff to travel outside the capital to implement and monitor OTI-funded activities.