

DEPARTMENT OF STATE

The Department of State (DOS) has improved in the first quarter of 2003 by making progress in four of five PMA areas.

President's Management Agenda

	<i>Status</i>	<i>Progress</i>
<i>Human Capital</i>	(R)	(G)
DOS is red in status because it has not resolved its human capital challenges, such as skill and staffing gaps, integration of its three separate workforces, and strategic management of human resources. DOS has made significant gains in the past year, including a record number of applicants for the Foreign Service exam and increased leadership and management training.		
<i>Competitive Sourcing</i>	(R)	(Y)
DOS is in red status due to the fact it has not met the competitive sourcing goal of 15 percent. Its primary challenge is building up the expertise to enable it to hold competitions effectively. State has made some progress, including targeting funding to the effort and revising the Foreign Affairs Manual to cover competitive sourcing, obtaining expert contractual assistance, and hiring a competitive sourcing manager. However, progress has slipped from green to yellow reflecting insufficient progress overall.		
<i>Financial Performance</i>	(R)	(G)
State's progress is green because the Regional Financial Management System (RFMS) system implementation continues on track, and State has worked diligently to eliminate material weaknesses. Forty-four posts have been transitioned to RFMS. Twenty-five percent of State's transactions are now covered by the new system. The system is expected to be fully completed during 2003. The status remains red pending removal of material weaknesses.		
<i>Expanding E-Government</i>	(R)	(Y)
Status remains red; however, State' progress has been upgraded to yellow. Significant slippage in implementation and quality of deliverables remains (particularly security action plans); however, State used this quarter to focus senior management on Enterprise Architecture development and security certification and accreditation.		
<i>Budget and Performance Integration</i>	(R)	(G)
State's status remains red because it has yet to connect performance of its programs with budgetary decisions relating to those programs. State has also put budget and planning staffs together in a resource management office. It has also begun to institute accountability for achieving performance goals as part of annual manager evaluations.		
<i>A Rightsized Overseas Presence</i>	(R)	(G)
The State Department has worked closely with OMB to review current staffing and costs overseas and to develop future plans for overseas presence. The 2002 State Department		

authorization bill mandates that the State Department establish an inter-agency working group to review rightsizing of posts worldwide in 2003. Over the past year, OMB and the State Department have worked with agencies to develop a capital surcharge proposal to cover Agency costs for housing their employees at facilities paid for by the State Department. The Administration will continue to advance this initiative.

U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT (USAID)

Historically, USAID has had significant difficulties managing thousands of projects in over 80 countries because of obsolete management systems. The agency faces serious challenges in improving, given the low starting point for each agenda item.

President's Management Agenda

	<i>Status</i>	<i>Progress</i>
<i>Human Capital</i>	(R)	(R)
<p>More than 40 percent of USAID workforce can retire within five years. So, the agency has increased recruitment with its New Entry Professional program. Yet, USAID has not finalized a strategic plan, and has not yet evaluated the reorganization of its Washington headquarters.</p>		
<i>Competitive Sourcing</i>	(R)	(R)
<p>USAID has not yet provided a competition plan that commits the agency to competing any of the nearly 600 commercial positions on its FAIR Act inventory.</p>		
<i>Financial Performance</i>	(R)	(Y)
<p>For the first time, USAID got audit opinions on three of the 2001 financial statements and has increased financial reporting capacity. USAID anticipates an improved 2002 audit, and plans to deploy an integrated agency-wide accounting system.</p>		
<i>Expanding E-Government</i>	(R)	(Y)
<p>USAID has improved its process for overseeing information technology investments and has an enterprise architecture with a strong technology layer. USAID has begun active participation in government-wide initiatives and has improved collaboration with the Department of State. The agency still needs to strengthen its business cases for proposed information technology investments and continue work on a comprehensive modernization strategy for the agency.</p>		
<i>Budget and Performance Integration</i>	(R)	(G)
<p>While unable to support its 2004 Budget request according to performance criteria, USAID has developed a model for resource allocation and begun implementing full-cost accounting.</p>		
<i>Reform of Food Aid Programs</i>	(R)	(G)
<p>The Administration has successfully reformed federal food aid policy to provide greater certainty of funding, target funding to feeding hungry people and to increase consistency in USDA and USAID management of food aid programs. Based on these successes, this initiative will no longer be monitored as part of the President's Management Agenda.</p>		

Program Assessments – State, USAID, and other International Affairs Agencies

Program assessments were completed for 17 international affairs programs, including nine in the Department of State, three in USAID, two in the Department of the Treasury, and one each in the Export-Import Bank, the Overseas Private Investment Corporation, and the Broadcasting Board of Governors.

In part, international affairs programs are hampered in demonstrating performance by the inherent difficulty in quantitatively measuring certain foreign policy results. However, the programs that rated particularly low in this area will focus their efforts in 2003 on putting into effect clear quantitative, or objective qualitative performance measures, and on adjusting strategic and performance plans as appropriate to facilitate performance measurement.