

**Statement by Mark S. Ward
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Armed Services Subcommittee on Oversight and Investigations**

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Chairman Snyder, Ranking Member Akin, distinguished members of the Subcommittee, thank you for inviting me to appear before you today. I am pleased to have the opportunity to meet with you to discuss the United States Agency for International Development's (USAID) recruitment, deployment and care of federal employees during and after service in Iraq and Afghanistan.

There has been much progress made regarding employee incentives, allowances and benefits since the inception of USAID activities in Afghanistan in 2001 and Iraq in 2003. While there is still more to be done, I am proud to say that USAID's Foreign Service Officers continue to step up, make sacrifices and meet staffing commitments, not only in Iraq and Afghanistan, but also in our other Critical Priority Countries (CPC) of Pakistan and Sudan.

As you know, the USAID is an independent federal government agency that provides economic, development and humanitarian assistance to over 90 countries around the world in support of the foreign policy goals of the United States. Compared with some of the other organizations also participating in the hearing this afternoon, USAID is very small. USAID has only about 2,400 civil service and Foreign Service employees, of whom only the Foreign Service Officers – about 1200 – serve overseas.

Despite its small size, USAID has been able to meet the demanding staffing requirements in Iraq, Afghanistan, Pakistan and Sudan, entirely on a volunteer basis. To date, roughly 130 employees have served in Iraq and 180 have served in Afghanistan, most for tours of at least one year.

During 2007, USAID Foreign Service Officer positions in both Iraq and Afghanistan have had a nearly 100 percent fill rate. For the coming year, 2008, in Afghanistan only three positions remain unfilled, while in Iraq, approximately eleven positions have not yet been filled. In the upcoming cycle, which starts in late October, USAID anticipates that all remaining positions in both Afghanistan and Iraq will be filled for 2008 by the end of December. To date, approximately 26 percent of all USAID's Foreign Service Officers have served either in Iraq or Afghanistan.

Mr. Chairman, I would also point out that while USAID's small Foreign Service corps represents the USG presence in our field missions, these officers do not work alone. Each USAID mission abroad also includes several categories of employees from various sources: the host country (foreign service nationals or FSNs), contract employees – U.S. and other nationals – and in countries such as Afghanistan and Iraq with limited local capacity, third country nationals (TCNs). In Afghanistan, for example, of the 227 personnel at the USAID mission – which is up from a total of 100 staff three years ago – only 36 are Foreign Service Officers (14 are junior officers and limited term Foreign Service Officers); the remainder are U.S. contract or interagency positions (52), TCNs (18) or FSNs (121). In Iraq, the employment configuration is slightly different, in part because security considerations currently limit the number of FSNs able to work at the USAID mission in Baghdad; however, out of a total 181 employees, 39 Foreign Service Officers currently serve in Iraq compared to 22 officers who served in 2005.

This configuration is a good example of how USAID functions throughout the world: the small cadre of Foreign Service Officers serves as the frontline – the backbone if you will – of our operations abroad, while at the same time, we rely on the services of local professionals, contractors and grantees to get the work done.

With regard to the challenges of filling Foreign Service positions that we are facing today, I would like to describe to the Committee several key innovations that USAID has used that have allowed us to fulfill staffing obligations in Iraq and Afghanistan on a volunteer basis:

Dedicated Personnel: As a development agency, USAID’s mandate is to operate in the poorest nations of the world, often in areas of extreme hardship and devastating poverty. Our employees are not strangers to high-risk environments, the destruction of war or natural disasters. I would point to the tsunami in Indonesia and the earthquake in Pakistan as relatively recent examples where USAID has successfully carried out assistance activities under very difficult and danger-fraught circumstances. We are also heartened by the successes that USAID employees and their colleagues from other agencies are achieving as members of Provincial Reconstruction Teams (PRTs) in Anbar Province and elsewhere in Iraq. In Afghanistan, USAID initially placed contractors as representatives on the PRTs in order to get things moving as quickly as possible. Now, we are shifting to Foreign Service Officers into these positions.

USAID Foreign Service Officers, like their counterparts at the Department of State, sign onto the principle of “worldwide availability” and remain committed to going wherever necessary in order to help to implement U.S. foreign assistance. Like their colleagues in the military and at the Department of State, USAID officers are patriotic Americans ready to serve their country—and they are doing so honorably.

Priority Consideration for Onward Assignment: Similar to the State Department, USAID has devised a generous incentives package, consistent with special compensation provisions that Congress generously authorized, to help employees and families cope with the sacrifices they are making for their service in a war zone. At USAID, a key incentive is the preference given for the follow on assignment after Iraq or Afghanistan that allows USAID employees who serve in either country to receive “priority consideration” for their next posting. This means that the employee will receive one of his/her top choices for an onward assignment. Last year, for those bidding in the 2006/7 assignment cycle and finishing their tour of duty during this calendar year, with perhaps only one exception, every USAID Foreign Service Officer received either his/her first or second choice for onward assignment. This incentive is important because it helps employees and families to plan better for the upcoming years. It also enables an employee, for example, to be assigned to a post where there is good high school or some other facility and to avoid a family separation in the process.

Allowing Families to Remain Overseas: Another feature of USAID’s incentive program permits families to remain overseas at the previous post of assignment while the employee serves a tour of duty in Iraq or Afghanistan. Allowing families to remain overseas reduces the number of household moves and causes less family disruption.

Salary Differentials: In both Iraq and Afghanistan, employees receive 35 percent hardship and 35 percent danger differentials on top of their base salary. In addition, qualifying officers receive a 20 percent special differential as compensation for the long days and weekend work.

Allowances: Employees are also entitled to Rest and Recuperation (R&R) and Regional Rest Break (RRB). In addition, extra days of administrative leave are provided to compensation for travel delays and other problems associated with getting in and out of a combat zone.

Support: USAID has, with the assistance of MHN, a Health Net company, established a hot line where employees can seek assistance for a variety of problems ranging from mental health to financial management. USAID has also hired a full time Ombudsperson, whose primary task is to assist employees with issues they might have regarding serving in Iraq or Afghanistan and also with onward assignments and family issues. To the extent feasible, we try to establish Eligible Family Member (EFM) positions at these posts, so that spouses can accompany the employee. USAID has had considerable success in this regard in Afghanistan.

Mr. Chairman, USAID has been able to fulfill staffing needs up to this point; however, in looking forward, we are concerned that the pool of qualified Foreign Service Officer volunteers may diminish. In addition, we know that the entire federal workforce is aging. In USAID alone, more than 30 percent of Foreign Service Officers will be eligible to retire in 2007, and by 2011 that number jumps to nearly 46 percent of all officers. While we are using creative approaches to fill mission commitments in these two countries, it is becoming acutely apparent that USAID, as currently staffed and resourced, would be unlikely to be able to meet any expansion to the staffing challenges that we face in Iraq and Afghanistan.

We appreciate the Committee's interest in USAID's approach to providing top quality officers in the critical posts of Iraq and Afghanistan. Our package of incentives and benefits, plus the dedication of the USAID staff has allowed us to perform well so far; however, as we look to the future, we know that the reduced numbers of eligible volunteers will pose new challenges for staffing in the two countries we are discussing today and elsewhere in the world. It is important

that we consider taking specific steps now – for example, by increasing the number of junior Foreign Service Officers and making sure that they sign on with a clear expectation of serving in dangerous assignments throughout the world.

I look forward to discussing this topic with you and members of the Committee today and will be happy to take your questions.