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# ***Transformation at the U.S. Agency for International Development (USAID)***

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## Transformation at the U.S. Agency for International Development (USAID)

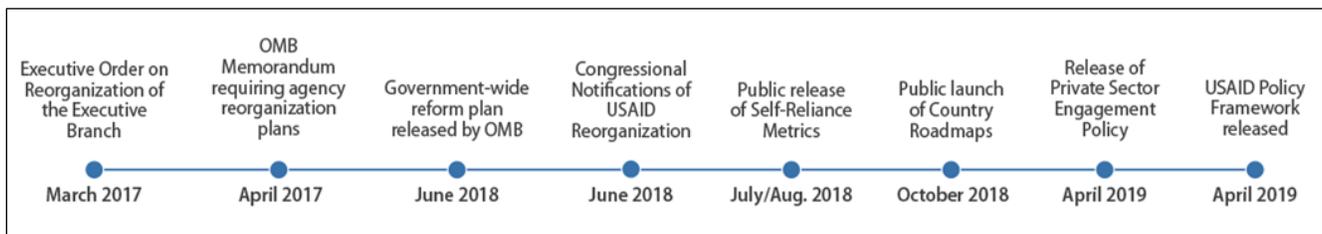
The U.S. Agency for International Development (USAID) has initiated a series of major internal reforms, branded as *Transformation at USAID*. The reforms are largely in response to Trump Administration directives aimed at making federal agencies more efficient, effective, and accountable. Most of the reforms proposed under this initiative do not involve statutory reorganization, but USAID Administrator Mark Green has sought congressional input as the reform process is developed and launched, especially in the area of changes to USAID organizational structure. Congress has the power to shape USAID reforms through oversight activities, and through funding requirements and restrictions.

Some of these proposed reforms are consistent with efforts by past USAID Administrators and do not represent major changes of course for USAID. At the same time, USAID policy documents signal a consistent emphasis on “ending the need for foreign assistance” by supporting partner countries’ “journey to self-reliance.” This report highlights reforms that represent new or enhanced approaches to achieving longstanding objectives, including the following:

- **Process and policy** reforms focused on promoting and measuring partner country progress toward economic self-reliance, engaging the private sector in international development, and reforming procurement practices to better support these broader goals.
- **Organizational structure** reforms intended to enhance the agency’s leadership structure, improve the efficiency of humanitarian assistance programming, and consolidate technically specialized offices within the agency.
- **Workforce** management reforms, including the creation of a new noncareer hiring mechanism.

The figure below depicts the timing of key events of *Transformation* implementation to date.

**Figure I. Key Elements of Transformation at USAID**



**Source:** Created by CRS using various Administration documents.

**Note:** OMB = Office of Management and Budget.

Congress may view USAID’s reform initiatives through longstanding areas of interest and policy questions, including

- the relationship between the “journey to self-reliance” and broader U.S. foreign policy concerns, including great power competition;
- the consistency of the “self-reliance” goal with foreign assistance priorities identified by Congress in annual appropriations legislation;
- potential impacts of significant USAID funding cuts repeatedly proposed by the Trump Administration;
- potential impacts of proposed new Senate-confirmed management positions on agency operations;
- implications of replacing existing strategies, indicators, and mechanisms with new strategies, indicators, and mechanisms proposed in the *Transformation* initiative;

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- the means for prioritizing goals identified in the new USAID Policy Framework and initiatives such as Prosper Africa, which do not seem appear to fall under the *Transformation* umbrella;
- alignment of USAID policies and foreign assistance indicators with those of other U.S. agencies funding and implementing assistance, including the State Department and the Millennium Challenge Corporation; and
- the effect on food assistance funded by Congress through multiple channels, including the Food for Peace account, of the proposed bureau restructuring and consolidation of the Offices of U.S. Foreign Disaster Assistance and Food for Peace.

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## Introduction

Many Members of the 116<sup>th</sup> Congress have demonstrated an ongoing interest in Trump Administration efforts to reform the U.S. Agency for International Development (USAID). The reforms, branded *Transformation at USAID*, target a broad range of programs, structures, and processes in an effort to improve the agency's efficiency and effectiveness. The reform process was initiated by an executive order and an Office of Management and Budget (OMB) memorandum, both issued in 2017. The OMB memorandum called on U.S. government agencies to submit reform plans focused on making the government "lean, accountable, and more efficient."<sup>1</sup>

USAID provided several preliminary plans to the State Department (to which USAID reports) and OMB in the summer of 2017, but the internal restructuring initiative began in earnest after Mark Green was confirmed as USAID Administrator in August 2017. USAID submitted its own reform plan to OMB, separate from State, though USAID cooperated with the State Department's "redesign" initiative as well. OMB's government-wide reform plan, "Delivering Government Solutions in the 21<sup>st</sup> Century,"<sup>2</sup> released in June 2018, prescribed 32 government-wide reforms, several of which directly related to USAID. These included

- restructuring U.S. humanitarian assistance programs,
- establishing a new Development Finance Institution to incorporate USAID credit programs, and
- changing USAID's Washington, DC-based bureau structure.

Soon after the release of the OMB report, USAID finalized and began implementing its reforms, newly branded as *Transformation*. No single public report or other document comprehensively details the *Transformation* effort or what it encompasses. This CRS report relies on various publications on the USAID website focused on specific reforms or priorities described as being part of the *Transformation*, the testimony of USAID Administrator Mark Green before Congress on multiple occasions, implementation documents such as the Country Roadmaps and the Private Sector Engagement Strategy, and the new USAID Policy Framework. Each of these sources differs in what they include, and in the emphasis given to different reform components, making it difficult to ascertain the full picture and the prioritization USAID ascribes to the various elements.

**Role of Congress.** Most of the reforms proposed under *Transformation* do not require congressional approval, but some require advance notification to Congress.<sup>3</sup> Notification does not require congressional action, but it gives Congress the opportunity to weigh in on the action being notified and to apply "holds" (nonbinding but generally respected requests that action be deferred until a related Member concern is resolved). Nevertheless, Administrator Green appears to have actively involved Congress in the shaping and implementation of *Transformation* and has

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<sup>1</sup> See Executive Order 13781, March 17, 2017, and OMB Memorandum M-17-22, April 2017. Available at <https://www.whitehouse.gov/sites/whitehouse.gov/files/omb/memoranda/2017/M-17-22.pdf>. For more information, see CRS Report R44909, *Executive Branch Reorganization*, by Henry B. Hogue.

<sup>2</sup> Available at <https://www.whitehouse.gov/wp-content/uploads/2018/06/Government-Reform-and-Reorg-Plan.pdf>.

<sup>3</sup> Section 7073 of the current SFOPS appropriation (P.L. 116-6, Division F) states that funds in the act may not be used to implement a reorganization or redesign plan at USAID without prior consultation by the Administrator with the relevant committees (House Foreign Affairs Committee, Senate Foreign relations Committee and both the House and Senate Appropriations Committees), and requires that the committees be notified 15 days in advance of obligation of any funds for reorganization purposes.

suggested that he does not intend to move forward without congressional support.<sup>4</sup> Congress has the power to shape USAID reforms through both oversight activities and funding requirements and restrictions.

This report analyzes key elements of current USAID reform efforts under the *Transformation* umbrella. Although the report highlights key reforms and changes in USAID policy and practice, it is not a comprehensive overview of this broad initiative. The report first discusses key objectives of *Transformation*, then describes several process, structure, and workforce reforms intended to support these objectives, with an emphasis on reforms that are distinct from prior USAID reform efforts. The report concludes with a discussion of broader issues that may be relevant to congressional perspectives on USAID reforms.

## ***Transformation* Objectives and Historic Context**

*Transformation at USAID* is an implementation framework for reforms that are multifaceted and still evolving. Administrator Green’s testimony at April 2018 budget hearings described *Transformation* as “experience-informed, innovation-driven reforms to optimize our structures and procedures and maximize our effectiveness.”<sup>5</sup> In these broad terms, many of the reforms are similar to general government or organization reform efforts in their focus on efficiency and effectiveness. While much of *Transformation* reflects incremental policy adjustments, several components signal a distinct vision for USAID’s role in foreign affairs.

As noted, no single public document comprehensively details the components and objectives of *Transformation*. However, various USAID fact sheets, videos, and statements by Administrator Green since 2018 suggest some of the initiative’s key objectives:

- supporting country transitions toward self-reliant, locally led development;
- increasing USAID-private sector collaboration in development;
- supporting U.S. national security strategy;
- enhancing USAID’s core capabilities and strengthening leadership; and
- using taxpayer dollars more efficiently and effectively.<sup>6</sup>

A consistent emphasis across USAID policy documents, including those describing *Transformation*, is the core objective of “ending the need for foreign assistance” by supporting partner countries’ “Journey to Self-Reliance.”<sup>7</sup> As *Transformation* has evolved, moving partner countries toward economic self-sufficiency has become the primary reform objective cited by

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<sup>4</sup> In April 2018 testimony before the Senate Appropriations SFOPS subcommittee, Administrator Green said, “We’re also committed to working closely with this committee to ensure that your ideas are reflected in our Agency’s transformation plan.” In April 2019 testimony before Congress, Administrator Green cited nearly 100 consultations with Members of Congress and their staffs related to the reform agenda, and asked for Congress to clear several notifications related to agency restructuring.

<sup>5</sup> Testimony of USAID Administrator Mark Green before the Senate Appropriations Subcommittee of State-Foreign Operations, April 26, 2018, <https://www.usaid.gov/news-information/congressional-testimony/apr-25-2018-us-agency-international-development-administrator-mark>.

<sup>6</sup> In April 2019, USAID released a new policy framework, “Ending the Need for Foreign Assistance,” the title of which summarizes the key motivation behind agency’s reform efforts. The framework includes a chapter on “USAID’s Transformation,” which describes the reform efforts as organized around USAID’s “three indispensable resources”—people, policy, and budget—and presents various objectives in these areas. Available at <https://www.usaid.gov/PolicyFramework>.

<sup>7</sup> USAID Policy Framework, p. 8.

USAID—the one that all the specific reform proposals are designed to support. Other stated objectives, such as advancing national security goals, are deemphasized in later *Transformation* materials.

Many of the proposed *Transformation* reforms are consistent with efforts by past USAID Administrators. For example, successive Administrations have sought to refine the deployment of foreign assistance to advance U.S. national security, asserting that it should be a major component of U.S. foreign policy strategy.<sup>8</sup> The Obama Administration’s *USAID Forward* initiative focused on bringing new partnerships, innovation, and a renewed focus on results to USAID’s work.<sup>9</sup> Under the George W. Bush Administration and Administrator Henrietta Fore, USAID’s *Development Leadership Initiative* focused on building USAID’s workforce capacity and leadership. The self-reliance objective at the center of *Transformation* has been cited as a goal in various USAID document for decades.<sup>10</sup> Nearly every Administration and USAID Administrator has proposed reforms intended to improve USAID’s efficiency and effectiveness, and *Transformation* may be viewed as the latest step in the agency’s evolution.

## Process and Policy Reforms

To implement the objectives and strategic priorities of *Transformation*, the agency is making several changes to its programs and work processes intended to establish a more flexible and field-responsive approach to programming. Much like the strategic objectives described above, these adjustments build on efforts by previous Administrations, aiming to align USAID’s approach to development with the current global landscape.

### The “Journey to Self-Reliance”

The organizing principle for USAID policy reforms under *Transformation* is the “Journey to Self-Reliance.” Self-reliance is *Transformation*’s term for a country’s ability to plan, finance, and implement solutions to address their own development challenges absent foreign assistance.<sup>11</sup> To operationalize the concept, USAID produced a matrix comprising 17 existing indicators to quantify countries’ progress toward ending their need for foreign assistance.<sup>12</sup> These indicators are maintained by third-party sources, including multilateral institutions, think tanks, and nongovernmental organizations (NGOs). USAID selected these indicators based on their perceived alignment with the self-reliance concept, the reputation of reporting institutions, public availability of the underlying data and methodology, comparability across countries, and comprehensiveness of reporting across countries.<sup>13</sup> This matrix, on which all less-developed

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<sup>8</sup> The Obama Administration’s 2010 U.S. Global Development Policy, for example, described development assistance as a core pillar of American power, part of a comprehensive approach to national security alongside diplomacy and defense. See <https://obamawhitehouse.archives.gov/the-press-office/2010/09/22/fact-sheet-us-global-development-policy>.

<sup>9</sup> Information on *USAID Forward* is available at <https://www.usaid.gov/data/dataset/d45f05be-50de-4840-83a1-8ebb8e93f25f>.

<sup>10</sup> See, for example, the P.L. 480 (Food for Peace) annual report for 1972, which notes “management’s continued stress on the necessity for food-receiving countries to increase their own self-reliance.” The Annual Report On Activities Carried Out Under Public Law 480, 83<sup>rd</sup> Congress, as Amended, During The Period January 1 Through December 31, 1972, p.59.

<sup>11</sup> USAID, *USAID Self-Reliance Metrics: FY2019 Methodology Guide*, Washington, DC, September 2018, p. 1.

<sup>12</sup> A list of these indicators is available at <https://selfreliance.usaid.gov/>.

<sup>13</sup> USAID, *USAID Self-Reliance Metrics: FY2019 Methodology Guide*, Washington, DC, September 2018, p. 3, [https://selfreliance.usaid.gov/docs/USAID\\_Self-Reliance\\_Metrics\\_FY\\_2019\\_Methodology\\_Guide.pdf](https://selfreliance.usaid.gov/docs/USAID_Self-Reliance_Metrics_FY_2019_Methodology_Guide.pdf).

countries have been plotted (including nonrecipients of U.S. foreign assistance), divides the indicators into two quantitative measures (see **Figure 2**):

- **Commitment** is meant to indicate whether a country’s government and its people demonstrate a desire to rise beyond their current condition.
- **Capacity** is meant to illustrate whether a country has sufficient resources to assist itself in moving beyond poverty.

Taken together, these two indices are meant to provide a comprehensive portrait of a country’s development status to inform country-level planning. Under this new approach, USAID’s five-year country plans, called Country Development Cooperation Strategies, are to prioritize approaches centered on advancing a country’s commitment to self-reliance and augmenting its capacity to achieve it. While USAID has long supported efforts to build partner countries’ capacity and emphasized their “ownership” of development programs, the “Journey to Self-Reliance” may be unique in making self-sufficiency the primary goal shaping USAID country strategies.

**Figure 2. Self-Reliance Metrics**

 <b>COMMITMENT METRICS</b> CHOICES/BEHAVIORS	 <b>CAPACITY METRICS</b> ACHIEVEMENT/OUTCOMES
<ol style="list-style-type: none"> <li><b>1. Open and Accountable Governance</b>                              Liberal Democracy Index (VDem)                              Open Government (WJP)</li> <li><b>2. Inclusive Development</b>                              Social Group Equality (VDem)                              Economic Gender Gap (WEF)</li> <li><b>3. Economic Policy</b>                              Business Environment (Legatum)                              Trade Freedom (Heritage)                              Biodiversity and Habitat Protection (Yale/CIESIN)</li> </ol>	<ol style="list-style-type: none"> <li><b>1. Capacity of the Government</b>                              Government Effectiveness Index (WGI)                              Efficiency of Tax Administration                              Safety and Security (Legatum)</li> <li><b>2. Capacity of Civil Society</b>                              Diagonal Accountability Index (VDem)</li> <li><b>3. Capacity of Citizens</b>                              Poverty Rate (World Bank)                              Education Quality (IRED)                              Child Health (CIESIN)</li> <li><b>4. Capacity of Economy</b>                              Per Capita GDP in PPP (World Bank)                              Diversification of the Export Sector (UNCTAD)                              ICT use (WEF)</li> </ol>

**Source:** USAID, “The Journey to Self-Reliance” (Washington, DC, September 18, 2018), p. 5, [https://www.usaid.gov/sites/default/files/documents/1868/Journey\\_to\\_Self\\_Reliance.pdf](https://www.usaid.gov/sites/default/files/documents/1868/Journey_to_Self_Reliance.pdf).

**Notes:** Parentheticals denote the data sources for each indicator. The source institutions are varied, including think tanks (Legatum Institute and Heritage Foundation), university research institutes (the Varieties of Democracy project [VDem] and Yale’s Center for International Earth Science Information Network [CIESIN]), and multilateral institutions (the United Nations Conference on Trade and Development [UNCTAD]; the World Economic Forum [WEF]; and the World Bank, including the World Bank’s World Governance Indicators [WGI]).

and an intergovernmental data set on education quality, here labeled IRED). A fuller description of these sources is available at [https://selfreliance.usaid.gov/docs/USAID\\_Self-Reliance\\_Metrics\\_FY\\_2019\\_Methodology\\_Guide.pdf](https://selfreliance.usaid.gov/docs/USAID_Self-Reliance_Metrics_FY_2019_Methodology_Guide.pdf).

This matrix approach reflects a sweeping theory of development that policymakers and observers have long debated. USAID asserts that the “Journey to Self-Reliance” allows for greater tailoring of country-level programming to the unique challenges facing a given country, while also establishing a common metric applicable across all countries. Although the self-reliance indicators are ostensibly a succinct but holistic portrait of a country’s development along 17 indicators, they in fact comprise a wide array of issues.<sup>14</sup> USAID argues that this inclusivity strives for an “absence of judgment” about the relative importance of each metric, which may be interpreted as an effort to integrate many theories of development into the framework.<sup>15</sup> In fact, the indicators selected are especially oriented toward theories that connect economic growth to a country’s democratic institutions<sup>16</sup> and its markets.<sup>17</sup>

The indicators USAID has selected reflect theories of development that continue to generate debate among researchers and practitioners. For example, the theory that a country must lower its trade barriers (measured by the “Trade Freedom” indicator) to achieve prosperity remains heavily contested in academic circles,<sup>18</sup> particularly for developing countries. In addition, the choice to aggregate these indicators into the two composites of “commitment” and “capacity,” rather than a single indicator, reflects some weighting: each of the seven “commitment” indicators contributes relatively more to a country’s score than each of the 10 “capacity” indicators.

To address such concerns, USAID argues that missions should examine these indicators in their local context and evaluate them based on each country’s unique condition—and that these indicators do not reflect a comprehensive diagnosis of the causes of development. The Administration’s attention to country-level indicators suggests a reorientation from recent approaches. Recent Administrations have focused on broad, global development challenges, such as climate change and the HIV/AIDS crisis, while implementing such initiatives in targeted subnational regions and municipalities.<sup>19</sup> Together, these global challenges and targeted interventions refocused strategic planning away from the country level. USAID describes the “Journey to Self-Reliance” as a high-level profile of a country’s national policy and its institutions, in contrast to past initiatives focused on subnational regions. While USAID notes that progress emerges locally, these indicators track progress only at the national level.<sup>20</sup> It is unclear if this approach will affect USAID’s relationship with municipal and regional governments.

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<sup>14</sup> VDem’s Liberal Democracy Index, for example, takes into account 23 subindicators that describe a country’s governance system.

<sup>15</sup> “The Self-Reliance Metrics & Country Roadmaps: FAQs,” USAID, accessed April 23, 2019. <https://selfreliance.usaid.gov/>.

<sup>16</sup> See, for example, Daron Acemoglu and James A. Robinson, *Why Nations Fail: The Origins of Power, Prosperity, and Poverty* (New York: Crown Publishers, 2012).

<sup>17</sup> See, for example, Douglass C. North and Barry R. Weingast, “Constitutions and Commitment: The Evolution of Institutions Governing Public Choice in Seventeenth-Century England,” *The Journal of Economic History*, vol. XLIX, no. 4 (December 1989), pp. 803-832.

<sup>18</sup> See, for example, Michael A. Clemens and Jeffrey G. Williamson, “Why Did the Tariff-Growth Correlation Change after 1950?,” *Journal of Economic Growth*, vol. 9, no. 1 (March 2004), pp. 5-46.

<sup>19</sup> For example, the Feed the Future Presidential Initiative structures its implementation on “zones of influence,” localized areas for project implementation that in many cases have operated with municipal rather than national governments. Programs in Central America’s Northern Triangle, similarly, have targeted areas as small as city blocks to address chronic violence in some communities.

<sup>20</sup> USAID, *USAID Policy Framework: Ending the Need for Foreign Assistance*, Washington, DC, April 10, 2019, p.

In the past, commentators have expressed concern that such metrics could be used to cut aid to poor performers, punishing people in need for the actions of their national leaders.<sup>21</sup> USAID asserts that these matrices are not scorecards to determine which countries are “deserving” of aid, but instead are a quantitative tool to inform programmatic allocations. Thus, for example, a poor score on open government may cause a mission to direct farmer-support programs through independent NGOs rather than the national government, as the central government may not be trusted to administer its services effectively. While USAID states that it is definitively not grading countries’ performance, it is unclear whether the agency will be plotting countries’ advancement over time along the self-reliance matrices, as “journey” implies. Considering the significant lag time in many indicators’ reporting, as well as variance in reporting periods across indicators, it may be difficult to draw straightforward conclusions about the effect of any program or policy (whether the partner government’s or USAID’s) upon a country’s self-reliance.

### **Additional Tools: Financing Self-Reliance and Private Sector Engagement**

Within the “Journey to Self-Reliance” framework, *Transformation* emphasizes two primary tools for ending the need for foreign assistance: financing self-reliance and private sector engagement. While many of the self-reliance indicators seek to describe the landscape against which USAID is to deploy its programs, these two components of *Transformation* seek to provide the tools with which to implement those programs. Financing self-reliance focuses on a country’s ability to generate sufficient capital to invest in self-reliance, and private sector engagement seeks to create and partner with a private sector entity through which capital can be invested.

#### ***Financing Self-Reliance***

A key component of USAID’s self-reliance approach is facilitating access to capital for countries to reinvest in their own progress, in line with broader recent trends in development finance. This investment approach occupies a central place in several global development frameworks, including the U.N. Sustainable Development Goals (SDG) agenda<sup>22</sup> and multilateral development banks’ “billions to trillions” agenda, which seeks to leverage “billions” of Official Development Assistance (ODA) dollars to mobilize “trillions” of private sector investments in developing countries. Similarly, the 2015 Addis Ababa Action Agenda on financing for development affirmed the importance of strong local enabling environments and responsible fiscal policy to encourage country-owned growth strategies.

*Transformation*’s focus on financing self-reliance builds upon existing U.S. approaches and commitments toward achieving the SDGs. It combines efforts to advance domestic resource mobilization (e.g., tax collection) with strong management of public finances and fiscal transparency to enable effective and accountable administration of the public sector. This approach is designed to create a strong market-based “enabling environment” for private investment, that is, one in which private investors are able to operate with reasonable confidence in the rule of law and protection for their investments. The initiative also prioritizes effective financial markets to enable capital access for economic development investments.

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26, [https://www.usaid.gov/sites/default/files/documents/1870/WEB\\_PF\\_Full\\_Report\\_FINAL\\_10Apr2019.pdf](https://www.usaid.gov/sites/default/files/documents/1870/WEB_PF_Full_Report_FINAL_10Apr2019.pdf).

<sup>21</sup> “Donald Trump cuts off aid to Central America,” *The Economist*, April 4, 2019. <https://www.economist.com/the-americas/2019/04/04/donald-trump-cuts-off-aid-to-central-america>.

<sup>22</sup> The Sustainable Development Goals, agreed in 2015 by all United Nations member states, aim to advance global peace and prosperity along 17 priority areas. They follow on the eight prior Millennium Development Goals that organized many donors’ efforts from 2000 to 2015.

## **Private Sector Engagement**

Private sector engagement is a central conduit through which *Transformation* envisions repositioning USAID’s role in development and supporting partner country self-sufficiency. USAID released a new Private Sector Engagement Policy (PSE Policy) in April 2019.<sup>23</sup> The approach it outlines is not new, but rather builds on longstanding efforts to leverage the resources of nongovernmental actors, including businesses and charitable foundations, to advance international development. The Global Development Alliance (GDA) program, launched in 2001, has long been USAID’s flagship mechanism for incubating and executing public-private partnerships for development assistance. The Obama Administration elevated several such programs when launching the U.S. Global Development Lab (the Lab), an innovation-oriented bureau intended to source breakthrough innovations to address development challenges. The Lab’s Development Innovation Ventures (DIV) program, for example, seeks to integrate venture capital approaches into USAID’s programs.

The *Transformation* focus on private sector engagement tweaks the existing approach and includes several components not seen in previous Administrations. The Obama Administration generally viewed private sector partnerships as one component of a broader Science, Technology, Innovation, and Partnerships (STIP) agenda.<sup>24</sup> This PSE Policy emphasizes business partnerships as a mechanism to attract solutions from scientists and technology innovators. The “enterprise-driven development” approach articulated in the PSE Policy may be a shift from economic development programs’ focus on the market system to a focus on individual enterprises as their programmatic target. While past efforts, such as the GDA program, created partnerships with the private sector to address individual development challenges, the new PSE Policy seeks to infuse a private sector engagement orientation across all programming.

The PSE Policy does not clarify the types of private sector partners to be favored. Micro, small, and medium enterprises (MSMEs), for example, a historical focus of USAID programming, are not specifically highlighted, suggesting that this policy may seek to support USAID collaboration with enterprises ranging from multinational corporations to smallholder farmers. Private sector engagement, then, is expected to broaden USAID’s partner makeup, integrating nontraditional partners, both in the United States and overseas, by changing the way USAID engages its partners in program design. The PSE Policy is still in early stages of implementation. Many of the tools cited in the strategy have been in place at USAID for several years. The scope and depth of changes in USAID’s implementation approach may emerge in the coming months.

## **Procurement and Partnering**

The USAID Acquisition and Assistance Strategy (A&A Strategy), released in February 2019, gives some indication of the shift in private sector engagement envisioned by *Transformation*.<sup>25</sup> Restructuring USAID’s engagement methodology and sourcing mechanisms is another means by which *Transformation* aims to build partnerships and promote partner self-sufficiency. Noting that more than 80% of USAID program funds are issued in award and assistance mechanisms to

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<sup>23</sup> USAID, *Private-Sector Engagement Policy*, April 2019, <https://www.usaid.gov/work-usaid/private-sector-engagement/policy>.

<sup>24</sup> See, for example, Monalisa Salib and Brit Steiner, “‘What’s in an acronym?’ Decoding CLA and STIP,” USAID Learning Lab, September 14, 2016, <https://usaidlearninglab.org/lab-notes/%E2%80%9Cwhat%E2%80%99s-acronym%E2%80%9D-decoding-cla-and-stip-3>, accessed April 23, 2019.

<sup>25</sup> USAID, *Acquisition and Assistance Strategy*, Washington, DC, February 4, 2019, <https://www.usaid.gov/work-usaid/how-to-work-with-usaid/acquisition-and-assistance-strategy>.

NGOs,<sup>26</sup> the A&A Strategy lays out several shifts to its partnering approach: diversifying USAID’s partner base, which has steadily shrunk since 2011;<sup>27</sup> supporting the self-reliance of local partners through capacity building;<sup>28</sup> and establishing a more flexible partnering approach through more collaborative and adaptive award management principles. Reforms from this initiative are still in progress, including the recent launch of a New Partnerships Initiative and expected revisions to USAID’s internal series of operational policies, the Automated Directive System.<sup>29</sup>

Past experience may inform A&A Strategy implementation. USAID has attempted to expand its partner base in the past, notably under the Obama Administration’s *USAID Forward* initiative. *USAID Forward* sought to shift funding away from longtime international development firms and NGOs in the U.S. toward organizations based in developing countries, as a means of promoting recipient country “ownership” of their development. The Lab also contributed to new partnering modalities and frameworks such as “co-creation,” a model for collaborative program design that is increasingly referenced in USAID’s public solicitations.<sup>30</sup> *Transformation* aims to build on these efforts by highlighting tools that encourage greater collaboration with partners and more adaptive management, consistent with revisions to USAID’s process for developing and implementing programs (the “Program Cycle”).<sup>31</sup>

## Organizational Structure

The structural component of *Transformation* is meant to align the agency’s organization with the Administration’s stated goals for U.S. international development and humanitarian assistance. This part of *Transformations* has been subject to the most direct congressional oversight. USAID submitted nine Congressional Notifications (CN) to the appropriate committees in July and August 2018 detailing the proposed structural changes. Upon receipt, each CN was put on “hold,” signaling that committee members wanted to look into the proposed changes further. The Administrator has signaled that he will not make changes without the approval of all four congressional oversight committees.

Organizationally, USAID is split into two sections—field missions, and headquarters’ bureaus and independent offices—each with its own key functions and personnel. The headquarters’ bureaus and offices are divided among four categories: (1) geographic bureaus, (2) functional bureaus, (3) central bureaus, and (4) independent offices (see **Figure 3**). The geographic bureaus directly correspond with country field missions, while the functional bureaus manage cross-cutting sectoral issues, including education, global health, and humanitarian assistance, among others. The central bureaus and independent offices manage day-to-day agency operations, including human resources, security, legislative affairs, and financial management.

<sup>26</sup> USAID, *Acquisition and Assistance Strategy*, p. 1.

<sup>27</sup> USAID, *Acquisition and Assistance Strategy*, p. 1.

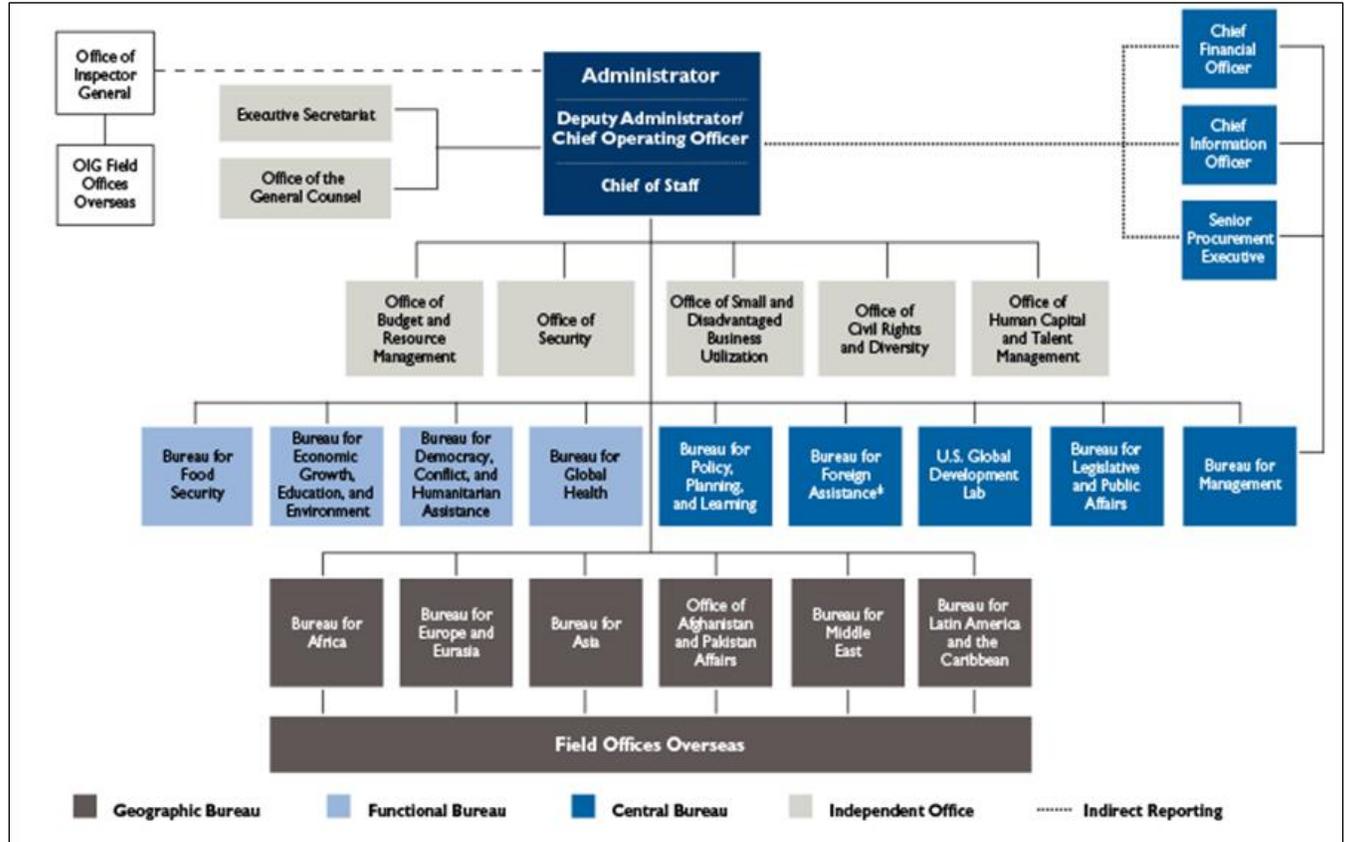
<sup>28</sup> USAID, *Acquisition and Assistance Strategy*, p. 4.

<sup>29</sup> Further information on the New Partnerships Initiative is available at <https://www.usaid.gov/npi>.

<sup>30</sup> For example, see the recently released Philippines DELIVER RFP, for which the selection process is envisioned to culminate in a “co-design work planning session.” The process graphic for the award-making process was amended twice throughout the solicitation process, a clear indication that USAID continues to refine its approach to this new paradigm for procurement.

<sup>31</sup> USAID, *Program Cycle Policy: Revisions to ADS 201*, Washington, DC, December 15, 2016, p. 4, [https://usaidlearninglab.org/sites/default/files/resource/files/2016\\_1215\\_ads\\_201\\_implementing\\_partners\\_webinar\\_.pdf](https://usaidlearninglab.org/sites/default/files/resource/files/2016_1215_ads_201_implementing_partners_webinar_.pdf).

Figure 3. USAID Organization, 2019



Source: USAID Organization, <https://www.usaid.gov/who-we-are/organization>, February 2018.

## Leadership Structure Reforms

Under *Transformation*, USAID is seeking to amend the chain of command to include two new Administration-appointed Associate Administrators. Currently, all bureaus report directly to the Administrator and Deputy Administrator. In the reorganization proposal, the Associate Administrators would each be responsible for three bureaus:

- The Associate Administrator for Relief, Response and Resilience (R3) would manage the Bureaus for Humanitarian Assistance (HA), Conflict Prevention and Stabilization (CPS), and Resilience and Food Security (RFS).
- The Associate Administrator for Strategy and Operations would oversee the Bureaus for Legislative and Public Affairs (LPA), Policy, Resources and Performance (PRP), and Management (M).<sup>32</sup>

By adding the two Associate Administrators, the Deputy Administrator would be responsible only for overseeing the remaining functional bureaus (Global Health and Development, Democracy and Innovation) and geographic bureaus. In establishing this three-pronged oversight structure, USAID aims to relieve the Administrator of some day-to-day oversight responsibilities, allowing

<sup>32</sup> U.S. Agency for International Development, *Restructuring the Office of the Administrator*, Congressional Notification #8, August 30, 2018, pp. 94-103, <https://pages.devex.com/rs/685-KBL-765/images/USAID-Congressional-Notifications.pdf>.

the Administrator greater ability to focus on agency-wide management priorities, and to enable additional, functionally specialized leadership voices to represent the agency on the global stage. Some observers and policymakers have expressed concern with these changes; they worry that adding two political appointees might increase politicization of the agency's development decisions.

Beyond the proposed leadership additions, reorganization proposals under *Transformation* are primarily focused on the headquarters' functional and central bureaus and their respective offices.<sup>33</sup> In broad strokes, the agency is moving from four functional bureaus, six central bureaus/offices, and six independent offices to five functional bureaus, three central bureaus, and four independent offices. (For a detailed chart of the proposed structural changes, see the **Appendix**.) Two of the proposed changes are presented in greater detail below.

### **Bureau for Humanitarian Assistance**

Perhaps the most publicized reorganization proposal is the creation of a Bureau for Humanitarian Assistance (HA). This proposal would take the Offices of Food for Peace (FFP) and U.S. Foreign Disaster Assistance (OFDA) out of the Bureau for Democracy, Conflict, and Humanitarian Assistance (DCHA) and combine them into HA. FFP and OFDA would no longer remain separate offices with independent functions; instead, they would be consolidated into one bureau made up of eight offices—three geographically focused and five technical.

USAID cites two primary reasons for the creation of HA:

- **Elevating U.S. humanitarian assistance on the global stage.** The Trump Administration maintains that it has placed a greater emphasis on humanitarian assistance than previous Administrations—although such claims are open to debate—but that having two separate offices within USAID leads to confusion when articulating U.S. humanitarian efforts to the international community. In merging FFP and OFDA and creating HA, USAID contends that it will have one unified, and more prominent, voice on humanitarian assistance on the global stage.
- **Removing duplication of efforts.** FFP and OFDA currently share some of the funding appropriated under the international disaster assistance (IDA) account. In combining the two offices, USAID asserts that it can better manage IDA funds by removing the distinction between food and nonfood assistance. In doing so, USAID states that it will be able to respond more quickly and effectively to today's increasingly complex humanitarian emergencies.<sup>34</sup>

Housing the humanitarian offices in a stand-alone bureau is not new to USAID. In the 1990s, the agency had a Bureau for Humanitarian Response, which included both FFP and OFDA as distinct offices. It was not until 2001, after a reorganization, that the humanitarian offices were combined with other functions to become the current DCHA Bureau.<sup>35</sup> The HA structural proposal differs

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<sup>33</sup> The only structural proposal related to the geographic bureaus and offices is the movement of the Office of Afghanistan and Pakistan Affairs (OAPA) into the Bureau for Asia. OAPA had previously been housed in the Bureau for Asia but was made independent of the bureau in 2010.

<sup>34</sup> U.S. Agency for International Development, *Merger and Restructuring of the Offices of U.S. Foreign Disaster Assistance and Food for Peace into the Bureau for Humanitarian Assistance*, Congressional Notification #1, July 27, 2018, pp. 1-13, <https://pages.devex.com/rs/685-KBL-765/images/USAID-Congressional-Notifications.pdf>.

<sup>35</sup> In 2001, USAID Administrator Natsios created the DCHA Bureau to “adopt a more holistic approach to the troubling phenomenon of failing, failed, and recovering states.” DCHA combined the Bureau for Humanitarian Response with

from the Bureau for Humanitarian Response in that it dissolves the FFP and OFDA offices as they currently exist.

For a number of years, the humanitarian community has engaged with the U.S. government on issues of efficiency, effectiveness, and coordination of humanitarian assistance. Consultations within the U.S. government, Congress, and the broader humanitarian community continue on HA. Specifically, some say the proposed HA elevates USAID's humanitarian functions and is a positive step forward on reform, while others are more skeptical about its broader impact on interagency cooperation, levels of global humanitarian funding, and U.S. leadership and priorities.<sup>36</sup> Food assistance stakeholders, for example, have raised concerns about the dissolution of FFP. Because FFP receives approximately half of its funding through Title II of the Food for Peace Act, most of which must be used to buy U.S. agricultural commodities, some have expressed concern that without the designation of FFP as an independent office, the provision of U.S. in-kind commodities will decline as a percentage of U.S. emergency food assistance.<sup>37</sup> Further, while the proposal notes that FFP's mandated nonemergency programs would remain in HA, some are concerned that the nonemergency programs will be deemphasized in the new bureau context. These FFP-related concerns have been exacerbated by the Administration's repeated requests to eliminate Title II funding in its annual budget requests.<sup>38</sup>

## **Bureau for Democracy, Development, and Innovation**

The prospective creation of the Bureau for Democracy, Development, and Innovation (DDI) is the largest structural change proposed. It seeks to consolidate the agency's "cross-cutting and sector-specific learning and knowledge management, and other technical assistance," noting that the current structure has left these functions "scattered ... inconsistent and uncoordinated."<sup>39</sup> The proposal pulls technical staff from regional bureaus and moves offices from three different bureaus into one. The new bureau would include 10 offices from the Bureau for Economic Growth, Education, and Environment (E3), two offices from DCHA, and four centers currently housed in the Global Development Lab. In addition, the bureau would include technical experts previously embedded in regional bureaus. These changes are intended to make DDI the technical "one-stop-shop" for missions in the field. The new DDI would comprise "centers" and "hubs" to

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the Office of Democracy and Governance and established a new Office of Conflict Management and Mitigation. Anita Menghetti and Jeff Drumta, "Improving the U.S. Government's Humanitarian Response," *Ethics & International Affairs*, vol. 18, no. 2 (2004), p. 46. According to the Advisory Committee on Voluntary Foreign Aid, moving the humanitarian offices was meant to "better integrate the humanitarian agenda into senior policy deliberation, to coordinate humanitarian and transitional programs across U.S. organizational boundaries and with other donors, and to link emergency and transitional assistance with long-term development and crisis prevention." The Advisory Committee on Voluntary Foreign Aid, *U.S. Foreign Assistance Priorities: Recommendations by the Advisory Committee on Voluntary Foreign Aid*, Washington, DC, December 2000, p. 10.

<sup>36</sup> CRS interviews in April and May 2019 with representatives from the humanitarian community, including policymakers, international organizations, think tanks, and nongovernmental organizations.

<sup>37</sup> For more on the Office of Food for Peace and the provision of international food assistance, see CRS Report R45422, *U.S. International Food Assistance: An Overview*, by Alyssa R. Casey.

<sup>38</sup> In each of its Presidential Budget Requests, the Trump Administration has zeroed out funding for Food for Peace Act Title II, citing Administration efforts to streamline and prioritize foreign assistance.

<sup>39</sup> U.S. Agency for International Development, *Merger and Restructuring of the Bureau for Economic Growth, Education and Environment; the Global Development Lab; the Office of Democracy, Human Rights and Governance; the Office of American Schools and Hospitals Abroad; and the Center for Faith and Opportunity Initiatives into the Bureau for Development, Democracy and Innovation*, Congressional Notification #6, August 3, 2018, pp. 64-86, <https://pages.devex.com/rs/685-KBL-765/images/USAID-Congressional-Notifications.pdf>.

provide “missions with coordinated consultancy services,” from education and environment to private sector engagement, youth, and gender equality.<sup>40</sup>

DDI has emerged as a controversial component of the structural proposal for *Transformation*. Supporters believe that in creating one place for “centers” and “hubs,” field offices will be able to garner more cohesive technical support for their respective programs. Detractors worry that DDI is an amalgamation of offices with unrelated functions, and that its various components will be unwieldy to manage.<sup>41</sup> The Global Development Lab’s absorption into a larger bureau, in particular, may cause concern among supporters that innovation in development is set for a demotion among agency priorities.

## Workforce Management<sup>42</sup>

Through *Transformation*, USAID seeks to modify its workforce management structures and processes to strengthen “the ability of its entire workforce to thrive in, and adapt to, increasingly complex and challenging situations and opportunities.”<sup>43</sup> These changes include developing and piloting a new noncareer hiring mechanism, developing and operationalizing a leadership philosophy, and establishing and implementing a knowledge management framework. Much like the rest of *Transformation*, these pieces are described by the agency as being “employee-led,” developed by working groups comprising employees from across the agency.

### Hiring Mechanisms: The Adaptive Personnel Project

USAID staff are hired under more than 20 different hiring mechanisms. These include direct-hire (DH) positions, like Civil and Foreign Service, and non-DH positions, including U.S. personal services contractors (USPSCs), fellows, and institutional support contractors (ISCs), among others. DH positions are generally funded using USAID’s Operating Expenses (OE) account and come with the full suite of U.S. government benefits. The non-DH positions are primarily funded using program funds, and benefits vary depending on the mechanism. For example, USPSCs have time-limited contracts and receive a subsidy to arrange for their own health care and life insurance on the open market. ISCs are hired through a parent firm and receive their paychecks, health care, and other benefits through that entity.

A key element of the *Transformation* workforce reforms is a new hiring mechanism designed to address staffing concerns raised in the aftermath of USAID’s 2014-2016 West Africa Ebola response. At the peak of that outbreak, the agency deployed 94% of its crisis roster, leaving the agency with little capacity to respond to other crises.<sup>44</sup> Recognizing that this staffing challenge

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<sup>40</sup> Ibid.

<sup>41</sup> InterAction stated in its assessment of the proposed DDI that “USAID’s intentional merging of numerous assistance sectors and cross-cutting lenses into a single bureau could help modernize its programming and lead to more consistent coordination with field missions but could also lead to thorny management challenges and unintended delays in programming.” InterAction, *Proposed USAID Bureau for Development, Democracy, and Innovation (DDI)*, [https://www.interaction.org/wp-content/uploads/2018/10/usaid\\_transformation\\_outcome\\_2\\_-\\_ddi.pdf](https://www.interaction.org/wp-content/uploads/2018/10/usaid_transformation_outcome_2_-_ddi.pdf). Also see Robbie Gramer and Dan De Luce, *USAID Redesign Moves Forward, With No Drama*, Foreign Policy, April 25, 2018, <https://foreignpolicy.com/2018/04/25/usaid-redesign-moves-forward-with-no-drama-u-s-agency-for-international-development-humanitarian-relief-development-crises-disaster-assistance/>.

<sup>42</sup> Information in this section is informed by a CRS briefing with USAID officials on April 18, 2019.

<sup>43</sup> U.S. Agency for International Development, *Transforming our Workforce*, November 9, 2018, <https://www.usaid.gov/what-we-do/transformation-at-usaid/transforming-workforce>.

<sup>44</sup> For more information on the West Africa Ebola outbreak, see CRS Report R44507, *Status of the Ebola Outbreak in*

could easily arise again, the agency convened a working group in late 2016 to start developing a new hiring mechanism for crisis response. By 2018, the working group comprised approximately 80 USAID employees from different bureaus and under different employment mechanisms (e.g., DHs, USPSCs) and was supported by experts from the National Academy of Public Administration (NAPA).<sup>45</sup> Since its creation, the working group and consequent plans have been folded into the larger context of *Transformation*.

### Contractors at USAID

Since its establishment in 1961, USAID has had the legislative authority to contract for experts, consultants, and retired officers to carry out foreign assistance functions.<sup>46</sup> As the agency evolved, the proportion of non-DH positions in the agency's workforce increased considerably. In 2018, non-DHs made up 29% of the agency's workforce. Some assert that Congress's increased scrutiny on the OE account pushed USAID to turn to non-DH hiring mechanisms that could be funded with program funds. Others believe that USAID chose to rely on non-DH positions for their flexibility—by maintaining a workforce on shorter contracts, the agency can regularly rebalance its workforce based on its programmatic priorities. Regardless of the reason for imbalance, many in the development community have expressed concern that the shortage of filled DH positions has resulted in a lack of institutional knowledge throughout the agency. USAID has stated that “current hiring mechanisms do not provide sufficient staffing agility to meet current and future requirements.” Further, “numerous hiring mechanisms create management burdens and inefficient workforce planning, as well as a lack of equitable benefits.”<sup>47</sup>

The new proposed mechanism is the Adaptive Personnel Project (APP), a noncareer, excepted service (potentially Schedule B) mechanism. (Excepted service positions are those not in the Senior Executive or competitive services.)<sup>48</sup> USAID contends that the APP would provide the agency with more workforce flexibility, allowing it to more easily surge and contract with the agency's needs and resources. A few USAID-identified features of the APP include the following:

- **Flexible tenure.** Positions could be time-limited, much like current USPSC or Foreign Service Limited (FSL) positions (limited to five years and nine years, respectively), but the time limitations would be determined by the relevant hiring managers. This means that the APP could accommodate a 1-year position for a discrete project or a 10-year tenure with an office if the need for the role continues.
- **“Talent-based.”** Nonexcepted federal positions are required to be classified, with each role assigned to a group, series, title, and pay band. Once in a group and series, an employee is effectively locked in; in order to move into a different group and series, the employee would need to apply for the new position. USAID is working with the Office of Personnel Management (OPM) to structure the APP to either use a multidisciplinary approach to the classification system or not adhere to the classification system, allowing APP employees to move across different functional areas with relative ease.

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*West Africa: Overview and Issues for Congress*, by Tiaji Salaam-Blyther, Susan B. Epstein, and Bolko J. Skorupski.

<sup>45</sup> See <https://www.napawash.org/>.

<sup>46</sup> P.L. 87-195.

<sup>47</sup> U.S. Agency for International Development, *Transforming our Workforce*, [https://www.usaid.gov/sites/default/files/documents/1868/Fact\\_Sheet\\_Workforce\\_Mobility\\_and\\_Flexibility.pdf](https://www.usaid.gov/sites/default/files/documents/1868/Fact_Sheet_Workforce_Mobility_and_Flexibility.pdf).

<sup>48</sup> Agencies responsible for hiring excepted service positions can set qualification requirements that are not subject to the classification rules defined in 5 U.S.C. §2103. The Office of Personnel Management (OPM) is responsible for excepting positions from the competitive service (see 5 C.F.R. §213.302 2019). Excepted service positions are subject to Schedules A, B, C, or D, as defined by OPM. Each schedule provides the authority to hire for specific excepted positions and defines the requirements for the positions to be hired (see 5 C.F.R. §213.3201 and §213.3202 2019).

- **Equity in benefits.** Even though APP would be noncareer, APP employees would receive government benefits like their career counterparts. This is a departure from the USPSC structure.
- **Streamlined processes.** USAID would create a common performance management system for all APP hires.

The APP pilot would establish 300 positions for the crisis response offices, including FFP and OFDA (the proposed HA Bureau), OTI, and the Bureau for Global Health. USAID anticipates that many current USPSCs, ISCs, and Participating Agency Service Agreement employees (PASAs) would move into these APP positions, ultimately changing the agency's balance of hiring mechanisms.

USAID has determined that it requires congressional approval to use program funds for the APP pilot. It notes that it does not have funds from the Operating Expenses account available to fund the pilot and meet the agency's other personnel needs (i.e., funding DH positions). If it receives approvals from Congress and OPM, USAID states that it will move forward with drafting internal policies and procedures to guide the new personnel system. The agency seeks to have the 300 APP positions filled in 2020. If those positions are filled and the onboarding of APP personnel provides the intended flexibilities, USAID is to expand the project to include an additional 1,200 positions in the following two years.

## Outlook and Potential Issues for Congress

Congress may have several ongoing areas of interest related to U.S. foreign assistance policy and USAID operations and budget. As Members of Congress consider proposed and ongoing USAID reform activities, several cross-cutting issues may emerge, including the following:

- **Role of foreign assistance in broader U.S. foreign policy.** At a time when many in Congress have expressed significant concern about the influence of rival powers such as China and Russia in regions in which USAID is active, Members may consider whether the overarching *Transformation* goal of ending the need for foreign assistance is consistent with U.S. foreign policy and national security interests. U.S. foreign assistance programs are driven by multiple rationales, including supporting U.S. security and diplomatic and commercial interests. Foreign assistance also is widely recognized as a tool of foreign policy, which promotes social and economic development in partner countries, while also enhancing U.S. influence and leverage in those countries. If USAID is successful in ending the need for foreign assistance, Congress and the Administration may consider alternative forms of engagement with current aid partners to maintain U.S. influence and presence. For example, a reorientation to cultural exchange programs like the Fulbright program, as well as increased business ties and investment agreements, may help maintain strong relationships and U.S. influence in countries transitioning away from U.S. aid.
- **USAID funding.** USAID is carrying out *Transformation* at the same time that the Administration, for a third straight year, has proposed cuts of over 20% to the agency's annual budget. While some of the proposed reforms could reduce agency costs over time, *Transformation* documents do not appear to specify how the proposed budget cuts, if enacted, would be reflected in program allocation. To date, Congress has not supported the proposed cuts, and appropriations for USAID have remained fairly level in recent years.

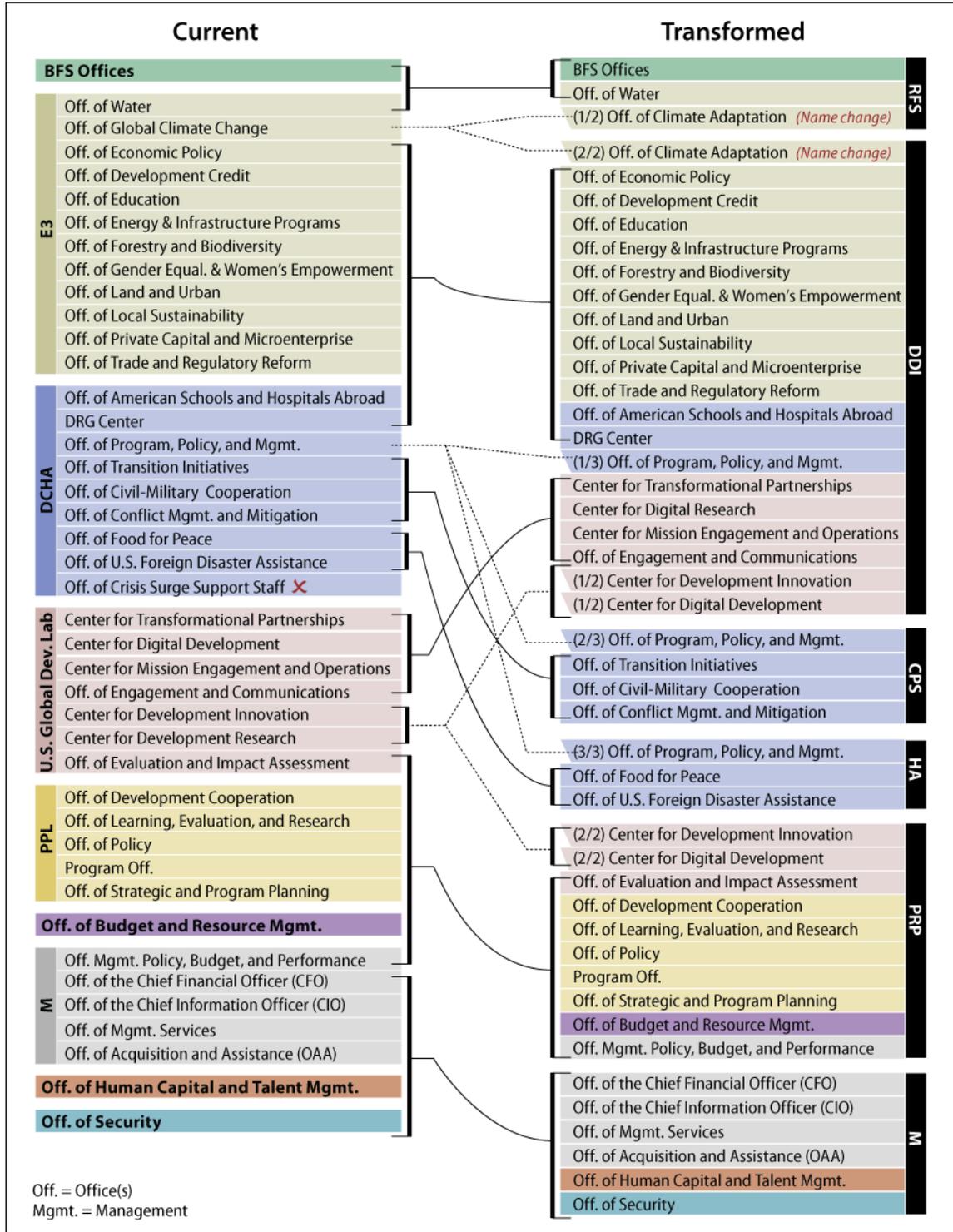
- **New positions from restructuring.** The *Transformation* proposal to add two new Associate Administrator positions at USAID would increase the number of political appointees at the agency, potentially raising concerns about the politicization of USAID’s development decisions. Given the challenges some Administrations have faced in filling existing high-level positions, some observers are concerned that the new positions could sit vacant for months or even years—possibly further hamstringing future Administrations’ policy crafting and implementation.
- **Impact on existing USAID activities.** Overall, *Transformation* focuses on the new—new strategies, new indicators, and new hiring mechanisms. There is less discussion of what, if anything, may fall away. For example, in staffing, the agency is creating a hiring mechanism to “streamline” the workforce—it discusses plans to eventually phase out one hiring mechanism. This means that as the new hiring mechanism is getting off the ground, the agency would still be managing more than 20 others. Congress may consider asking the agency what other strategies, structures, and processes the agency may plan to phase out or integrate as a result of *Transformation*.
- **Self-reliance goals versus congressional priorities.** Administrator Green has argued that the self-reliance roadmaps are not just to be used after taking into account congressional directives and country/technical allocations, but as a guide for congressional allocation decisions as well. Congress typically appropriates funds to support priority accounts and sectors (such as global health, basic education, agricultural development, democracy promotion, and women’s empowerment) rather than countries. The seeming shift under *Transformation* to a country-specific aid agenda may conflict with congressional funding of transnational programming, such as countering trafficking and regional trade hubs. Furthermore, the self-reliance indicators themselves may warrant attention. Advising countries that lowering their tariff barriers will signal their commitment to economic prosperity may be difficult to sustain, some may argue, in light of other actions of the Trump Administration, for example. Congress may consult with USAID to ensure its indicator configuration is consistent with its priorities.
- **Other initiatives in *Transformation*.** *Transformation* was initially launched with several other priorities that do not feature prominently in recent media on the initiative. For example, USAID operational flexibility in nonpermissive environments and programmatic effectiveness in countering violent extremism were core features of *Transformation* at launch. It is unclear whether these and other priorities have fallen in prominence because they require more interagency coordination, because solutions have been fairly straightforward, because the challenges in those sectors are too intractable to address, or because of other reasons. Congress may also consider seeking additional information on how *Transformation* would align with the Administration’s planned Prosper Africa trade and investment initiative, which is expected to focus, in part, on USAID’s three trade hubs in Africa and elements of its trade capacity-building programs.
- **Alignment with State Department.** The State Department’s Office of Foreign Assistance Resources (F) has maintained a comprehensive database of indicators to quantify the results of U.S. foreign assistance programs since 2006. It is unclear how these indicators, or those used by the Millennium Challenge Corporation, will be used in conjunction with USAID’s new self-reliance indicators, if at all. Also unclear is the extent to which the State Department has

- been engaged with *Transformation at USAID*, and whether these reforms are aligned with Secretary Pompeo’s vision for the future of U.S. diplomatic engagement. Congress may consider whether certain reforms should be broadened to include State Department policies and structure, or elsewhere in government.
- **Impact on Food for Peace programming.** The proposed merger of the Offices of U.S. Foreign Disaster Assistance and Food for Peace into the Bureau of Humanitarian Assistance has raised questions about the future of Food for Peace Act Title II programming. The Office of Food for Peace is currently dual-funded, receiving approximately half of its funding through the agriculture appropriations bill and its authorization from regular farm bills.<sup>49</sup> In the proposed HA Bureau, the Office of Food for Peace would cease to exist in name and program officers would be programming food and nonfood assistance side-by-side. Congress has not adopted proposals by multiple Administrations to eliminate Title II programs, and it may seek to further understand how the HA Bureau would be structured to ensure it meets its mandates outlined in the farm bill, including the minimum level of nonemergency programming.

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<sup>49</sup> For more information on international food assistance, see CRS Report R45422, *U.S. International Food Assistance: An Overview*, by Alyssa R. Casey.

# Appendix. USAID Structural Transformation



**Sources:** USAID Congressional Notifications; consultation with USAID officials in May 2019.

**Notes:** As part of *Transformation at USAID*, the offices will be renamed. This diagram is meant to illustrate the movement of current offices and their functions.

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