

THE PERFORMANCE BUDGET

Overview: Linking Resources to Foreign Affairs Outcomes

The State Operations FY 2011 budget request supports the achievement of the Department of State's Strategic Goals and U.S. foreign policy priorities. This budget request, together with the Foreign Operations Congressional Budget Justification (CBJ), serves as the Department's FY 2011 Performance Plan and FY 2009 Performance Report. The Department continues to strengthen its stewardship of public funds and its commitment to demonstrating how resources support foreign affairs outcomes.

This year, the budget justification features a "Performance Overview and Analysis" section (see table of contents) that presents an overview of the Department's performance and resources allocated toward its Strategic Goals in support of the President's foreign policy priorities. The performance section summarizes and analyzes relevant performance information from 70 indicators featured throughout the CBJ. More information on how the Department selected its indicators is provided in the performance section.

Key takeaways analyzed within the "Performance Overview and Analysis" section include:

- The FY 2011 State Operations request allocated to the Department's Strategic Goals, including fee-based accounts, increased from \$16.8 billion enacted in FY 2010 to \$18.9 billion, an increase of 13 percent. The performance section presents the Department's FY 2011 budget request for State Operations and performance ratings for each Strategic Goal.
- In FY 2008 and FY 2009, the Department began a two-year transition to focus more on outcome-oriented indicators that measure long-term changes. Under the new set of indicators, the Department met or exceeded targets for 67 percent of indicators for which ratings are currently available in FY 2009, from 69 percent in FY 2008.
- The largest proportions of the FY 2011 request support *Strategic Goal 1: Achieving Peace and Security* and *Strategic Goal 7: Strengthening Consular and Management Capabilities*, which together account for over three-quarters of the Department's FY 2011 State Operations request.

Performance Trends and Analysis

Within this budget justification submission, performance and budget trends are analyzed for seven Strategic Goals and 39 Strategic Priorities outlined in the Department's Strategic Plan. The "Performance Overview and Analysis" presents representative indicators for the five Strategic Goals that represent the majority of the State Operations budget. *Strategic Goal 3: Investing in People* and *Strategic Goal 5: Providing Humanitarian Assistance* are mainly supported by Foreign Assistance funding and are addressed in the Foreign Operations volume of the CBJ. For further information on the FY 2007-2012 Department of State and USAID Strategic Plan, please go to: <http://www.state.gov/s/d/rm/rls/dosstrat/2007>.

While the performance section shows performance ratings for 70 performance indicators, it also provides in-depth analysis on 10 illustrative indicators that link directly to major budget or policy priorities. Highlighting illustrative indicators and trends is a new effort in the FY 2011 CBJ. Through this effort, the Department aims to paint a more informative picture of the outcomes it expects to achieve as a result of U.S. investments in promoting global security and prosperity.

Key performance trends analyzed further within the "Performance Overview and Analysis" section include:

THE PERFORMANCE BUDGET

- In the FY 2011 request, the Department allocates the majority of its *Strategic Goal 1: Achieving Peace and Security* resources toward Conflict Prevention (64 percent) and Counterterrorism (12 percent). The performance section examines trends in performance ratings for peacekeeping in Africa and Near East Asia as well as efforts to curb the financing of terrorist networks.
- Combating corruption, strengthening democracy through civil society organizations, and encouraging nations to be democratic and responsible members of the world community are key long-term foreign policy objectives in *Strategic Goal 2: Governing Justly and Democratically*. The performance section analyzes global trends in human rights and good governance for non-democratic countries and countries in transition.
- Under *Strategic Goal 4: Promoting Economic Growth and Prosperity*, economic diplomacy supports U.S. energy security, global competitiveness, and international cooperation on the environment. Illustrative indicators analyzed within the performance section indicate positive trends in non-petroleum energy use and a recent decline in trade between the U.S. and sub-Saharan Africa. Other indicators included within the CBJ highlight trends in energy consumption per capita in major economies and progress toward an international agreement on climate change.
- Under *Strategic Goal 6: Promoting International Understanding*, trend data suggest a strong correlation between participation in U.S. government-sponsored educational and cultural exchange programs and an increase in participants' understanding and favorable views toward the United States. This underscores the importance of maintaining and leveraging an active alumni network of exchange participants that have benefited from a positive experience with the United States.
- In the FY 2011 request, the Department allocates almost half of its *Strategic Goal 7: Strengthening Consular and Management Capabilities* resources toward Facilities (20 percent) and Security (27 percent). The performance section examines trends in the length of time to complete security clearances and the number of USG personnel overseas moved to more secure locations.

U.S. Department of State and USAID High Priority Performance Goals

The Department of State and USAID have made great strides to develop relevant, measurable, outcome indicators of performance, and to assess progress against prior year performance through trend data. As part of the FY 2011 Performance Budget and Annual Performance Plan, the Department and USAID identified a limited number of joint high priority performance goals that reflect both agencies' high priorities and will be a particular focus for the two agencies from now through FY 2011. These goals are a subset of those used to regularly monitor and report performance against our joint strategic plan. To view the full set of performance information please visit: www.state.gov and www.usaid.gov.

- Afghanistan and Pakistan: Strengthen the host country capacity to effectively provide services to citizens and enhance the long-term sustainability of development efforts by increasing the number of local implementers (government and private) that can achieve a clean audit to clear them to manage civilian assistance funds.
- Iraq: Helping the Iraqi people continue to build a sovereign, stable, and self-reliant country as the United States transitions from military to civilian responsibility in Iraq, measured by improvements in security, political, and economic metrics.
- Global Health: By 2011, countries receiving health assistance will better address priority health needs of women and children, with progress measured by USG and UNICEF-collected data and indicators. Longer term by 2015, the Global Health Initiative aims to reduce mortality of mothers and children under five, saving millions of lives, avert millions of unintended pregnancies, prevent millions of new HIV infections, and eliminate some neglected tropical diseases.

THE PERFORMANCE BUDGET

- **Climate Change:** By the end of FY 2011, U.S. assistance will have supported the establishment of at least 20 work programs to develop Low-Carbon Development Strategies (LCDS) that contain measurable, reportable, and verifiable actions. This effort will lay the groundwork for at least 30 completed LCDS by the end of FY 2013 and meaningful reductions in national emissions trajectories through 2020.
- **Food Security:** By 2011, up to 5 countries will demonstrate the necessary political commitment and implementation capacities to effectively launch the implementation of comprehensive food security plans that will track progress towards the country's Millennium Development Goal (MDG1) to halve poverty and hunger by FY 2015.
- **Democracy and Good Governance:** Facilitate transparent, participatory, and accountable governance in 23 priority emerging and consolidating democracies by providing training assistance to 120,000 rule of law professionals, civil society leaders, democratically elected officials, journalists, and election observers over the 24-month period of October 1, 2009 through September 30, 2011.
- **Global Security – Nuclear Nonproliferation:** Improve global controls to prevent the spread of nuclear weapons and enable the secure, peaceful use of nuclear energy.
- **Management – Building Civilian Capacity:** Strengthen the civilian capacity of the State Department and USAID to conduct diplomacy and development activities in support of the Nation's foreign policy goals by strategic management of personnel, effective skills training, and targeted hiring.

Evaluations of Diplomatic, Management, and Consular Programs

The Department of State has long recognized that rigorous, independent program evaluations are a key resource in determining whether government programs are achieving their intended outcomes to the extent possible and at the lowest possible cost. With the establishment of an interagency body in 2008 that collaborates on evaluation activities, a discussion series to promote the sharing of best practices and lessons learned, and an annual conference on program evaluation, the Department has been working on a number of fronts to ensure that rigorous program evaluation is a crucial component of executing U.S. foreign policy and to demonstrate the agency's commitment to designing and implementing effective programs and achieving meaningful results. Details on evaluations conducted in FY 2009 at the Department of State are highlighted in the "Performance Overview and Analysis" section.