

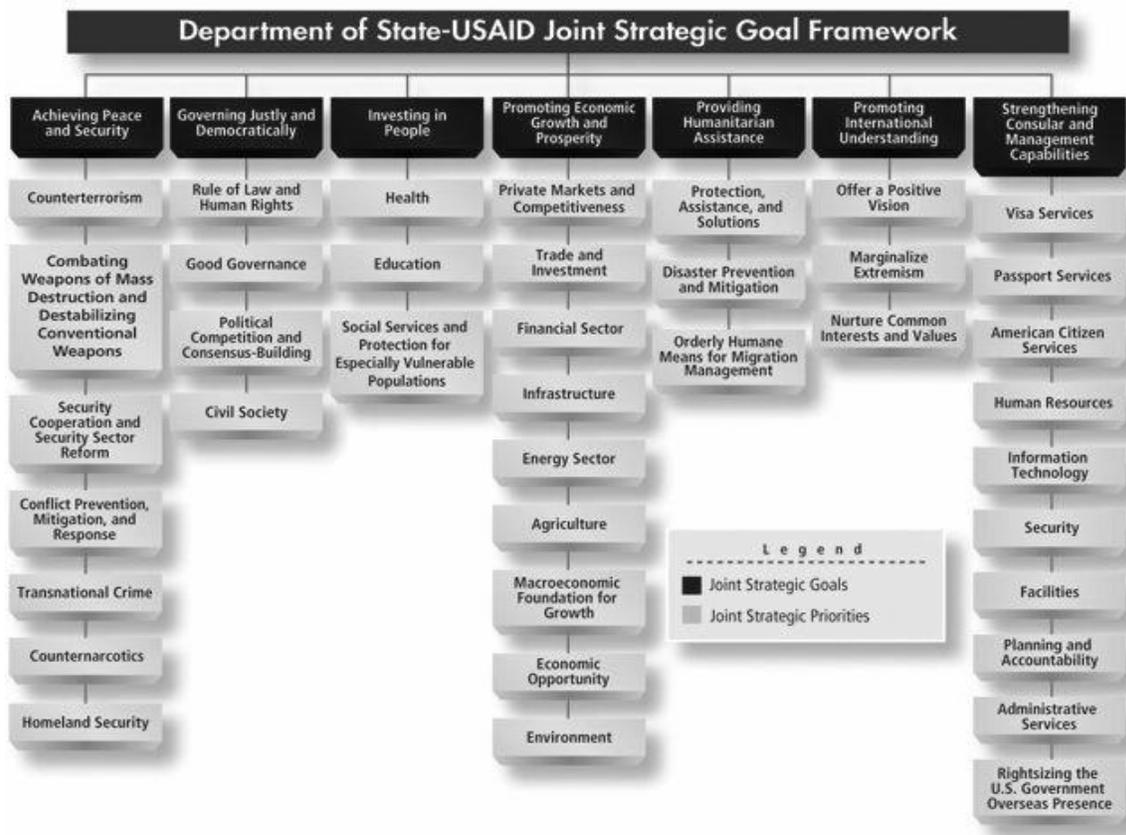
PERFORMANCE OVERVIEW AND ANALYSIS

Performance Summary

The United States foreign policy agenda is ambitious, but our time demands nothing less. Nuclear proliferation, hunger, climate change, the global economic crisis, terrorism, pandemic disease, conflict in the Middle East, and transnational criminal networks are just some of the pressing issues we face. All of these challenges threaten global stability and progress. Old conflicts, from the Middle East to the Korean Peninsula and beyond, continue to cause ongoing turmoil; natural disasters in just the past year devastated Haiti and displaced more than 20 million people in Pakistan; millions of people around the world, particularly women and children, suffer the ravages of war, famine, poverty, and disease; there are currently 12.3 million victims of human trafficking; counterfeiting and intellectual copyright piracy has a worldwide economic impact of over \$600 billion; and Central American security is tenuous, with the continued creation of trafficking routes, widespread availability of firearms, and the expansion of national and transnational gangs.

Meeting these challenges requires a sustained focus on monitoring foreign affairs outcomes and analyzing global trends that are most meaningful to the interests of the U.S. Toward this end, the Department of State measures success not only by the merit of its efforts, but by its progress and results achieved toward increasing the security and prosperity of the U.S. and the global community.

This section presents an overview of the Department’s performance and resources allocated toward its Strategic Goals in support of the President’s foreign policy priorities. Performance indicators are featured throughout the main chapters of this budget justification. These 66 performance indicators constitute the FY 2012 Performance Plan and FY 2010 Performance Report. They show progress on five of the seven joint State-USAID Strategic Goals, which 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 therefore are addressed in the Foreign Operations volume of the Department’s Congressional Budget Justification.



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Using Performance to Achieve Results

Performance management at the Department is guided by a high-level Joint Strategic Plan, shared by both the Department and USAID. The two agencies established a Joint Strategic Goal Framework, organized by seven strategic goals and 39 strategic priorities. The Department’s annual planning cycle engages diplomatic Missions and Washington-based Bureaus in outcome-oriented planning activities that articulate policy and establish programmatic direction by country, region, strategic goal, and strategic priority. The purpose of this performance management approach is to measure organizational effectiveness, strengthen and inform decision-making, and link programs and policies to specific performance targets and broader strategic goals. This focus on performance management helps the Department weigh important planning, resource, and policy decisions, and provides accountability for State Operations resources.

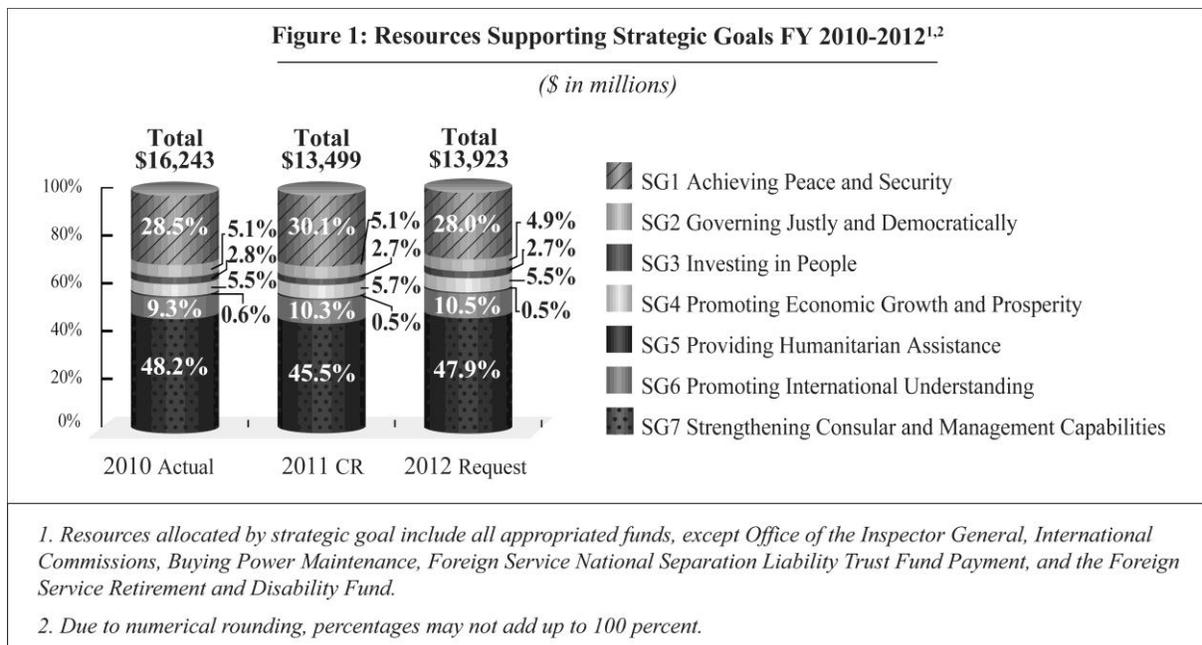
Two significant initiatives are new components to the Department’s performance management approach: the Quadrennial Diplomacy and Development Review (QDDR) and the High Priority Performance Goals (HPPGs). The QDDR is a comprehensive effort to identify the capabilities needed to strengthen and elevate diplomacy and development as key pillars of the national security strategy, alongside defense. Recently completed and released to the public in December 2010, the QDDR sets institutional priorities and provide strategic guidance as frameworks for the most efficient allocation of resources.

The HPPGs, developed and driven by the President’s Performance Agenda, are measurable, near-term goals that align with the long-term strategic goals and priorities of both the Department and USAID. These eight outcome-based goals reflect the Secretary’s and Administrator’s highest priorities through FY 2012. The HPPGs are listed in a chart at the end of this section.

Overview of Budget by Strategic Goal

The FY 2012 State Operations budget request supports a large portion of the U.S. Government’s civilian presence overseas and sustains critical functions, allowing for the effective conduct of U.S. diplomacy and development at more than 260 posts worldwide.

The largest proportion of the FY 2012 budget request supports Strategic Goal 7—Strengthening Consular and Management Capabilities (48 percent). Together with Strategic Goal 1—Achieving Peace and Security (28 percent), these two goals account for slightly over three-quarters of the Department’s FY 2012 State Operations request (see Figure 1).



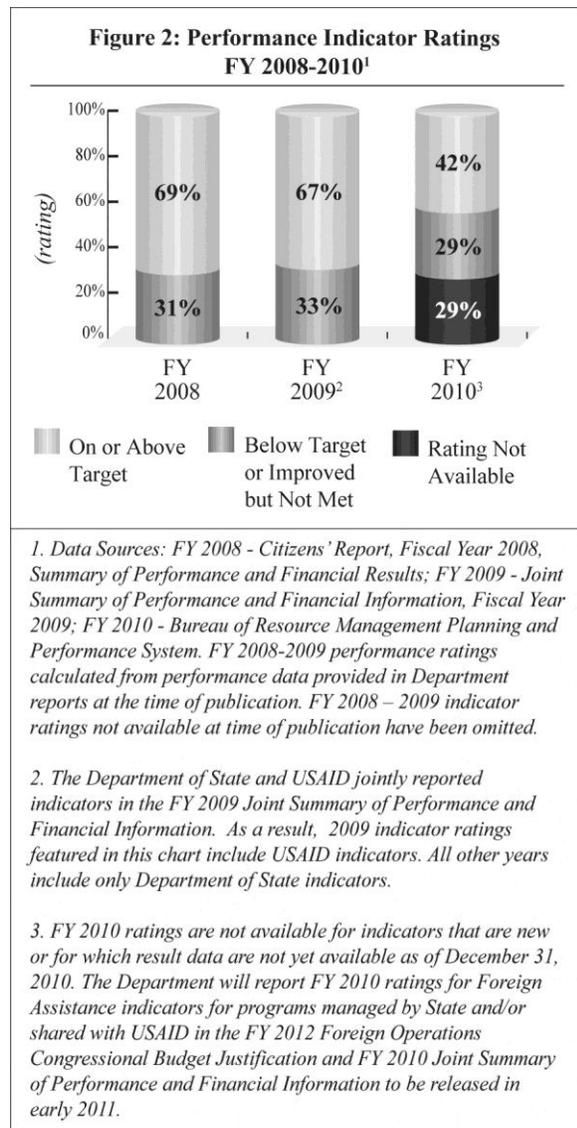
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Overview of Performance by Strategic Goal

A summary of the Department’s performance indicator ratings across all seven strategic goals for FY 2008-2010 is presented in Figure 2. Please note, ratings are not yet available for new State Operations indicators for which targets have not yet been set. For this reason, indicators that did not have ratings at the time of publication are not included in this chart.

Selection Criteria for Performance Indicators

To measure progress in FY 2010 toward its seven strategic goals, the Department selected performance indicators that best reflect U.S. Government foreign policy priorities and major areas of investment, based



on selection criteria developed in FY 2009. This FY 2009 shift to more “outcome-oriented” performance indicators resulted in a largely new set of indicators designed to provide information that is more meaningful to Congress, the President, and the American public, and more useful internally in supporting budget, policy, and planning decisions. The Department also increased the number of quantitative performance indicators to increase the usefulness and reliability of the performance data (see Figure 3). While many complex diplomatic issues lend themselves primarily to qualitative analysis, the Department has developed quantitative indicators whenever possible because they offer the opportunity to analyze important trends and examine empirical evidence when reviewing policy, planning strategy, and setting resource levels.

