

PERFORMANCE OVERVIEW AND ANALYSIS

Overview

The Department of State's diplomacy and development efforts continue to make significant strides toward a more secure, democratic and prosperous world for the benefit of the American people and the international community. The Department works closely with dedicated colleagues from many U.S. Government agencies to vigorously pursue U.S. foreign policy goals including: strengthening democratic institutions and promoting conflict prevention; providing food and emergency aid; securing and stabilizing conflict areas in the Middle East and South and Central Asia; promoting social and economic progress; strengthening strategic partnerships; and supporting American prosperity through economic diplomacy.

Meeting these foreign policy goals requires a sustained focus on monitoring and evaluating 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. In addition, the Department is strengthening its capacity to evaluate the impact of its programs at home and abroad.

This section presents an overview of the Department's performance and resources allocated toward its seven joint State-USAID Strategic Goals in support of the President's foreign policy priorities. The 71 performance indicators in Volume 1 constitute the FY 2014 Annual Performance Plan and FY 2012 Annual Performance Report for the Department of State's Administration of Foreign Affairs, which includes Diplomatic and Consular Programs. They show progress on six of the seven joint State-USAID Strategic Goals. (Strategic Goal 4: Provide Humanitarian Assistance and Support Disaster Mitigation is mainly supported by Foreign Assistance funding). A discussion of performance for Strategic Goal 4 is included in the Annual Performance Report/Annual Performance Plan of the Foreign Operations volume of the Congressional Budget Justification (CBJ).

Agency and Mission Information

The Department of State is the lead U.S. foreign affairs agency within the Executive Branch and the lead institution for the conduct of American diplomacy. Established by Congress in 1789, the Department is the oldest and most senior executive agency of the U.S. Government. The head of the Department, the Secretary of State, is the President's principal foreign policy advisor. The Secretary carries out the President's foreign policies through the more than 68,000 employees at the Department and the more than 9,400 employees at USAID.

The mission of the Department of State and the U.S. Agency for International Development is *to shape and sustain a peaceful, prosperous, just, and democratic world and foster conditions for stability and progress for the benefit of the American people and people everywhere*. This mission and the Department's strategic goals are accomplished at more than 270 embassies, consulates, and other posts worldwide. In each Embassy, the Chief of Mission (usually an Ambassador) is responsible for executing U.S. foreign policy goals and for coordinating and managing all U.S. Government functions in the host country. Increasingly, the Department's ambassadors are taking the role akin to a Chief Executive Officer (CEO) to manage the multi-agency mission that falls under their leadership. The President appoints each Ambassador, who is then confirmed by the Senate. Chiefs of Mission report directly to the President through the Secretary. The U.S. Mission is also the primary U.S. Government point of contact for Americans overseas and foreign nationals of the host country. The Embassy serves the needs of Americans traveling, working, and studying abroad, and supports Presidential and Congressional delegations visiting the country.

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To view the State Department's organizational chart, please see:

<http://www.state.gov/r/pa/ei/rls/dos/99494.htm>

The Department's overseas operations, and progress towards achieving agency-wide strategic goals, are supported through its regional, functional, and management bureaus and offices. The regional bureaus, each of which is responsible for a specific geographic region of the world, work in conjunction with subject matter experts from other bureaus and offices to develop policies and implement programs that achieve the Department's goals and foreign policy priorities. These bureaus and offices provide policy guidance, program management, administrative support, and in-depth expertise in matters such as:

- law enforcement
- economic diplomacy
- the environment
- intelligence
- arms control
- human rights
- counternarcotics
- counterterrorism
- public diplomacy
- humanitarian assistance
- security
- conflict stabilization
- nonproliferation
- consular services
- empowering women and girls

In carrying out these responsibilities, the Department of State and the U.S. Agency for International Development consult with Congress about foreign policy initiatives and programs, and work in close coordination with other Federal agencies, including the Department of Defense, the Department of the Treasury, and the Department of Commerce. The National Security Strategy, the Quadrennial Diplomacy and Development Review (QDDR), and the Presidential Policy Directive on Global Development (PPD) define the strategic priorities that guide U.S. global engagement and identify the diplomatic and development capabilities that the Department of State and the USAID need to advance U.S. interests. State and USAID carry out their joint mission in a worldwide workplace, focusing their energies and resources wherever they are most needed to best serve the American people and the world.

Using Performance to Achieve Results

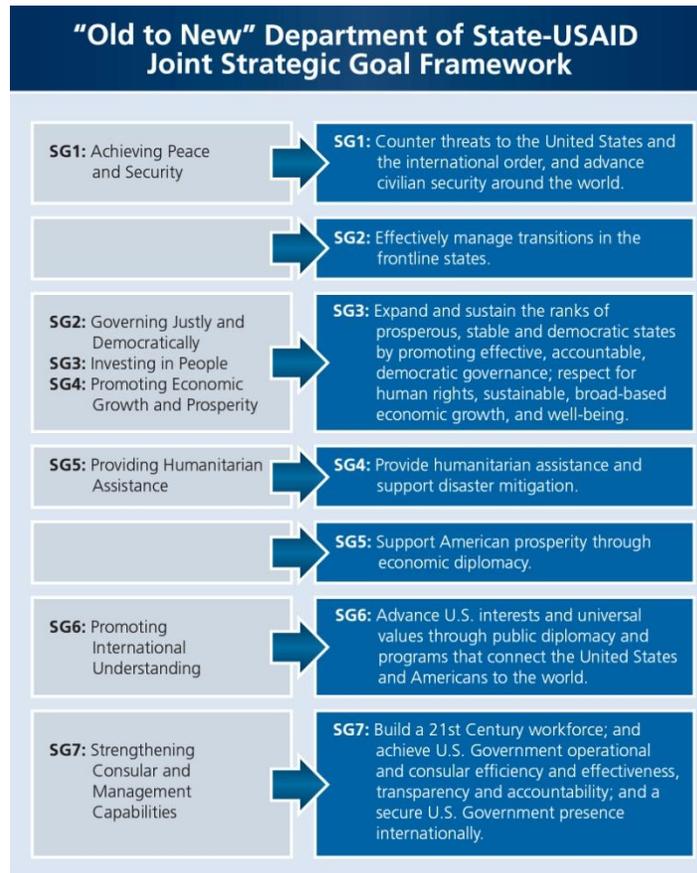
As mentioned in the beginning of vol. 1, strategic planning and performance management are guided in the Department by the National Security Strategy, the Quadrennial Diplomacy and Development Review (QDDR), and the Government Performance and Results Act Modernization Act of 2010 (GPRAMA). In addition, the Department and USAID share a Joint Strategic Goal Framework organized around seven strategic goals, which serves as the Joint Strategic Plan and outlines the primary aims of U.S. foreign policy and development assistance.

The Department and USAID have seven strategic goals against which funding is allocated. The Department does not yet have strategic objectives as requested by OMB. Per GPRAMA, the Department

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will develop the next agency strategic plan to cover the period from FY 2014 through FY 2017 and deliver it to Congress in conjunction with the second QDDR and Congressional Budget Justification in February 2014. The Department and USAID will use the opportunity afforded by developing the updated strategic plan to develop strategic objectives.

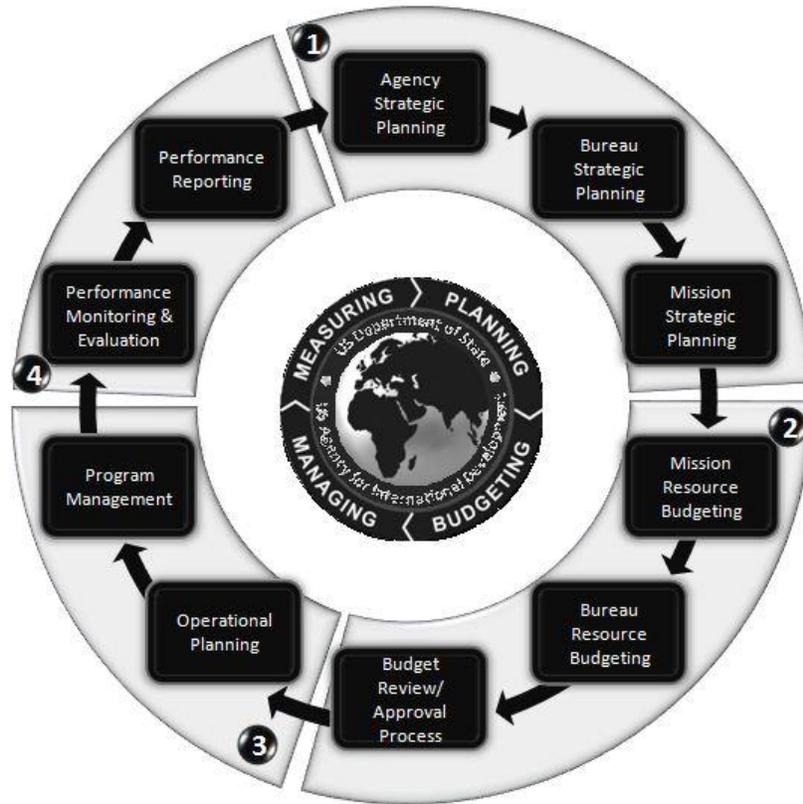
Figure 1: “Old to New” Department of State – USAID Joint Strategic Goal Framework



The QDDR outlined a number of concrete actions both the Department and USAID must take to maximize impact and improve the way each does business. Country and bureau-level planning, program management, and budgeting processes are being refocused to allow for longer-term strategic planning that aligns priorities and resources and focuses on delivering measurable and attributable results. These new processes are depicted in the new *Managing for Results* framework in Figure 2.

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Figure 2: Annual Planning, Budgeting, Performance Management, and Reporting Cycle



Cross-Agency Goals

Per the GPRA Modernization Act requirement to address Cross-Agency Priority Goals in the agency strategic plan, the annual performance plan, and the annual performance report please refer to www.Performance.gov for the agency contributions to those goals and progress, where applicable. The Department of State currently contributes to the following Cross-Agency Priority Goals:

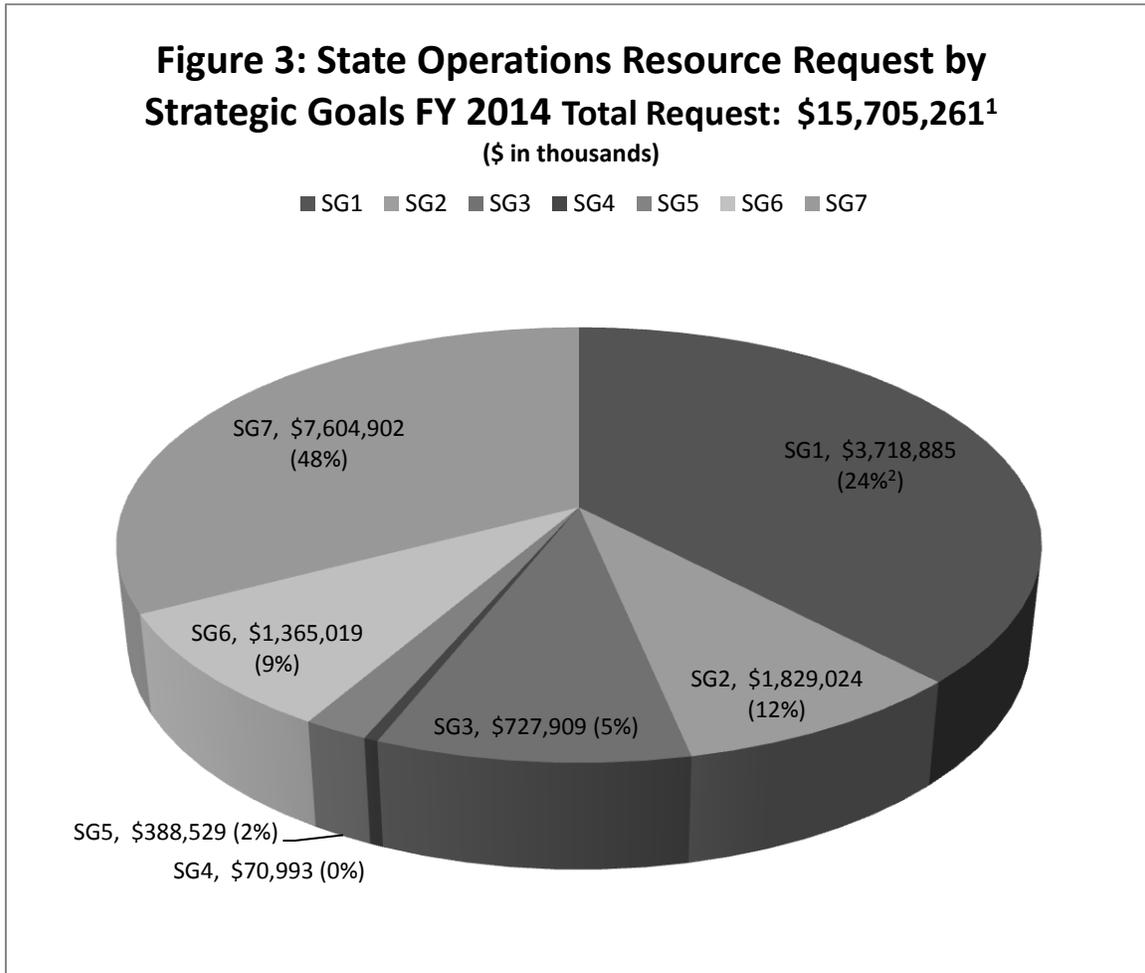
- Closing Skills Gap
- Exports
- Cybersecurity
- Sustainability
- Real Property
- Data Center Consolidation
- Strategic Sourcing

Overview of State Operations Budget by Strategic Goal

The FY 2014 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 270 posts worldwide.

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The largest portion of the FY 2014 budget request supports Strategic Goal 1: Counter threats to the United States and the international order, and advance civilian security around the world (24 percent). Together with Strategic Goal 7: Build a 21st century workforce; and achieve U.S. government operational and consular efficiency and effectiveness, transparency and accountability; and a secure U.S. government presence internationally (48 percent), these two goals account for 72 percent of the Department’s FY 2014 State Operations request (see Figure 3).



¹ Resources allocated by strategic goal include all appropriated funds (Enduring and Overseas Contingency Operations (OCO) funds), except for \$240,018 million for the following: Office of the Inspector General, International Commission, Buying Power Maintenance, Foreign Service National Separation Liability Trust Payment, and the Foreign Service Retirement Disability Fund.

² Due to numerical rounding, percentages may not add up to 100 percent.

Selection Criteria for Performance Indicators

Since FY 2009 the Department has made significant efforts to focus on more outcome-oriented and quantitative performance indicators. The Department has reviewed State operations indicators developed by bureaus and missions and assessed rated indicators based on Specific, Measurable, Attainable, Relevant, Time-bound, Evaluate and Re-evaluate (SMARTER), the industry standard of performance criteria. While many complex diplomatic issues lend themselves to qualitative analysis, the Department works to develop quantitative indicators whenever possible because they offer the opportunity to analyze

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important trends and examine empirical evidence when reviewing policy, planning strategy, and setting resource levels.

In an effort to ensure better use of performance information in the budgeting process, the Department adopted the following criteria in selecting indicators for inclusion in the request:

- To the greatest extent possible, each program and activity account line item should have at least one representative indicator as a measure of program performance.
- Each bureau chapter, as defined in the CBJ, should also include indicators that represent the bureau's primary policy priorities.
- Performance indicators should meet the **Specific, Measurable, Attainable, Relevant, Time-bound, Evaluate and Re-evaluate (SMARTER)** criteria.

Based on these criteria, the Department worked with Bureaus and account managers in developing 28 new State Operations indicators. These indicators reflect the Department's effort to allocate resources toward high priorities while ensuring management oversight of all its funding sources. These are designated as "NEW APP INDICATOR" in the indicator tables accompanying their relevant Strategic Goals. Also, 38 indicators that appeared in the FY 2013 CBJ have been discontinued from inclusion in this year's request, primarily reflecting the fact that the Department's implementation of the QDDR has led to new multiyear strategic planning processes in which bureaus reassess existing indicators and develop new performance indicators. To view the FY 2014 "Discontinued Indicators" see <http://www.state.gov/documents/organization/203415.pdf>

Presently, some indicators for the Department have multiple sets of data per indicator. In the coming year, the Department will also be working to eliminate this practice and have one data set per indicator range. As part of multi-year planning and a forthcoming new Agency Strategic Plan, the Department plans to work closely with Bureaus to establish a core set of performance indicators linked to measuring, monitoring, and evaluating the results of Administering Foreign Affairs programs. In the spirit of streamlining and in preparation of the FY 2014 CBJ, Bureau's selected no more than two indicators to be illustrated in the CBJ. To view additional indicators, see: <http://www.state.gov/documents/organization/203416.pdf>. Both Discontinued and Additional Indicators were featured online and not in the published CBJ Vol 1.

Strategic Goals: Performance Analysis and Key Takeaways

Introduction to Strategic Goal Discussion

The following discussion of six of the seven Strategic Goals that receive funding through State Operations, presents a perspective of the resources and performance for high-level priorities associated with the goals, along with a discussion of progress made and challenges that remain. Strategic Goal 4 is supported primarily by Foreign Assistance funding and is included in the Foreign Operations volume of the Department's budget request. The following goal chapter presentations provide the new strategies and performance trends and results for indicators for each Strategic Goal. Seven illustrative indicators are presented throughout this section for the six Strategic Goals funded by State Operations to highlight performance results in FY 2012 on significant strategic priorities toward achievement of key foreign affairs outcomes. Throughout the Strategic Goal discussions, performance was assessed for those indicators for which FY 2012 data were available at the time of publication. The Bureau/Account owner is noted at the end of each indicator title in the following Strategic Goal Performance Trend Tables. For information regarding the Methodology, Impact, Data Source, and Data Quality of specific performance