



THE PEACE CORPS
Performance and Accountability Report
Fiscal Year 2014



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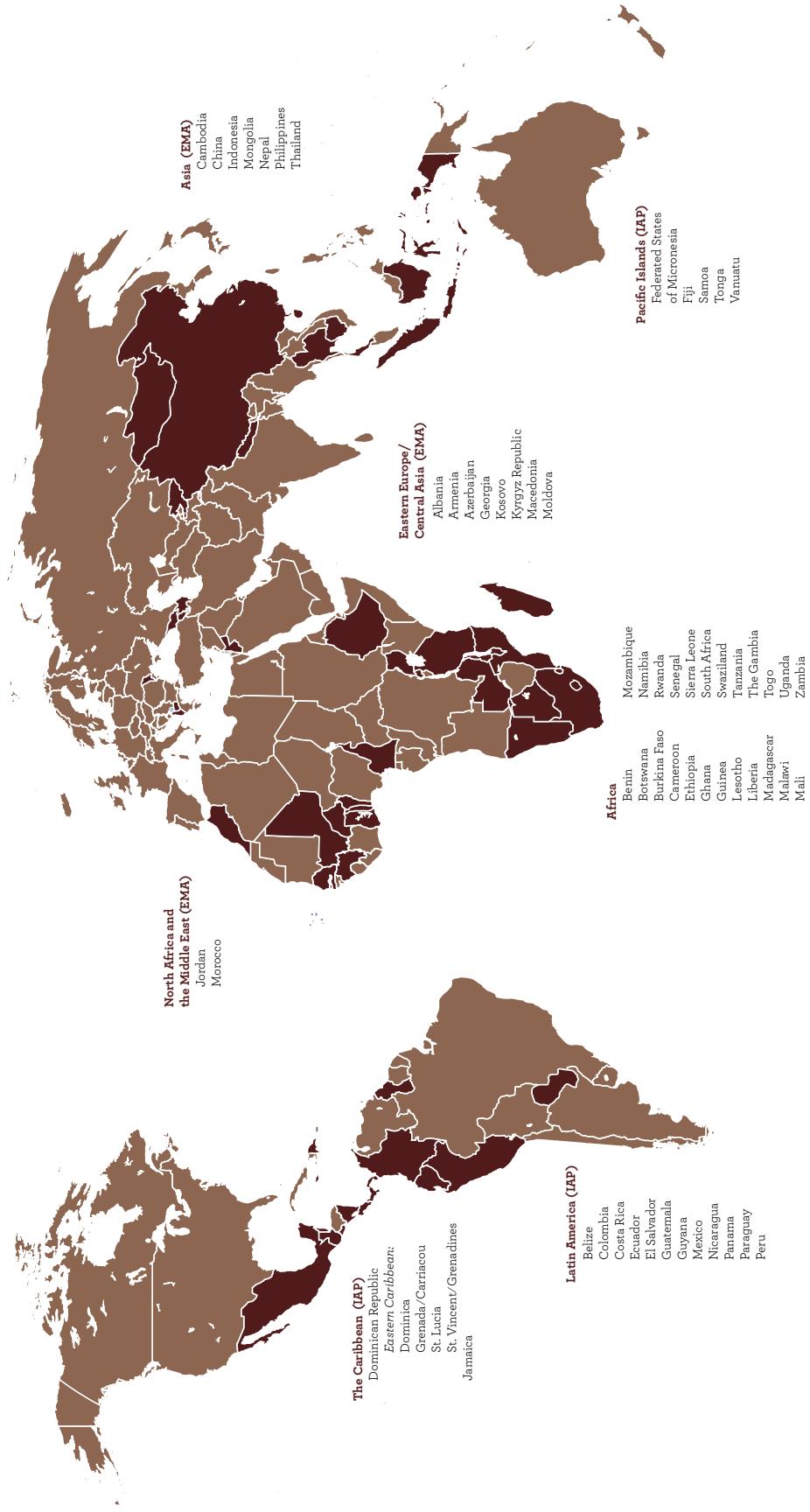
November 17, 2014

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This report is available at www.peacecorps.gov/docs.

Send comments or questions to www.peacecorps.gov/contactus or to the Peace Corps mailing address above.

Where Peace Corps Volunteers Serve



Legend:
EMA = Europe, Mediterranean, and Asia Region
IAP = Inter-America and the Pacific Region

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THE DIRECTOR OF THE PEACE CORPS

WASHINGTON, D.C.

I am pleased to present the Peace Corps' Performance and Accountability Report for FY 2014 on behalf of Peace Corps Volunteers and staff around the world. This report demonstrates the progress our agency has made on achieving its strategic objectives, accountability, and operational effectiveness. The report also highlights some of the exceptional work of Volunteers and staff.

Since 1961, the agency has advanced a mission of world peace and friendship through community-based development and cross-cultural understanding. Peace Corps Volunteers and staff accomplish this mission through three strategic goals:

1. Building Local Capacity: Advance local development by strengthening the capacity of local communities and individuals through the service of trained Volunteers
2. Sharing America with the World: Promote a better understanding of Americans through Volunteers who live and work within local communities
3. Bringing the World Back Home: Increase Americans' awareness and knowledge of other cultures and global issues through Volunteers who share their Peace Corps experiences and continue to serve upon their return

The Peace Corps remains one of America's best loved and most innovative ideas. In this complex and interconnected world—where our future depends on global cooperation, built on relationships of trust—the impact and relevance of the Peace Corps' work has never been more important. Volunteers help their communities tackle some of the most pressing development challenges of our time, while building bridges of friendship between our nation and others. When they return home, our Volunteers bring their intercultural skills and global perspectives to enrich every state in our union.

More than 215,000 Americans have served in 140 countries on behalf of the Peace Corps since 1961. At the end of FY 2014, 6,818 Volunteers are serving in 64 countries around the world. The agency's appropriated funding for FY 2014 of \$379 million (compared to slightly more than \$356 million in FY 2013) enables our agency to more fully support our Volunteers in the places where the greatest impact can be achieved.

In FY 2014, the agency opened a new program in Kosovo, restarted the previously suspended program in Mali, and moved forward with plans to open or reopen programs in Burma, Comoros, and Timor Leste in FY 2015. The agency also made several decisions in FY 2014 to safeguard the health, safety, and security of our Volunteers. Peace Corps programs in Ukraine and Kenya were suspended due to escalating security concerns. Additionally, the spread of the Ebola virus in West Africa prompted the temporary removal of 340 Volunteers from Liberia, Guinea, and Sierra Leone.

In July 2014, we announced sweeping changes to our application process which makes applying to the Peace Corps simpler, faster, and more personalized than ever before. Under this new recruitment initiative, applicants are now able to choose their country of service and apply to specific programs, and do so through a new, shorter application. As a result, the agency received 17,336 applications for two-year service positions in FY 2014—the highest number of applications received since 1992. When combined with applications to the Peace Corps Response program, the

agency received a total of 19,151 applications in FY 2014, demonstrating great interest among the American people to serve in the Peace Corps.

The health, safety, and security of our Volunteers remain the Peace Corps' highest priorities. During FY 2014, the agency conducted an internal review of the Sexual Assault Risk Reduction and Response (SARRR) program—a program mandated by the Kate Puzey Peace Corps Volunteer Protection Act of 2011. A review of SARRR program policies and procedures will commence in November 2014.

Additional accomplishments and challenges related to each of the agency's 11 strategic objectives may be found in the Performance Highlights Section.

Independent external auditors rendered an unmodified (clean) audit opinion on the agency's financial statements, with no material weaknesses identified by the auditors or through internal managerial reviews. There were, though, three instances of noncompliance with laws and regulations identified. My Qualified Management Assurance statement along with that of the chief financial officer provide reasonable assurance that the internal controls and financial management systems meet the specified objectives in the Federal Managers' Financial Integrity Act (FMFIA) as shown in the Management Assurances Section with the exception of one nonconformance with financial management system requirements for the Federal Information Security Management Act of 2002. Difficulties do remain, however, in satisfying the management and performance challenges issued by the Inspector General and in resolving the agency's long-standing audit significant deficiencies.

The Association of Government Accountants awarded the agency the prestigious Certificate of Excellence in Accountability Reporting for the seventh time for its FY 2013 Performance and Accountability Report. This award recognized not only the accountability of the Peace Corps but also its many performance management accomplishments.

The financial and performance data presented in this report are fundamentally complete and reliable.

Improvements in financial management implemented during FY 2014 and planned future improvements are shown in the Message from the Chief Financial Officer in the Financial Section of this report.

Due to the extensive reforms and operational improvements over the last few years, the Peace Corps is now better positioned than ever before to make a measurable difference in communities across the globe, in the lives of Volunteers, and in communities across our nation. I am so proud of our Volunteers and all of our staff, who are devoted to serving our country, by serving the cause of peace.

Sincerely,



Carolyn Hessler-Radelet, Director

November 17, 2014

Management's Discussion and Analysis



Mission and Overview of the Peace Corps

The Peace Corps mission is to **promote world peace and friendship** through community-based development and cross-cultural understanding.

The Peace Corps has been a leader in international development and citizen diplomacy for over 50 years. From the late-night campaign stop at the University of Michigan where then-Senator Kennedy challenged students to serve their country by helping people in the developing world to today, the agency has been guided by a mission of world peace and friendship.

The Peace Corps of today is a bold and forward-leaning organization with deep roots grounded in the purpose and ideals of its founders. The agency sends Americans abroad to tackle the most urgent needs of people around the world. Volunteers work at the grassroots level with local people and organizations to develop sustainable solutions that address persistent challenges. Volunteers live and work in local communities—in so doing, they build life-long friendships and promote mutual understanding between the United States and their host communities.

Being a Peace Corps Volunteer is a life-changing experience. When Volunteers return home, they bring back new skills and experiences that stay with them for the rest of their lives. These returned Volunteers never truly end their service. They

Peace Corps Facts

Historical

Officially established:	March 1, 1961
Americans who have served:	215,000+
Total host countries served:	140
Country that has hosted the most Volunteers historically:	Philippines (8,860)

Current

Host countries:	64
Total Volunteers:	6,818
Largest program:	Senegal (264 Volunteers)
Gender:	63% female, 37% male
Racial/ethnic minorities:	25 % of Volunteers
Average age:	28
Volunteers over 50:	7%

continue to serve the United States and their country of service by sharing their experiences with their families, friends, and colleagues and by sustaining their commitment to volunteerism and public service both at home and abroad.

Core Values and Organizational Structure

The Peace Corps advances its mission through the work of its Volunteers. The agency is structured to address the unique needs of Volunteers while they serve in local communities, often under hardship conditions. The well-being and success of Volunteers are at the center of how the Peace Corps operates.

The following core values shape and guide decisions at all levels in the agency to support the thousands of Volunteers serving across the world.

Volunteer Well-Being

The Peace Corps works to provide a safe, healthy, and productive service for every Volunteer. The safety, security, and physical and emotional health of Volunteers are the agency's top priorities.

Quality and Impact

The Peace Corps pursues quality improvements to strengthen its programs while maintaining a meaningful global presence.

Commitment to National Service

The Peace Corps seeks to expand opportunities for Americans to serve their country by volunteering their time in the service of others.

Diversity and Inclusion

The Peace Corps actively supports a culture of inclusion that builds on the strengths of the diversity of the American public and of the countries in which we serve.

Evidence-based Decisions

The Peace Corps uses high-quality data and evidence to focus resources on agency priorities, inform performance improvements both in the field and at headquarters, and promote institutional learning.

Innovation

The Peace Corps utilizes innovative approaches and technology to solve both persistent and emerging operational challenges and to advance local development.

Organizational Structure

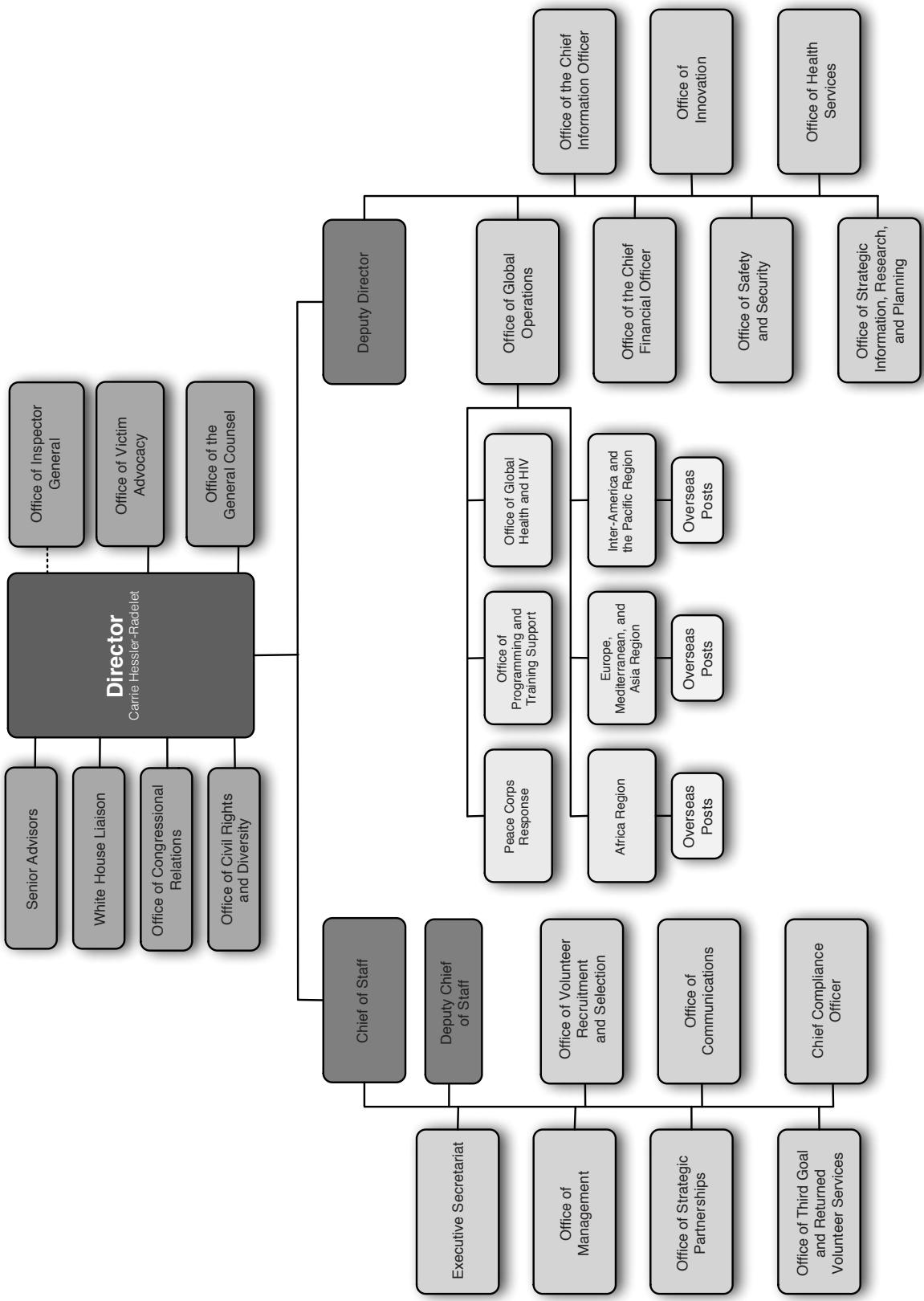
In FY 2014, the Peace Corps maintained active programs in 64 countries, administered by 61 overseas posts. Programs were suspended in Ukraine and Kenya due to security concerns. The agency also temporarily removed Volunteers from Guinea, Liberia, and Sierra Leone due to the Ebola outbreak in West Africa.

Each post is led by a country director and supported by safety and security, medical, programming, financial, training, and administrative staff. Overseas posts are organized into three geographically based regions: Africa; Europe, Mediterranean, and Asia (EMA); and Inter-America and the Pacific (IAP).

The Peace Corps' domestic operations consist of supporting and providing strategic guidance to overseas posts, recruiting and selecting future Volunteers, promoting programs to encourage returned Volunteers to continue contributing to the Peace Corps mission, and performing central oversight functions. The Peace Corps Headquarters is located in Washington, D.C., and regional recruitment offices are located in Atlanta, Chicago, Dallas, Los Angeles, New York City, San Francisco, and Seattle.

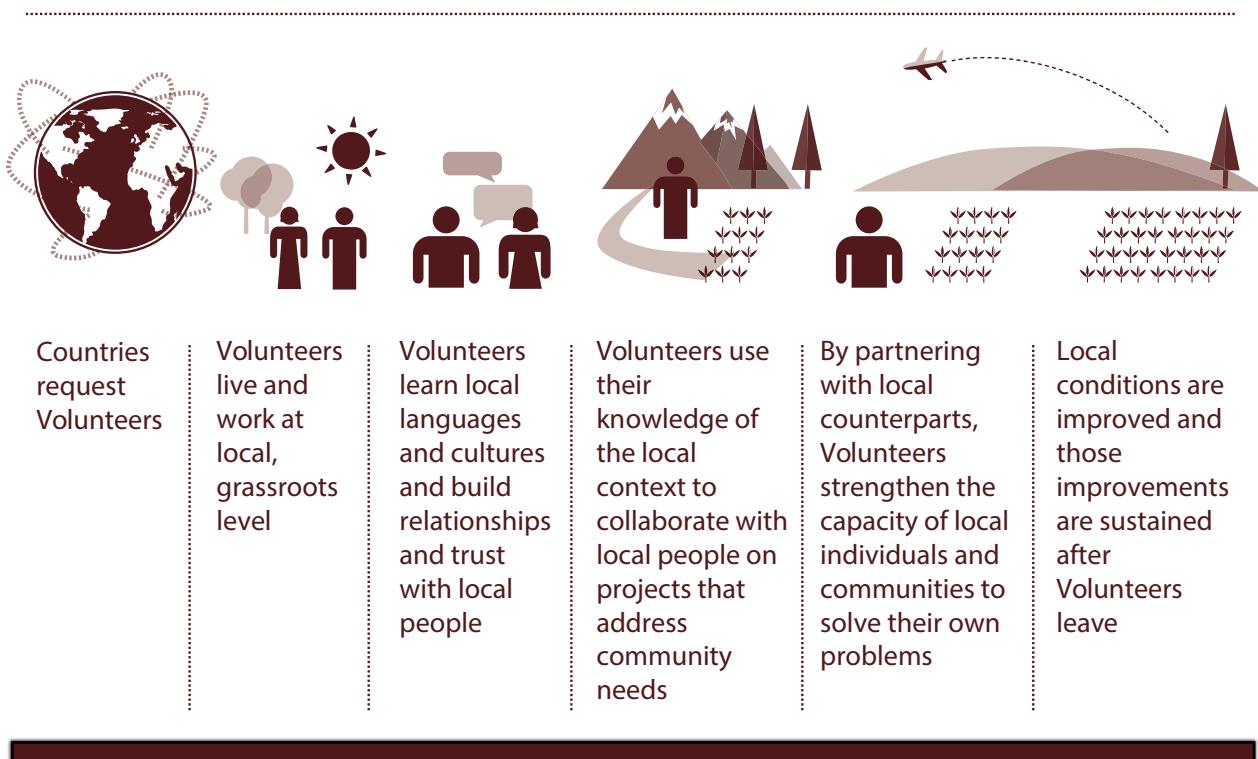
An organizational chart follows.

Peace Corps Organizational Chart



Work of the Volunteers

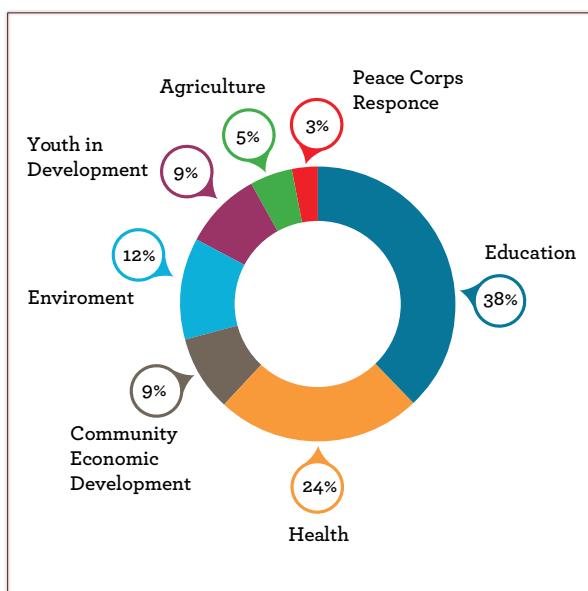
The Peace Corps approach to development is unique. Rather than providing direct monetary aid to host country governments, the Peace Corps provides technical assistance to local communities through the work of skilled Volunteers. By speaking local languages and living and working at the same level as their local partners and beneficiaries, Volunteers build mutual trust and develop a deep understanding of community needs and capacity. This enables the Peace Corps to contribute to host country development at the local level where the world's most persistent development challenges have a direct human impact.



Volunteers' work is not solely designed to advance local development outcomes (Strategic Goal One). To fully advance the Peace Corps mission, Volunteers are also tasked with building a better understanding of Americans in host communities (Strategic Goal Two) and with increasing Americans' awareness of other cultures both during and after their service and by continuing to engage in public service (Strategic Goal Three). The three Peace Corps strategic goals are dependent upon and reinforce one another, and Volunteers regularly contribute to each of them while working in their communities.

Peace Corps Programmatic Sectors

Volunteer projects vary across the world as they are designed to respond to local needs. The work of Volunteers falls within six programmatic sectors: Agriculture, Community Economic Development, Education, Environment, Health, and Youth in Development. Peace Corps Response Volunteers work on short-term, high-impact assignments that may be in one or more of these sectors.



AGRICULTURE

Volunteers: 348 (5 percent)

Countries: 8

Agriculture Volunteers work with small-scale farmers and families to increase food security and production and adapt to climate change while promoting environmental conservation practices. They introduce farmers to techniques that prevent soil erosion, reduce the use of harmful pesticides, and replenish the soil. Volunteers work alongside farmers on integrated projects that often combine vegetable gardening, livestock management, agroforestry, and nutrition education. Additional information on the Agriculture sector is at www.peacecorps.gov/agriculture.



Selected work by Agriculture Volunteers:

- **Food security education in Burkina Faso:** Volunteers in Burkina Faso organized a camp to increase Burkinabe involvement and participation in their communities to combat food insecurity. Over 60 individuals from 14 different villages and towns participated in the event where they were provided with the opportunity to design community-based food secure projects. The camp was designed in collaboration with local professionals (agricultural specialists, teachers, nurses, and others). It included sessions on gardening, accounting and money management, nutrition, and other issues. The camp prepared participants to bring lessons learned back to their homes in the form of projects, information sessions, songs, and games.
- **Off-season vegetable production in Nepal:** Two Volunteers and their counterparts in Nepal provided training on construction of irrigation systems using locally available materials (bamboo, wood, wire, and string) and material provided by local government partners. The demonstration drew the attention of many local farmers, and the Volunteers used the opportunity to promote other activities designed to increase agricultural production, including double-digging and micro-irrigation for vegetable production.
- **Rural aquaculture promotion in Zambia:** In Zambia, Volunteers trained over 600 individuals on aquaculture techniques for site selection, surveying, and staking of fish ponds. Training sessions included discussions on the qualities of good fish ponds as well as miniature and full-scale fish pond construction demonstrations.

Volunteer Voice: Making vegetable soup with students in Guatemala

“On the first day when I arrived at my site, I worked with my counterpart from Save the Children and an agriculture technician to develop my work plan for the next nine months. We identified school gardening in the surrounding communities as one of my primary activities. With the help of the local agricultural technician, we identified a small rural community to work with, and within one week, the school garden project was started.

While we worked to build the garden, which included terracing a hillside and constructing raised beds, I developed a 12-week curriculum for the sixth grade class to use while they worked in the garden. The curriculum covered the science of gardening, including the germination process, plant nutrition, beneficial insects, and nutrition. The curriculum also covered math by teaching how to calculate germination percentages and how to measure the height of plants.

By the end of the 12-week curriculum, students learned a great deal about gardening—how to make and use compost and how to grow vegetables in their community. On graduation day, we gave each student packages of vegetable seeds to start their own family garden. We also made a huge vegetable soup that included vegetables brought by students as well as many leaves from their garden. This provided an opportunity to demonstrate one important lesson to the students—that the leaves from plants are as nutritious (or more nutritious) as the vegetables.

The process of making vegetable soup with the school cook and then serving it to all of the school’s students and teachers was one of the most satisfying moments of my entire Peace Corps service.”



COMMUNITY ECONOMIC DEVELOPMENT

Volunteers: 624 (9 percent)

Countries: 27

Community Economic Development Volunteers work with development banks, local and international nongovernmental organizations, and municipalities to strengthen infrastructure and encourage economic opportunities in communities. They frequently teach in classroom settings and work with entrepreneurs and business owners to develop and market their products. Some Volunteers also teach basic computer skills and help communities take advantage of technologies such as e-commerce and distance learning. Additional information on the Community Economic Development sector is at www.peacecorps.gov/business.

Selected work by Community Economic Development Volunteers:

- **Entrepreneurship youth clubs in Nicaragua and Peru:** Volunteers in Nicaragua and Peru facilitate youth clubs that teach basic business skills and entrepreneurship to young people. Each year, the clubs hold several business plan competitions to showcase youth enterprise ideas at the local and national levels.
- **Organizational development in Armenia:** Volunteers collaborated with local partners in Armenia to organize workshops and one-on-one coaching sessions to help local organizations develop strategic plans and fundraising strategies. One organization was able to improve its management and business systems and to secure membership status with www.GlobalGiving.org, a crowd-funding website.



- **Savings group development and training in Kenya:** Volunteers in Kenya mobilized and trained community groups to develop village-based savings and loan associations. Community members can now take small loans from the group to start or expand income-generating activities such as small-scale bakeries, welding and repair activities, and buying and selling vegetables.

Volunteer Voice: Developing organizational and leadership skills in Macedonia

“A local organization had been working to find a solution to the housing crisis affecting some of the Roma families in the country. The Forum of Young Roma (the young volunteers of the organization) were also looking for a new project and wanted to receive some training on humanitarian aid actions. I worked with a local colleague to apply for a small project assistance grant to fund a seminar on various

topics that would culminate in the planning of a humanitarian action. The goal of the project was to energize and motivate the young volunteers to lead a humanitarian campaign to improve housing in the local Roma community by acquiring knowledge and skills in the areas of networking, fundraising, and time management.

The volunteers attended a two-day seminar that included such topics as the importance of volunteering, time management, teamwork, networking, fundraising, challenges in mobilizing the community, and, finally, instruction on how to write a community action plan. The original goal to ultimately improve the housing situation turned out to be too large of a project for the volunteers. They decided it would be more realistic for them to plan and implement a fundraising campaign and create hygiene packets for distribution to the very poor families in the neighborhood.

Although it was a small group, they were very motivated to make a difference in their community, and the group increased its membership as a result of the seminar. The group developed activities to achieve their goals and a clear action plan for completing their work. This clearly demonstrated their enthusiasm and motivation to tackle some pressing issues in the community.

As a result of this project, the volunteers acquired new knowledge in how to develop a network, how to organize a fundraising campaign, how to manage their time effectively, how to handle challenges inside and outside the community, and how to design a community action plan. All participants in the project expanded their network of contacts in the community and have since enlisted the support of other organizations for their humanitarian action.”



EDUCATION

Volunteers: 2,620 (38 percent)

Countries: 51

Education Volunteers play an important role in creating links among schools, parents, and communities. They work in elementary, secondary, and postsecondary schools as math, science, conversational English, and resource teachers or as early-grade reading and literacy teacher trainers. Volunteers also develop libraries and technology resource centers. Additional information on the Education sector is at www.peacecorps.gov/education.



Selected work by Education Volunteers:

- **Development of literacy programs in Guyana:** Volunteers in Guyana collaborated with their schools to teach phonemic (letter sound) awareness, letter recognition, sight reading, and other fluency activities for low-performing students. An assessment conducted with the Ministry of Education's National Diagnostic Test for Literacy at the end of the program showed considerable gains for many students.
- **Massive Open Online Courses in Mongolia:** A Volunteer in Mongolia led a study group to introduce students to Massive Open Online Courses and helped them develop the study habits necessary to succeed in U.S.-based, free online courses. The first course—a business strategy course offered by the University of Virginia—garnered the participation of 34 students. Over 130 students attended the second course—a basic writing course offered by Mt. San Jacinto College in San Jacinto, California. Both classes were supported by study groups led by the Volunteer.
- **Computer skills coaching in Cameroon:** Volunteers in Cameroon used their computer skills to contribute to the personal and professional development of students. Volunteers coached secondary-school students on how to write effective articles and how to publish newsletters and blogs (the school blog may be found here: <http://gssbessiawum.blogspot.com>). In addition to building the skills of students, the activity resulted in the dissemination of information on health-related issues in communities throughout Cameroon.

Volunteer Voice: Strengthening girls' education in Liberia

"As a Peace Corps Volunteer in Liberia, I noticed the challenges Liberians faced on a daily basis,

especially the constant struggles girls faced. The first day of school I asked my students to list their favorite hobbies. The boys talked about their love of playing football and volleyball, listening to music, and farming. Almost all of the girls responded that they loved cooking and washing. I was not entirely surprised—women and girls in Liberia have limited choices and spend much of their time on these domestic tasks. I always knew I wanted to empower women and girls during my service, but I didn't quite know how or where to start.

During a trip to Sierra Leone for vacation during Christmas break, I came across some bags that were made out of different pieces of lappas, a type of West African fabric. I thought that teaching girls at my site how to make similar bags might be a way to build valuable skills and to pay for continuing their education. I shared the idea with Sister Yamah Zawu—a teacher who had started a girls' club the year before that was having trouble getting off the ground—and she thought it would be a great way to encourage the girls to participate in the club and stay in school. We called the new girls' club the Bosh Bosh Project. The project is now a registered local nongovernmental organization with its own website (www.boshbosh.org) and Facebook page. The main focus of the project is to raise funds for students, female teachers, and community members through the sale of eclectic Bosh Bosh products made by the students in the club. In addition to enabling students to pursue their education, the club teaches valuable life skills through workshops on family planning, health, HIV/AIDS, business practices, and women's rights. The club also encourages girls to become leaders in their community by providing them with the means to complete their education through scholarships.

When you educate one girl, you not only educate her entire village but our entire world."



ENVIRONMENT

Volunteers: 788 (12 percent)

Countries: 23

Volunteers lead grassroots efforts in their communities to protect the environment and strengthen understanding of environmental issues. They teach environmental awareness in elementary and secondary schools and to youth groups and community organizations. They empower communities to make their own decisions about how to protect and conserve the local environment. Volunteers also address environmental degradation by promoting the sustainable use of natural resources. Additional information on the Environment sector is at www.peacecorps.gov/environment.

Selected work by Environment Volunteers:

- **Environmental summer camp in Ethiopia:** A team of Volunteers in Ethiopia started an environmental camp for high school boys and girls. The Growing and Renewing our World camp (Camp GROW) focused on discovering the circle of life and included lessons on ecological concepts, microorganism form and function, tree planting, nature appreciation, human impacts, and other topics. Participants created environmental action plans to implement in their home communities.
- **Bee husbandry in Tanzania:** A Volunteer in Tanzania initiated a small-scale bee husbandry project with 11 families. Through the project, the families learned about the biology of bees and their hives, hive construction and maintenance, sustainable honey and wax harvesting techniques, bee calendar development, and how to correctly wear protective clothing. The project also taught the participants about environmental conservation. Using the 50-acre site as an



example of a protected area, the group created fire breaks and signs to surround the property to protect it from burning and tree-cutting. The families built 55 hives which will produce up to 30–40 kilos of honey every year. The project provided the families with supplemental income and food and taught the community about the benefits of environmental conservation.

- **An environmental education toolbox in Mexico:** After interviewing over 80 percent of the teachers in their community and reviewing their textbooks, a Volunteer couple in Mexico identified the types of materials the teachers would find most useful to promote environmental awareness in the classroom. As a result of this research, the Volunteers developed an environmental education toolbox that the teachers can use in their classrooms. The toolbox contains fact sheets on local fauna and flora, games, hand magnifiers and

thermometers, photographs, and a teacher's guide. The Volunteers estimate that more than 14,000 students will benefit from the project.

Volunteer Voice: Organizing community clean-ups in Paraguay

"The night before the clean-up, it rained—a lot. The next morning, rain was still threatening, and my community partner and best friend called me up with a frustrated tone in her voice asking if we should cancel it. I took one glance at the grey sky, and told her: 'We're doing it! Let's call the radio stations to announce it. It's not going to rain anymore.'

It didn't. During the country's first collaboration with International Coastal Cleanup—a campaign led by Ocean Conservancy—approximately 140 community volunteers participated in the first clean-up of the banks of the Paraguay River, which runs as the border between Paraguay and Argentina. By the end

of the event that day, we had removed 1,450 kilos—a ton and a half—of trash.

People were so enthusiastic about the event that they wanted to know when there would be another clean-up. Others acknowledged that there was an urgent need for an efficient trash management system in the city to prevent the accumulation of trash in public places and to protect endangered natural resources.

Due to the success of this initial event, other local partners have expressed interest in collaborating with Ocean Conservancy and its International Coastal Cleanup campaign in order to continue bringing attention to this issue through positive and responsible actions."



HEALTH

Volunteers: 1,632 (24 percent)

Countries: 38

Health Volunteers work within their communities to address important topics such as nutrition, maternal and child health, basic hygiene, and water sanitation. Volunteers also work in HIV/AIDS education and prevention programs to train youth as peer educators, develop appropriate education strategies, provide support to children orphaned by the pandemic, and create programs that provide emotional and financial support to families and communities affected by the disease. Additional information on the Health sector is at www.peacecorps.gov/health.



Selected work by Health Volunteers:

- **World Malaria Month in Uganda:** In Uganda, 160 Volunteers took part in World Malaria Month—an effort to expand the reach of World Malaria Day. Volunteers from all sectors distributed 2,500 bed nets, reached 5,400 students with malaria prevention messages, and monitored 1,300 sleeping spaces for net usage.
- **Hand-washing station and trash can installation in Benin:** A Volunteer in Benin worked with the school administration to install four hand-washing stations and trashcans around the secondary school to contribute to campus cleanliness and improve student hygiene. After installing the devices, the Volunteer and local partners trained over 3,000 students on their proper usage.
- **Nutrition education in Cambodia:** Volunteers and their counterparts in Cambodia trained over 7,000 community members on nutrition through cooking demonstrations, baby weighing, and the promotion of immediate and exclusive breastfeeding.

Volunteer Voice: Connecting rural communities to health care in Morocco

"I live in a very small community—so small that it doesn't have a health clinic. Local people primarily work as subsistence farmers, and their incomes are

stretched each month to meet basic needs for food, shelter, and education. Often, this means that they either do not visit the regional health clinic or delay visits until medical conditions become much more severe. Even when they go to the regional clinic, they may be unable to purchase prescriptions from the pharmacy.

To improve access to health care, my community and I worked with the Ministry of Health to have a health caravan come to serve community members. The community provided food, tea, and a large house where the health caravan could be set up. We secured grant funding to cover the cost of transportation for 10 doctors and dentists. The Ministry provided—for free—an eye doctor, an OB-GYN, a dentist, and a fully stocked pharmacy. In all, approximately 300 people who may never have had access to health care before were able to see doctors and receive medicine.

The most uplifting part of this project was seeing the way the community pulled together to make it happen. The community exceeded all expectations with their hospitality toward the visiting caravan of doctors. The community also developed a strong relationship with the Ministry of Health—they are already working together to plan another health caravan this summer. Many times during my service, I have seen how the Ministry of Health really wants to serve these rural towns but has been unsure about how to best do so. I think that this project helped to start a relationship that can continue to help each group."



YOUTH IN DEVELOPMENT

Volunteers: 618 (9 percent)

Countries: 19

Youth in Development Volunteers work with youth in communities on projects that promote engagement and active citizenship. Volunteers across all sectors are trained to work with youth as community resources and as a means of enhancing the impact of their projects. Volunteers work with youth to promote healthy lifestyle choices related to sexual and reproductive health, physical activity, and substance abuse prevention. They prepare youth for work with financial literacy and vocational skills and engage youth as active citizens through volunteerism and service learning. Additional information on the Youth in Development sector is at www.peacecorps.gov/youth.

Selected work by Youth in Development

Volunteers:

- **Preparation for the world of work in Azerbaijan:** Volunteers in Azerbaijan utilized several approaches to prepare young women for employment. They supported the creation of a computer center for women, developed women's leadership clubs focused on financial literacy and healthy living, and organized a national leadership conference with a local women's organization.
- **Life skills and leadership summer camps worldwide:** Volunteers across the world utilized summer camps as a strategy to engage young people and invigorate local youth clubs. Camps included Camp HEAL (Human Trafficking, Education, AIDS/HIV, and Leadership) in Ukraine, a Food Security Youth Camp in Ghana, and Girl-Tech in Uganda. Several Peace Corps programs implemented gender-focused camps



such as Camp GLOW (Girls Leading our World) and Camp BRO (Boys Respecting each Other).

- **Peer educator training in Cameroon:** A Volunteer in Cameroon worked with his counterpart at a local university Red Cross club to develop a three-day training workshop for 44 members of the Peer Educator Leaders Club. The training was focused on building the capacity of the participants to deliver HIV/AIDS messages. At the end of the training, participants conducted outreach activities both inside and outside of the university for over 300 students.

Volunteer Voice: Building life skills through theater in Ecuador

“During training, we were taught many different non-formal education techniques for working with young people. In my service, I found these techniques to be essential—particularly the use of theater.

At the beginning of my service, while I was still learning Spanish and trying to make a connection with the youth in my community, I started collaborating with a local nonprofit and a youth group. One of my first tasks was to support an artistic festival focused on the importance of caring for the environment. The youth group wanted to do a skit, but they could not come up with any ideas. I saw this as a great opportunity to connect with them, and I worked with them to develop a play about environmental pollution. I think I gained the respect of the teens in the youth group as a result of our work on the play.

During that time, I also began life-skills classes and workshops with younger kids in the community. It was difficult capturing their interest and attention—they just did not seem to care. That is when I decided

to give theater another try. Instead of simply talking at them, I involved them in the learning process. We took the life-skills topic of the week and talked about how we could turn it into a play. Together, we decided on the characters, setting, story, and more. Even though we only had five to six acting roles in each play, I involved all of the kids in the process, including designing sets using nothing more than big pieces of paper with our drawings of houses, schools, the forest, or other settings. We have performed six plays at different community festivals; some plays we just do within our own group or for the parents. This has been a wonderful way for me to teach the kids about self-esteem, good communication, conflict resolution, decision-making, and more. I am actually thinking about making a short movie with them next.”

PEACE CORPS RESPONSE

PEACE CORPS RESPONSE

Volunteers: 188 (3 percent)

Countries: 35

Peace Corps Response Volunteers serve in short-term, specialized assignments where they provide targeted assistance in challenging and diverse assignments that span the Peace Corps' six programmatic sectors. Response Volunteers must be returned Peace Corps Volunteers, medical professionals, or have at least 10 years of work experience. Additional information on the Peace Corps Response program is at www.peacecorps.gov/response.



Selected work by Peace Corps

Response Volunteers:

- Physician and nurse education in Malawi, Tanzania, and Uganda:** Over 30 physician and nurse educator Peace Corps Response Volunteers through the Global Health Service Partnership taught 85 university courses and workshops to more than 2,800 students and other health care professional trainees. Volunteers utilized new teaching activities, including improved scenarios and problem-based learning guides, Ask the Professor Rounds, and nursing grand rounds. Volunteers also established new professional development activities for local health care professionals and students such as using a department needs assessment survey tool, establishing weekly journal clubs, and planning a nurse leadership conference.

Volunteer Voice: Examining poverty and hunger from the ground up in Guatemala

“Several times a year throughout rural Guatemala, the scene is the same. Entire families rise with the sun to travel from their remote communities to the municipal center, often walking for hours over unforgiving terrain. Few of these people have 9-to-5 jobs, and even fewer wear watches; tardiness is universally understood and forgiven. Today, however, everyone is early. Women in indigenous dress and men in cowboy boots jockey for position outside the municipal salon, inside of which sits over 70 tons of freshly sealed food. Today is hand-out day.

On this particular occasion, the process is typical. Just like any hand-out day, the mayor gets the last word. He takes the stand and thanks the supplying institutions for the corn, beans, and cooking oil that will ease the struggles of his people this winter. He ends with a powerful yet disheartening question, posed directly to the gathering of people below.

“*Quién entre ustedes es pobre?*” “Who among you is poor?”

In unison, a sea of hands shoots into the air. “Poor” has an equally negative connotation in Spanish as it does in English, but representatives from over 700 families do not hesitate to classify themselves as such.

Why? After some time on the ground, the answer becomes clear: In Guatemala, a country that has been the focus of international relief efforts for years, poor people get stuff.

It is important to note that these people are not lazy. They do not play the system to their advantage, and they are not to blame. For years, institutions have simply provided aid without building capacity, creating dependence in rural communities throughout Guatemala. When you hear, “you are poor” or “you need help” enough times, you start to believe it.

As part of the government’s Feed the Future initiative, the U.S. Agency for International Development and the Peace Corps have partnered to take advantage of the Peace Corps’ unique grassroots perspective and experience to make a change to this cycle. As a Peace Corps Response Volunteer in Guatemala with Feed the Future, I’m working to be part of the solution.

By taking advantage of the extensive, on-the-ground experience that Response Volunteers bring to the table, local institutions are being strengthened across the country. For example, Response Volunteers work with the Ministry of Agriculture to train community promoters in family agriculture, poultry management, and preventative health. Instead of having their problems solved for them, these promoters are empowered to bring about positive change in their communities.

As a result, families are planting vegetable gardens and eating the highly nutritious vegetables they produce. Chicken vaccination campaigns are decreasing poultry loss and increasing meat availability in rural areas. Families are using local

resources to make simple yet important changes to their homes that keep their children healthy.

Interventions like these are not flashy. Working with fewer families with more frequency is a time-consuming process that requires patience and dedication. But the Feed the Future approach employed by U.S. Agency for International Development and the Peace Corps creates sustainable progress. In the future, there is no doubt that people and organizations must adapt to an ever-changing, complicated development landscape. Despite the challenges, by sacrificing size for substance, they can make a real difference in people's lives."



Performance Highlights

The FY 2014 Performance and Accountability Report details the Peace Corps' progress on its goals and objectives during the first year of the FY 2014–18 Strategic Plan (www.peacecorps.gov/strategicplan). The Peace Corps FY 2014–18 Strategic Plan is the result of a comprehensive process that involved staff and Volunteers from across the world as well as key external stakeholders. The result is an ambitious plan that strengthens the far-reaching reforms of the last few years, focuses on addressing decades-old performance and management challenges, and leverages promising opportunities to increase the impact of Volunteers and improve operations. An interactive strategic plan orientation, as well as a message from the Director, is available at www.peacecorps.gov/strategicplanorientation to ensure that staff, Volunteers, partners, and the public become familiar with the goals, objectives, strategies, and activities in the new strategic plan.

FY 2014–18 Strategic Plan

Strategic Goals¹

Goal 1: Building Local Capacity

Advance local development by strengthening the capacity of local communities and individuals through the service of trained Volunteers

Goal 2: Sharing America with the World

Promote a better understanding of Americans through Volunteers who live and work within local communities

Goal 3. Bringing the World Back Home

Increase Americans' awareness and knowledge of other cultures and global issues through Volunteers who share their Peace Corps experiences and continue to serve upon their return



1. Volunteer Well-Being

Enhance the safety, security, and health of Volunteers through rigorous prevention and response systems and high-quality medical and mental health services

2. Service Opportunity of Choice

Position the Peace Corps as the top choice for talented Americans interested in service by reaching a new generation of potential Volunteers and streamlining the application process

3. Development Impact

Advance community-based development by strengthening the capacity of local individuals and communities, focusing on highly effective technical interventions, and leveraging strategic partnerships

4. Cross-Cultural Understanding

Build a deeper mutual understanding of other cultures by developing long-lasting connections between American and host country individuals and communities

5. Continuation of Service

Support returned Volunteers' continuation of service by fostering a vibrant alumni network, providing tools and resources to ease their transition after service, and offering opportunities for them to share their experiences

6. Diversity and Inclusion

Actively recruit, support, and retain a diverse workforce and Volunteer corps and build an inclusive culture that encourages collaboration, flexibility, and fairness

7. Site Development

Establish an environment conducive to Volunteer success through an integrated approach to developing effective projects, preparing work sites, and successfully collaborating with local partners

8. Train-Up

Develop a highly effective Volunteer corps through a continuum of learning throughout service

9. High-Performing Learning Organization

Cultivate a high-performing learning organization by investing in professional development for staff, improving staff retention, and strengthening institutional memory

10. Global Connectivity

Enable seamless communication and collaboration for all Volunteers and staff by modernizing and integrating information technology systems and leveraging the innovation of Volunteers and staff in the field

11. Measurement for Results

Advance the agency's ability to measure progress, improve performance, and demonstrate impact through integrated monitoring, reporting, and evaluation practices

¹ The Peace Corps Act (1961) articulates three core goals that contribute to the Peace Corps mission of world peace and friendship: (1) To help the people of interested countries in meeting their need for trained men and women, (2) To help promote a better understanding of Americans on the part of the peoples served, and (3) To help promote a better understanding of other peoples on the part of Americans. These three core goals continue to serve as the foundation for the Peace Corps' approach to development and the three strategic goals that guide the FY 2014–18 Strategic Plan.

² Strategic objectives may contribute to multiple strategic goals.

Performance Improvement at the Peace Corps

Under the leadership of Director Hessler-Radelet, the Peace Corps engages in open, honest, and transparent conversations about performance improvement. The agency uses an evidence-based approach to monitoring and assessing performance with a focus on using data to identify the most effective and efficient strategies that will produce the greatest impact. The result is an inclusive and participatory culture of performance improvement in which Volunteers and staff at all levels are invested in strengthening the Peace Corps.

The Peace Corps monitors and assesses performance throughout the year to ensure that offices are collaborating to meet agency goals and that resources are invested in proven strategies and activities. The Peace Corps deputy director serves as the chief operating officer and oversees the agency's performance management system. The Office of Strategic Information, Research, and Planning (OSIRP) is responsible for strategic and performance planning and works closely with offices across the agency to collect and analyze data to inform policy, program, and budget decisions. The director of OSIRP also serves as the performance improvement officer for the agency.

The Quarterly Strategic Plan Performance Review process is the primary mechanism for monitoring and assessing performance throughout the year. During these reviews, which are chaired by Director Hessler-Radelet, senior managers from across the agency discuss performance data, share best practices, and develop strategies to meet performance targets when areas for improvement are identified.

These quarterly performance reviews are transparent and open—staff at all levels are encouraged to attend and participate in the discussions. Leading up to the reviews each quarter, the agency determines the status of each of the

26 performance goals in the strategic plan based on both quantitative and qualitative analyses. This quarterly assessment of progress allows the agency to focus efforts on performance goals where there is the greatest need and opportunity for improvement.

FY 2014 Strategic Objective Progress Update

This section features a summary of the agency's progress toward the 11 strategic objectives in the FY 2014–18 Strategic Plan. Detailed information on the results for all 26 performance goals, as well as the agency's verification and validation standards for each data source, are presented in the Performance Section.

The Peace Corps' identification of its progress toward each strategic objective was informed by the agency's first annual strategic review on June 23, 2014. The day-long meeting was chaired by Director Hessler-Radelet and brought together senior leaders and agency staff to discuss how each office's individual strategic and operational plans contribute to the achievement of the agency's strategic objectives.

Progress toward each of the strategic objectives is assessed and categorized in one of the following statuses:

Noteworthy progress: The agency is on track to achieve the strategic objective. Strategies and activities have been executed on schedule, and there is evidence to suggest they are leading to the desired outcomes. Performance goal targets have either been met or are expected to be met in the future as the result of planned strategies.

Area for improvement: An increased focus is needed by the agency to improve performance on the strategic objective. Some strategies and activities may have been executed, but more progress is needed to advance the strategic objective. Additional data may be needed to better understand performance.

Strategic Objective 1: Volunteer Well-Being	FY 2014 Status
<p><i>Enhance the safety, security, and health of Volunteers through rigorous prevention and response systems and high-quality medical and mental health services (Supports Strategic Goals 1, 2, and 3)</i></p>	<p>Noteworthy progress</p>

Status: Noteworthy Progress. Over the past few years, the Peace Corps has adopted significant reforms to enhance the safety, security, and health of Volunteers. Through a Volunteer-centered approach to safety, security, and health support, the agency relies on data and evidence to make decisions to protect the well-being of Volunteers. The agency has made significant progress on key reforms, including the development of the Sexual Assault Risk Reduction and Response (SARRR) program and improvements to Volunteer and staff training. The agency will evaluate the effectiveness of these and other significant reforms by exploring new methods for measuring Volunteer well-being in future years.

Accomplishments:

- Ongoing implementation of the Kate Puzey Peace Corps Volunteer Protection Act of 2011:** On September 1, 2013, the agency launched the final stages of its Sexual Assault Risk Reduction and Response program. In FY 2014, the agency has continued to implement all aspects of the program. Staff who provide support to victims of crime have completed mandatory SARRR training, and Sexual Assault Response Liaisons at all posts have been trained. Additional information is at <http://www.peacecorps.gov/volunteer/learn/safety/support/puzey/>.

- Medical officer hiring, training, and retention:** Longevity in the tenure of Peace Corps Medical Officers (PCMOs) is highly correlated to Volunteer satisfaction with medical and mental health services as well as other health outcomes. As a result, the agency has made PCMO hiring, training, and retention a priority to improve the services provided to Volunteers. Improvements include policy changes to streamline the PCMO hiring process, the development of a dashboard to track PCMO hiring metrics, and the establishment of a headquarters-based support unit to reduce the administrative burden on PCMOs.

Challenges:

- Evolving security and health environments in host countries:** The economic, political, and environmental conditions in many of the countries where Volunteers serve can be fragile. Volunteers often serve in communities where the potential for crime, conflict, and disease outbreaks exists. Many of these conditions are outside the agency's control. The Peace Corps employs response and prevention systems to minimize risk and ensure that Volunteers return home safely; however, not all crime against Volunteers and Volunteer illnesses can be prevented.

Strategic Objective 2: Service Opportunity of Choice	FY 2014 Status
<p><i>Position the Peace Corps as the top choice for talented Americans interested in service by reaching a new generation of potential Volunteers and streamlining the application process (Supports Strategic Goals 1, 2, and 3)</i></p>	<p>Noteworthy progress</p>

Status: **Noteworthy progress.** The agency made sweeping changes to the application process, which has made applying to the Peace Corps simpler, faster, and more personalized than ever before. While performance goal targets were not met this year, the agency expects the significant increase in applications received after the launch of the new application process to continue into the next year and beyond.

Accomplishments:

- **Historic changes to the application and selection process:** On July 15, 2014, Director Hessler-Radelet announced a series of extensive improvements to the application process. As a result of these changes, applicants can now choose the programs and countries to which they would like to apply. The application is also significantly shorter—the application can be completed in one hour, compared to eight hours for the previous application. Each open position also has “Apply By” and “Know By” dates so that applicants know when they can expect to receive an invitation to serve. Additional information on the new application process is at <http://www.peacecorps.gov/media/forpress/press/2418/>.

Challenges:

- **Reduction in the number of Volunteers in the field:** After a period of extensive reform in which the agency prioritized investments in improving the quality of support provided to Volunteers, the number of Volunteers in the field has fallen over each of the last three years. The suspension of the programs in Ukraine and Kenya due to security concerns, as well as geopolitically motivated reductions in Volunteer requests from other countries and the temporary removal of Volunteers in Guinea, Liberia, and Sierra Leone due to the Ebola outbreak have further reduced the number of Volunteers serving. Having made investments in quality improvements, the Peace Corps is now positioned to steadily increase the number of Volunteers in the field. The agency is hopeful that Volunteers will be able to return to Guinea, Kenya, Liberia, Sierra Leone and Ukraine as conditions on the ground improve and is moving toward opening or reopening Peace Corps programs in countries such as Burma, Comoros, and Timor Leste. The Peace Corps is committed to increasing its presence across the world while it responds to evolving security and health situations in host countries.

Strategic Objective 3: Development Impact	FY 2014 Status
<p><i>Advance community-based development by strengthening the capacity of local individuals and communities, focusing on highly effective technical interventions, and leveraging strategic partnerships (Supports Strategic Goals 1 and 2)</i></p>	<p>Area for improvement</p>

Status: **Area for improvement.** More data are needed to fully assess whether the agency's strategies for supporting and enhancing Volunteers' development work are producing gains in local development outcomes. The Peace Corps is in the process of significantly enhancing its ability to measure the development impact of Volunteers through the improvement of existing data sources and the development of new data sources. Demonstrating the development impact of Volunteers is also being enhanced through the collection of baseline data for new country entries and new projects (Strategic Objective 11).

Accomplishments:

- **Implementation of the Global Health Service Partnership:** Through the Global Health Service Partnership, the Peace Corps, in collaboration with Seed Global Health, sends trained health professionals to serve in one-year assignments as adjunct faculty in medical, nursing, and clinical officer training schools in partnering countries, helping to address critical shortages of qualified health professionals in areas of the world where they are most needed. Launched in March 2012, the first cohort of 31 medical and nursing professionals left for Malawi, Tanzania, and Uganda in July 2013. The agency is expecting to send 42 Volunteers to these countries in FY 2015.
- **Improvements to the measurement of Volunteer impact:** The agency has made significant progress in diversifying and

improving the data sources utilized to measure the impact of Volunteers. The Volunteer Reporting Tool (VRT), the primary platform for collecting data on Volunteer activities and contributions to project outcomes, was redesigned in FY 2014. The redesigned VRT has a more intuitive user interface and allows for the global aggregation and reporting of Volunteer activity data. The agency has trained staff and Volunteers in the use of the redesigned VRT and has developed tools to ensure Volunteers correctly collect data on the agency's standard sector indicators. The new Global Counterpart Survey, launched in FY 2014, provides another perspective of the impact of Volunteers—directly from Volunteers' primary work partners. Additionally, the agency initiated baseline data collection work in Kosovo which will inform an eventual impact evaluation of a new country program, and similar efforts are planned for expected new country entries and new projects in FY 2015. Lastly, future administrations of the new Host Country Staff Survey, first launched in FY 2014, will provide additional information on the impact of Volunteers from the perspective of host country staff who, in many cases, have worked for the Peace Corps for several years. Improvements to these diverse data sources provide the agency with a richer understanding of the successes and challenges of particular projects and of the overall impact of Volunteers.

Challenges:

- Effective site development and support:** Before Volunteers arrive in their country, the Peace Corps works to identify meaningful work opportunities and local partners for Volunteers and to ensure that work sites can support Volunteers' safety, security, and medical and mental health needs. Effective site development is essential in building an environment where Volunteers can be successful. Historically, the agency has faced challenges in providing effective site development and support—Volunteer satisfaction with site

development is typically one of the lowest-ranked indicators measured through the Annual Volunteer Survey. To improve site development, all regions have adopted regional site development and monitoring standards, and the agency is in the process of developing post-specific site development criteria, policies, and procedures. The agency is also improving counterpart and host family training on working effectively with Volunteers and is working to appropriately staff overseas posts to more effectively develop and monitor sites.

Strategic Objective 4: Cross-Cultural Understanding	FY 2014 Status
<p><i>Build a deeper understanding of other cultures by developing long-lasting connections between American and host country individuals and communities (Supports Strategic Goals 1, 2, and 3)</i></p>	<p>Area for improvement</p>

Status: Area for improvement. Building cross-cultural understanding between American and host country individuals is central to the Peace Corps development model. Volunteers act as cultural ambassadors by living and working in local communities and sharing their experiences when they return. However, to reach Volunteers' full potential for contributing to local development and cross-cultural understanding, more progress is needed to ensure that recruitment and training practices more closely reflect recent advances in the study of intercultural competence. The agency is also working to use modern technology to increase direct interactions between Americans and host country individuals and to maintain them long after the Volunteer finishes his or her service in order to expand the agency's cross-cultural impact.

Accomplishments:

- Launch of the Global Counterpart Survey:** The agency formally launched the Global Counterpart Survey which—for the first time—provides the agency with the perspectives of the local counterparts with whom Volunteers work. Once the Global Counterpart Survey becomes a seamless part of regular post activities, the survey will provide global information on Volunteers' effectiveness in contributing to local development and fostering cross-cultural understanding from the perspective of the host country individuals who work most closely with Volunteers. A detailed description of the new Global Counterpart

Survey may be found in the Evaluation and Research Section.

- **The Second Annual Blog It Home Competition:** Through programs such as the Blog It Home Competition, the Peace Corps encourages Volunteers to use social media and blogging to promote cross-cultural understanding. This program highlights and celebrates Peace Corps Volunteers from around the world who use their blogs to share other cultures with Americans. Out of more than 350 submissions, winners from Albania, Cameroon, China, Dominican Republic, Guinea, Senegal, Thailand, and Uganda were selected for their focus on using their blogs to increase cultural understanding. The winning blogs may be found at <http://www.peacecorps.gov/media/forpress/press/2426/>.

Challenges:

- **Training and tools to build sustainable, direct interactions between host country communities and Americans:** The agency has traditionally promoted the Peace Corps' third goal to increase American's awareness and knowledge of other cultures through Volunteers who share their experiences both during and after their service. Through this model, Volunteers act as cultural windows through

which individuals from host countries can catch a glimpse of American culture, while Volunteers' family, friends, and colleagues back home can view a snapshot of life in another country. However, with advances in technology, Volunteers now have the ability to directly connect Americans with host country communities to promote mutual learning and understanding. The challenge with this new opportunity is to develop the tools, training, and processes for Volunteers to use social media and other forms of communication to set up and sustain these direct interactions. Poor internet connections or the lack of connectivity also hinders this strategy in many of the places where Volunteers serve.

- **Outdated intercultural training materials and practices:** The academic field of intercultural studies has made great strides in recent years; however, the agency's training materials and practices do not yet reflect the latest research and findings around recruiting, assessing, placing, training, and supporting Volunteers and staff to ensure they have the intercultural competence to successfully live and work in local communities. The agency is in the process of incorporating best practices from the intercultural field, but significant work remains for the agency to be a leader in the field.

Strategic Objective 5: Continuation of Service	FY 2014 Status
<p><i>Support returned Volunteers' continuation of service by fostering a vibrant alumni network, providing tools and resources to ease their transition after service, and offering opportunities for them to share their experiences (Supports Strategic Goal 3)</i></p>	<p>Noteworthy progress</p>

Status: Noteworthy Progress. Since the establishment of the Office of Third Goal and Returned Volunteer Services in FY 2012, the agency has improved the career services provided to returned Volunteers (RPCVs) and strengthened relationships with independent RPCV groups to advance the Peace Corps mission and support RPCVs. The agency also continues to expand opportunities for RPCVs to share their experiences and also to improve data collection systems.

Accomplishments:

- **Expanded Career Events:** In FY 2014, the agency held two national RPCV career conferences, four regional career events, and monthly career webinars. The agency also held targeted noncompetitive eligibility career events to connect recently-returned RPCVs with prospective federal employers.
- **Memorandum of Understanding with the National Peace Corps Association:** The Peace Corps signed a memorandum

of understanding with the National Peace Corps Association—the leading nonprofit alumni organization that serves returned Volunteers and the Peace Corps community. The agreement advances the relationship between the two organizations and makes possible future collaboration to support returned Volunteers and advance the Peace Corps mission.

Challenges:

- **Unreliable RPCV contact information:** Currently, the agency has valid email addresses for approximately 50,000 returned Volunteers—less than a quarter of the over 215,000 Volunteers who have served since 1961. The lack of reliable contact information inhibits the agency’s ability to provide career and transition services to RPCVs. Approximately 7,000 new email addresses were identified through a postcard campaign this year, but more progress is needed.

Strategic Objective 6: Diversity and Inclusion	FY 2014 Status
<i>Actively recruit, support, and retain a diverse workforce and Volunteer corps and build an inclusive culture that encourages collaboration, flexibility, and fairness (Supports Strategic Goals 1, 2, and 3)</i>	Noteworthy progress

Status: Noteworthy progress. The Peace Corps continues to increase the diversity of the Volunteer corps. The agency has also made strides in building an inclusive culture through the development of employee resource groups. The development of a new Host Country Staff Survey is additional evidence of the agency’s effort to be an organization that encourages collaboration and input from every individual in the Peace Corps community.

Accomplishments:

- **Sustained upward trend in applicant diversity:** The Peace Corps has made significant investments to ensure that Volunteers represent the diversity of the United States. Since FY 2008, the Peace Corps has achieved a 13 percentage point increase in the percentage of applications from individuals of minority racial

and ethnic groups. The agency also has continued to implement the initiative announced in FY 2013 that expands service opportunities to same-sex couples.

- Development of Employee Resource Groups (ERGs):** The agency first developed ERGs in FY 2013 to serve as a link among the diverse employee populations at the Peace Corps and build support for an open and inclusive organizational culture. ERGs are employee-driven groups supported by the agency. They promote networking, career development, and community service and support staff recruitment and skill development. They also work to advance the Peace Corps' goals of building cross-cultural understanding. In FY 2014, two new ERGs were established: a group for veterans, and Lotus Corps, the Asian-American and Pacific Islander group, joining the existing ERGs serving the following areas of interest: African-American, Hispanic, LGBTQQA (lesbian, gay, bisexual, transgender, queer, and ally); women, mindfulness, and Jewish.

Challenges:

- Support for a diverse Volunteer corps:** As the diversity of the Peace Corps increases, the agency will work to continue to identify how best to support the unique needs of individuals with different and varied requirements throughout the application process and during and after service. For example, retaining individuals from minority racial and ethnic groups throughout the application process has been a challenge. In FY 2014, 33 percent of applicants were from these racial and ethnic groups, compared to 25 percent of the Volunteer population. The agency has employed several strategies to address this issue, including partnering with colleges and universities through the Peace Corps Prep program to better prepare undergraduate students for international service, utilizing peer-to-peer networking on college campuses to recruit and support minority candidates, and working with the Department of Education, the Consumer Financial Protection Bureau, Congress, and others to mitigate the barriers to service presented by student loans.

Strategic Objective 7: Site Development	FY 2014 Status
<p><i>Establish an environment conducive to Volunteer success through an integrated approach to developing effective projects, preparing work sites, and successfully collaborating with local partners (Supports Strategic Goals 1 and 2)</i></p>	<p>Area for improvement</p>

Status: Area for improvement. While the agency has made improvements in several components of site development, including the creation of regional standards and post-specific site development procedures and improvements to the training of Volunteers' local counterparts, more progress is

needed to meet this objective. Sustained, long-term focus by the agency is required to meet the aggressive targets set for site development over time.

Accomplishments:

- Implementation of site development standards and procedures:** All regions have site development standards and procedures in place to ensure a consistent level of site development support across each of the three regions. Each region is now working to develop post-specific site development criteria, policies, and procedures.

Challenges:

- Inadequate staffing for site development, monitoring, and support:** The agency's strategies to improve site development focus primarily on increasing the number of visits by Peace Corps staff to Volunteer sites, conducting additional training with counterparts and host families, and providing more feedback and support to

Volunteers. These strategies all require additional staff time. The agency is working to appropriately staff overseas posts to accomplish site development and other goals. The agency is also experimenting with alternative methods of providing site development support, including clustering Volunteers and utilizing third-year Volunteers during the site selection process.

- Volunteer housing and work site constraints:** The selection of Volunteer sites is largely determined by housing options, communication availability, and adequate transportation—all critically important in ensuring the safety, security, and health of the Volunteers. However, in some cases, these criteria can constrain the agency's ability to place Volunteers in communities with the greatest need or with local partners who are the most committed to collaborating with the Peace Corps.

Strategic Objective 8: Train-Up	FY 2014 Status
<i>Develop a highly-effective Volunteer corps through a continuum of learning throughout service (Supports Strategic Goals 1 and 2)</i>	Area for improvement

Status: Area for improvement. In response to the 2010 Comprehensive Agency Assessment (http://files.peacecorps.gov/multimedia/pdf/opengov/PC_Comprehensive_Agency_Assessment.pdf), the Peace Corps has made great strides in standardizing Volunteers' pre-service training through the Focus-In/Train-Up strategy. However, more progress is needed to standardize the training topics that are delivered throughout Volunteers' entire service and to ensure adequate time for technical

and language training. The development of terminal learning objectives is in process and will allow the agency to better evaluate individual Volunteer learning as well as the impact of the standardization of training materials.

Accomplishments:

- Launch of Global Learning Standards:** Building on the continued development of

standardized Volunteer training packages, the agency took a significant step in improving the effectiveness of Volunteer training by launching a Global Learning Standards program in FY 2014. The program includes an array of competencies required for Volunteers to be safe, healthy, and productive as well as assessment mechanisms to ensure Volunteers are prepared for service. Posts are in the process of phasing in terminal learning objectives and a trainee assessment portfolio for all global core training content. Starting in FY2015, posts will begin using this approach for sector-based learning objectives.

- **Development of the TEFL certificate program pilot:** The agency initiated a pilot program in FY 2014 to provide English-teaching Volunteers with Teaching English as a Foreign Language (TEFL) certificates upon the completion of their service. This will serve to attract individuals to Volunteer service, build counterpart capacity and student achievement, and provide enhanced career opportunities for returning Volunteers. The 30-month pilot is being implemented at three posts—Armenia, Madagascar, and Nicaragua—and includes approximately 100 Volunteers. Based on the results of the pilot, the agency expects to gradually expand the program over the next few years to all posts with English-teaching programs.

Challenges:

- **Increase in required Volunteer training topics:** Due to the recent safety, security, and health reforms and new legislation, the number of topics required to be covered during Volunteer pre-service training has significantly increased. As the length of pre-service training has not changed with these new requirements, the number of training hours available for language and technical training—topics critical for the safety and success of Volunteers—has declined. To accommodate the new required training topics and to improve language and technical training, the agency will likely need to increase the length of pre-service training—a significant investment.
- **The need to focus on the full continuum of learning:** With the pressures of limited time during pre-service training, it is increasingly necessary to view Volunteer learning as a continuum from invitation (pre-departure) through close of service. This will require the agency to consider new methods of training, including self-directed learning modules and other distance-learning approaches. The agency has made progress in improving the coordination of Volunteer training, which is expected to enhance a culture of continuous Volunteer learning.

Strategic Objective 9: High-Performing Learning Organization	FY 2014 Status
<p><i>Cultivate a high-performing learning organization by investing in professional development for staff, improving staff retention, and strengthening institutional memory (Supports Strategic Goals 1, 2, and 3)</i></p>	<p>Area for improvement</p>

Status: Area for improvement. The Peace Corps is in the process of developing the infrastructure necessary to implement an agencywide staff development program. The agency is also working with Congress to develop a legislative solution to the human capital and knowledge management challenges posed by the five-year rule (FYR), the unique law that limits the majority of U.S.-based and American overseas staff to five-year appointments. As the agency is in the initial stages of multiyear strategies to cultivate a high-performing learning organization, more time is needed to reach this strategic objective.

Accomplishments:

- Initiation of an agencywide staff training program:** The agency is in the initial stages of multiyear strategies to centralize and coordinate staff training, including the development of a learning management system, an assessment of agency training needs, and the identification of the competencies required for individual positions. These strategies will provide the agency with a clearer picture of the full array of training that currently occurs across

the agency as well as the training needs of individuals and offices. As a result, the agency can better meet staff development needs and reduce duplication of training efforts.

Challenges:

- High staff turnover:** The estimated average tenure (calculated using the median) for U.S. direct hire staff members who have departed since FY 2012 is 3.5 years. High staff turnover results in significant human capital costs and contributes to poor institutional memory. The agency has worked to reduce the rate of staff turnover by placing employees on five-year appointments rather than two successive 2.5-year terms as well as additional management reforms. However, the agency is also considering seeking a legislative fix to preserve, but modify, the five-year rule to further address these challenges.

Strategic Objective 10: Global Connectivity	FY 2014 Status
<p><i>Enable seamless communication and collaboration for all Volunteers and staff by modernizing and integrating information technology systems and leveraging the innovation of Volunteers and staff in the field (Supports Strategic Goals 1, 2, and 3)</i></p>	<p>Area for improvement</p>

Status: Area for improvement. The Peace Corps is on the cusp of major advances in modernizing and integrating information technology (IT) systems; however, more progress is needed to fully enable seamless communication and collaboration for all Volunteers and staff. The agency has committed to utilizing more open and flexible technology applications to respond to changing requirements and to fully leverage the innovation of Volunteers and staff in the field. The agency has also made progress in identifying and retiring legacy applications and updating PCLive—the Peace Corps' knowledge-sharing platform. Additionally, the agency is undertaking an agencywide IT assessment to set priorities and strategies for modernizing and integrating core IT systems.

Accomplishments:

- **Improvements to the agency's knowledge management platform:** In FY 2014, the agency updated PCLive—the Peace Corps' knowledge management platform—to a robust technology that is more closely aligned with the knowledge-sharing and collaboration needs of staff and Volunteers. New servers were installed in spring 2014 and tested during the summer. The new platform was opened for beta testing in August 2014. During the testing phase, the agency continued to enhance the platform and add content. The new platform will be fully launched in FY 2015.

- **Initiation of the cloud email and collaboration tools pilot:** The Peace Corps is exploring a new agencywide collaboration and email solution from Google Apps for Government in partnership with the General Services Administration. For 90 days, beginning in September 2014, the agency will be conducting a pilot program of the Google product suite—including Google Mail, Google Drive, Google Groups, and more—to determine if the platform meets the agency's need for a mobile-friendly and flexible communication and collaboration platform for staff and Volunteers. A new, cloud-based platform will enable staff and Volunteers to more easily access email and create and share documents, collaborate in real time, enhance productivity, and increase flexibility and autonomy.

Challenges:

- **Operational instability and low bandwidth at overseas posts:** The Peace Corps operates in some areas of the world that are challenged by restricted or sporadic internet connectivity. This often results in low bandwidth, power disruptions, and other challenges. With the agency's push to implement modern cloud-based IT systems that require robust and reliable internet connection, implementation of these solutions at overseas posts with low bandwidth remains a challenge.

Strategic Objective 11: Measurement for Results	FY 2014 Status
<p><i>Advance the agency's ability to measure progress, improve performance, and demonstrate impact through integrated monitoring, reporting, and evaluation practices (Supports Strategic Goals 1, 2, and 3)</i></p>	<p>Noteworthy progress</p>

Status: Noteworthy progress. The agency is continuing to develop its monitoring, reporting, and evaluation capacity. In FY 2014, the Peace Corps improved existing data sources such as the Annual Volunteer Survey and the Volunteer Reporting Tool to improve data quality. The agency developed new surveys, including the Global Counterpart Survey and the Host Country Staff Survey, to provide additional perspectives on the impact of Volunteers and agency operations. The agency also instituted a new process for the collection of baseline data for new country entries and new projects to inform future impact evaluations.

Accomplishments:

- **Baseline data collection in Kosovo:** The first Volunteers arrived in Kosovo in June 2014, providing the agency with a unique opportunity to collect baseline data in a country where Peace Corps Volunteers have never served. Agency staff collected data on the general state of the Kosovar education system prior to the start of Volunteers' work, teacher proficiency in English and student-centered instruction prior to the integration of Volunteers into their schools, and the English proficiency of students before the end of the first term of the school year. Data were also collected on community members' perceptions of Americans. Data were collected in communities where Volunteers are expected to serve as well as communities that do not yet have a Volunteer. This baseline data will inform an eventual quasi-experimental impact evaluation of the program in Kosovo—a study that will more clearly demonstrate the impact of Volunteers.
- **Launch of the Host Country Staff Survey:** In August 2014, the agency launched

the Host Country Staff Survey—the first agencywide survey to systematically tap into the enormous wealth of experience of host country staff. Host country staff represent a large percentage of Peace Corps staff (over 90 percent of staff at posts and approximately two-thirds of staff worldwide) and perform a variety of duties, including managing Volunteer programs; ensuring the safety, security, and health of Volunteers; teaching local languages; serving as cultural facilitators; and performing administrative and financial work. They are critically important to the success of overseas posts and Volunteers and, as they are not subject to the five-year rule, they often serve much longer than American staff. The agency is using the results of the survey to improve both post operations and the support it provides to this important segment of Peace Corps staff.

Challenges:

- **Coordination of monitoring, reporting, and evaluation practices worldwide:** The demand for data and evidence to inform policy, program, and budget decisions has never been higher at the Peace Corps. As a result, several offices and overseas posts have developed new monitoring, reporting, and evaluation (MRE) practices. The challenges are to ensure that these new practices reinforce each other instead of duplicating other efforts, that they are sufficiently rigorous to result in actionable evidence, and that staff have the necessary time and technical capacity to collect, analyze, and report the data. The agency has convened an internal working group to address these challenges and better coordinate MRE practices worldwide.

Looking Forward

Since the beginning of the Obama administration, the Peace Corps has been in a period of revitalization and reform unlike any since the founding of the agency. During this time, the agency has embraced change to improve Volunteer support, focus and standardize Volunteer programming and training, and strengthen operations to enhance the impact of Volunteers around the world.

Looking forward, the Peace Corps is positioned to build on this strong foundation to address future opportunities and challenges with the same sense of purpose, idealism, energy, and innovation that turned the Peace Corps from a bold experiment in 1961 into a global leader in sustainable, grassroots development today.

Through the goals, objectives, and strategies outlined in the FY 2014–18 Strategic Plan, the Peace Corps will address and leverage the conditions, opportunities, and challenges described below. The Office of Inspector General's assessment of the Peace Corps' management and performance challenges may be found in the Other Information Section.

Volunteer safety, security, and health in an increasingly complex world

As Volunteers serve worldwide, sometimes in very remote areas, health and security risks are an inherent part of service. Additionally, Volunteers live and work in countries that are often vulnerable to unstable security conditions, inadequate health care, and political and economic conflict. A major challenge for the Peace Corps is to ensure the well-being of Volunteers while still maintaining a presence in areas of the world that could benefit the most from the work of Volunteers.

The evacuation of Volunteers from Ukraine in February 2014 is an example of the agency's response to a deteriorating security situation. Once the decision was made that conditions were no longer



"I envision the Peace Corps as a dynamic, forward-leaning champion for international service. I envision a Peace Corps that is defined by its energy, innovation, and impact."
-Director Hessler-Radelet

safe for Volunteers, the agency safely evacuated 232 Volunteers and hosted transition conferences to support Volunteers returning to the U.S. For several months after the evacuation, the staff at the Ukraine post continued to share updates with the returned Volunteers. Some Volunteers continue project-related work with their communities on projects online.

At all Peace Corps posts, the agency employs rigorous prevention and response systems to ensure the safety, security, and health of Volunteers. The agency works to reduce risks for Volunteers and respond effectively and compassionately to those who are victims of crime, including sexual assault. The full implementation of the Kate Puzey Peace Corps Volunteer Protection Act of 2011 will continue to be a major focus for the agency. Additional information

and continued updates on the agency's efforts to ensure the well-being of Volunteers may be found at www.peacecorps.gov/safety.

Competition for talented Americans interested in public service

The majority of Peace Corps applicants are recent college graduates who expect transparency, speed, and choice when making major life decisions. Until recently, the application process to become a Peace Corps Volunteer did not adequately meet any of these criteria. At the same time, other opportunities available to individuals interested in service have expanded dramatically. These two factors resulted in increased competition for talented individuals interested in public service.

The Peace Corps responded in a bold fashion to this challenge through a major overhaul of its application and placement system in FY 2014. As a result of these historic changes, applicants can now browse open Peace Corps assignments on the Peace Corps website and choose the programs and countries to which they want to apply. The application is much shorter, and applicants are provided information on when they can expect to receive an invitation to serve. The agency also initiated new and proactive outreach and recruitment methods to attract more individuals to Peace Corps service, including a focus on diverse populations to ensure the Volunteer corps fully reflects the diversity of the United States.

In announcing these changes, Director Hessler-Radelet said, "A modernized, flexible application and placement system will help Peace Corps recruit Americans who are not just interested in imagining a better world, but in rolling up their sleeves and doing something about it."

Effective Volunteer programming, training, and support to strengthen development impact

Every day, thousands of Volunteers around the world work with counterparts and other

community members to improve the lives of local people. Volunteers' contributions to host country development are unique—they are community-based and rooted in strengthening the capacity of local communities, organizations, and people. As Volunteers often complete this work in remote areas and without the day-to-day supervision of Peace Corps staff, the agency has a responsibility to properly place, train, and support Volunteers to enhance their development impact and ensure their well-being.

As the result of recent reforms, the agency has standardized Volunteer training, reduced the number of Volunteer projects to focus on those that utilize the most effective technical interventions, developed regional site development standards, and emphasized the importance of providing timely and quality feedback to Volunteers on their work. Challenges remain in ensuring that overseas posts are staffed appropriately to meet the agency's ambitious site development and monitoring goals and in providing training and support beyond pre-service training throughout Volunteers' service.

The agency plans to continue improving Volunteer programming, training, and support through additional revisions and enhancements to technical training, an increase in Volunteer language testing at mid-service and close of service, the development of post-specific site development and Volunteer feedback policies and procedures, and new staffing investments at overseas posts to support site development, monitoring, and Volunteer support priorities.

Strategic partnerships and whole-of-government initiatives

Collaboration with other government agencies and strategic partners brings together a wide array of public and private sector actors to jointly tackle complex development challenges and is critical to advancing the Peace Corps mission. The Peace Corps actively participates in Presidential and whole-of-

government initiatives including the Energy and Climate Partnership of the Americas, Feed the Future, the Global Health Initiative, the President's Emergency Plan for AIDS Relief (PEPFAR), the President's Malaria Initiative, and Saving Mothers, Giving Life. Through these mutually beneficial partnerships, the Peace Corps expands the reach of both its strategic partners and its Volunteers by leveraging training and programmatic resources and contributing to common development goals at the local level.

Moving forward, the agency will work to further strengthen its monitoring, reporting, and evaluation practices to effectively identify and share best practices, improve evidence-based performance management, demonstrate development impact, and ensure tangible improvements in the lives of individuals in the communities where Volunteers live and work. These measures will add significant value to the agency's strategic partnerships. The agency will continue to explore opportunities to expand new, highly specialized service models that demonstrate an effective use of partnerships and document sustainable development results. Strengthening and creating new strategic partnerships with diverse public and private sector actors will remain a key agency focus.

Secure and modern IT infrastructure and systems

The world is more interconnected than ever before, and modern and reliable IT systems are required for effective communication and collaboration for any organization, particularly one with a global reach like the Peace Corps. As the agency operates in many areas of the world with vulnerable IT infrastructures, operational challenges such as poor internet connections constrain the agency's ability to fully modernize its IT systems. The transition from aging legacy systems to new technologies is another complex undertaking that requires agency commitment and resources.

To develop a comprehensive strategy for addressing these challenges, the agency initiated an agencywide technology assessment of the Peace Corps' IT strategy and operations in FY 2014. The assessment is being conducted by a team of external experts and will identify how modifications to the agency's staffing structure, operations, and culture could contribute to the implementation of a new, forward-looking IT strategy for supporting staff and Volunteers with the most effective technology. The assessment team will also identify how best to align IT resource decisions with the new strategy.

The agency also continues to prioritize IT security to ensure the agency's information, operations, and assets are appropriately protected. In the past year, the agency successfully implemented a risk management framework and organization risk management board so that system security issues are correctly addressed at the agency's executive level. In FY 2015, the board will address security risks at the entity or business process levels. The agency also completed three of seven Federal Information Security Management Act (FISMA) inventory systems compliance reviews and audits. Moving forward, the agency will complete the four remaining FISMA reviews and move from a system-level security focus to enterprise risk management continuous monitoring and on-going assessment and authorization processes.

Staff turnover and loss of institutional memory resulting from the five-year rule

The five-year rule (FYR)—signed into law in 1965—limits the employment of Peace Corps U.S. direct hire staff to five-year appointments in an effort to ensure a constant influx of fresh ideas and innovation. However, the FYR also produces significant human capital and knowledge management challenges, including the loss of institutional memory. For the Peace Corps employees who have separated since FY 2012, the average tenure was an estimated 3.5 years. Excessive turnover limits the agency's ability to recruit and retain high-performing staff,

manage information and knowledge critical to the effective operation of the agency, and recruit individuals from highly specialized fields.

High staff turnover at the Peace Corps also has a significant financial cost. In a 2012 report on the effects of the FYR on agency operations, the Office of Inspector General (OIG) estimated that over a five-year period, excessive turnover due to the FYR resulted in between \$12.6 million and \$15.5 million out of \$20.7 million in total turnover management costs. In the estimate, OIG did not include costs that are likely significant but are more difficult to quantify, including the loss of expertise when staff leave, reductions in productivity, or gaps in institutional memory.

The agency has taken steps to mitigate the negative effects of the FYR such as implementing a change in policy to allow for 60-month appointments rather than 30-month appointments in an effort to attract and retain highly skilled professionals as well as other management reforms. The agency is considering pursuing legislative modifications to preserve, but modify, the five-year rule to address these major management challenges.

Analysis of Financial Statements

Overview of Financial Position

An unmodified (clean) audit opinion was achieved on the FY 2014 financial statements. This analysis presents a summary of the agency's financial position and results of operations, and addresses the relevance of major changes in the types and/or amounts of assets, liabilities, costs, and obligations. Overall, the funding position of the Peace Corps improved this year as the required sequestration budget cuts in effect in FY 2013 were not in place in FY 2014.

The Peace Corps' principal financial statements include the Balance Sheet, Statement of Net Cost, Statement of Changes in Net Position, and Statement of Budgetary Resources. Financial statements and notes are included in the Financial Section of this report.

Agency funds primarily consist of appropriated funding administered by the U.S. Department of Treasury and appropriated by Congress in the amount of \$379 million for FY 2014. This was an increase of \$23 million from the FY 2013 appropriation of slightly more than \$356 million. In FY 2014, Budgetary Resources were \$479.5 million which compares favorably with the \$447.8 million Budgetary Resources in FY 2013. Budgetary

Resources consist mainly of appropriated funds plus the available unobligated balance of prior year appropriated funds, recoveries of prior year obligations, and the spending authority from offsetting collections. (Offsetting collections are primarily the reimbursable work the agency performs on behalf of other federal agencies such as U.S. Agency for International Development and its \$16.9 million for the nation's Feed the Future, Global Education, and other initiatives).

The agency has two years in which to obligate appropriated funds and another five years in which to complete the payout process for those funds. The Peace Corps operates as one program with the single purpose of providing trained Volunteers to host countries to promote world peace and friendship. The agency enhances the use of performance and cost information in budgetary decision making through the Integrated Planning and Budget System, where posts and headquarters offices develop strategic plans and resource requests to execute goals, as well as the annual strategic review, which provides performance information as an input to the budget formulation process.

The following table provides a comparative summary of the major financial activities in FY 2014 and FY 2013.

Changes in Financial Position from FY 2013 to FY 2014		
(In Thousands)		
Net Financial Condition	FY 2014	FY 2013
Fund Balance with Treasury	\$ 211,369	\$ 188,687
Accounts Receivable	3,092	3,166
PP&E	34,556	29,987
Prepaid Volunteer Living Allowances	1,836	2,010
Other Assets	3,890	3,440
Total Assets	\$ 254,743	\$ 227,290
Accounts Payable	9,883	11,961
Employee Benefits	149,107	153,397
Unfunded FECA Liability	33,348	32,297
Unfunded Annual Leave	10,289	9,755
Other Employment Related	3,586	2,492
Non-Entity Funds	20,225	23,400
FSN and PSC Severance Liability	25,849	24,643
Other Liabilities	273	1,159
Total Liabilities	\$ 252,560	\$ 259,104
Unexpended Appropriations	158,343	129,818
Cumulative Results of Operations	(156,160)	(161,632)
Total Net Position	\$ 2,183	\$ (31,814)
Net Cost of Operations	\$ 354,462	\$ 371,842
Budgetary Resources	\$ 479,545	\$ 447,801

Analysis of Financial Results

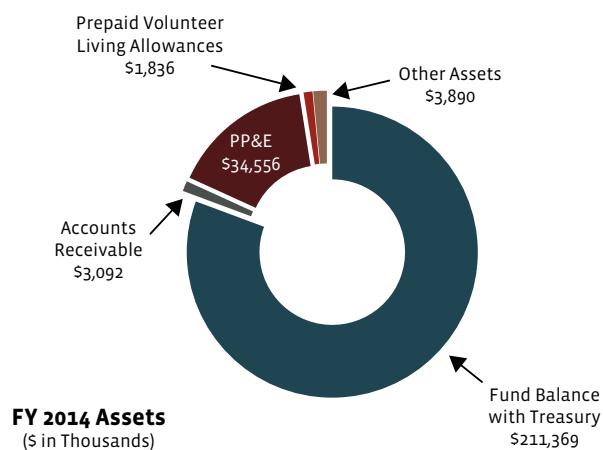
ASSETS – WHAT WE OWN AND MANAGE. Assets are the amount of future economic benefits owned or managed by the Peace Corps to achieve its mission. Total Assets were \$254.7 million as of September 30, 2014 on the Balance Sheet. This represents an increase of \$27.4 million over the assets in FY 2013 of \$227.3 million. The primary reason for the increase in assets was due to an increase in the Fund Balance with Treasury because of the higher level of appropriation in FY 2014.

The most significant assets are the Fund Balance with Treasury and Property, Plant, and Equipment (PP&E) which represent 83 percent and 14 percent

as of September 30, 2014, respectively. The Fund Balance with Treasury consists of cash appropriated by Congress and held in U.S. Department of Treasury's accounts that are accessible by the Peace Corps to pay for agency obligations incurred. PP&E consists of tangible assets owned by the agency, reported by major class in detail in Note 5, General Property, Plant, and Equipment, Net.

The Fund Balance with Treasury at \$211.4 million in FY 2014 increased by \$22.7 million primarily due to a \$19 million rescission of appropriated funds in FY 2013 and a \$4 million increase in appropriated funding. PP&E increased by \$4.6 million as a result of newly acquired vehicles and IT hardware purchases.

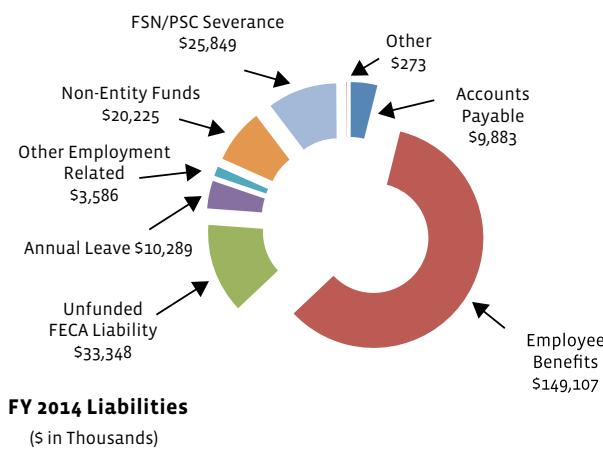
Assets by type are shown in the chart below:



LIABILITIES – WHAT WE OWE. Liabilities are the amounts owed by the Peace Corps.

As of September 30, 2014, total liabilities of \$252.6 million were shown on the Balance Sheet. This is a decrease of \$6.5 million from \$259.1 million in FY 2013. This decrease was primarily due to a \$4.3 million decrease in Federal Employee and Veterans Benefits and a \$3.2 million decrease in the Volunteer readjustment allowance.

Liabilities by type are shown in the chart below:



ENDING NET POSITION – WHAT WE HAVE DONE OVER TIME. Net Position represents the difference between the Assets and the Liabilities on the Balance Sheet. The agency's Net Position increased in FY 2014 to \$2.2 million from its -\$31.8 million in FY 2013.

NET COST – RESULTS OF OPERATIONS. The Net Cost of Operations decreased in FY 2014 from the FY 2013 position of \$371.8 million to \$354.5. The decrease was due to lower rate of operating expenses for payroll and benefit costs.

Limitations of the Financial Statements

The principal financial statements have been prepared to report the financial position and results of operations of the Peace Corps, pursuant to the requirements of 31 U.S.C. 3515 (b). While the statements have been prepared from the entity's books and records in accordance with generally accepted accounting principles for federal entities and the formats prescribed by the Office of Management and Budget (OMB), the statements are in addition to the financial reports used to monitor and control budgetary resources, which are prepared from the same books and records. The statements should be read with the realization that they are for a component of the U.S. government, a sovereign entity.

Analysis of Systems, Controls, and Legal Compliance

Management Assurances

This section addresses the Peace Corps' compliance with the Federal Managers' Financial Integrity Act (FMFIA) of 1982 (P. L. 97-255) and presents the financial management systems strategy and other controls.

Federal Managers' Financial Integrity Act

The FMFIA requires the heads of agencies to annually assess and report on the adequacy of internal controls that protect the integrity of federal programs. In accordance with FMFIA, agencies are required to establish accounting and administrative controls to include program, operational, and administrative areas, in addition to accounting and financial management, and requires standards to ensure the prompt resolution of all audit findings. The FMFIA requires reasonable assurances that (i) obligations and costs are in compliance with applicable law; (ii) funds, property, and other assets are safeguarded against waste, loss, unauthorized use, or misappropriation; and (iii) revenues and expenditures applicable to agency operations are properly recorded and accounted for to permit the preparation of accounts and reliable financial and statistical reports and to maintain accountability over the assets. The agency's Qualified Assurance Statement on the adequacy of internal controls over financial reporting (FMFIA § 2) and on conformance of financial systems with governmentwide standards (FMFIA § 4) is shown below in the FY 2014 FMFIA Qualified Assurance Statement.

Internal Control Guidance

Guidance for implementing the FMFIA (31 U.S.C. 3512) is provided through OMB Circular A-123, Management's Responsibility for Internal Control, which further defines management's responsibility for internal control in federal agencies, including the

financial management systems. Within the agency, Peace Corps Manual Section 784, Internal Control System, sets out the policies and procedures for establishing, assessing, correcting, and reporting on internal control in order to achieve the objectives of effective and efficient operations; reliable financial reporting; and compliance with applicable laws and regulations. The safeguarding of assets is a subcomponent of each objective above.

Internal Control Operations

The agency achieved an unmodified (clean) audit opinion on the financial statements during the FY 2014 financial statement audit. Legal compliance was addressed through auditor testing of selected laws and regulations and no material weaknesses were identified. There were, though, three instances of noncompliance with laws and regulations identified and one nonconformance with financial management system requirements for the Federal Information Security Management Act of 2002. See Appendix 1.

The Peace Corps conducted its annual assessment on the adequacy of internal controls, and the FY 2014 Qualified Assurance Statement is supported by department and office heads assurance statements of compliance with effective internal controls throughout the agency as of September 30, 2014. Agency managers are responsible for designing, implementing, and monitoring internal controls (proper organization, policies, and procedures) in their areas. Monitoring the effectiveness of internal control occurs in the normal course of conducting agency business over the course of each year. Annual assurance statements are based on information gathered from various sources including the managers' personal knowledge of day-to-day operations and existing controls, self-assessments, senior leadership meetings, audits of financial statements, Inspector General audits, reports,

reviews, investigations, and evaluations. Agency managers' reasonable assurances of compliance are further supported by risk assessments performed by department and office heads, following reviews of operations in their area where no material weaknesses were identified. The FY 2014 risk assessments, however, did identify weaknesses of lesser severity than material weaknesses in a few areas and those are being monitored closely within the agency.

The material weakness in financial management analysis and reporting identified during the FY 2013 financial statement audit was resolved during this fiscal year. Two of the three significant deficiencies in internal control identified in that audit, however, were not resolved. Only the Accounts Payable Accrual Significant Deficiency was successfully resolved. The significant deficiencies that remain open are Property, Plant, and Equipment (Repeat Condition) and Information Technology Security (Repeat Condition). Resolution of the Property, Plant, and Equipment (PP&E) Significant Deficiency is expected during FY 2016 when full implementation of the newly acquired asset management system occurs. Information Technology Security corrective actions this year included securing a centrally located federal repository for Plan of Action and Milestones mitigation and purchasing AlienVault Security Information and Event Management (SIEM) solution for continuous monitoring of the EMA posts.

Overall, the agency's internal control program is designed to ensure compliance with the goals, objectives, and requirements of the FMFIA and other federal regulations.

Improper Payments Information Act

As a small agency with only one program, the Peace Corps has no activities that are risk-susceptible to the threshold amounts in OMB Circular A-123, Appendix C, Requirements for Effective Management and Remediation of Improper Payments. This

circular implements the requirements of the Improper Payments Elimination and Recovery Act of 2010 which amended the Improper Payments Information Act of 2002. Significant improper payments are defined as gross annual improper payments exceeding both 1.5 percent of program outlays and \$10 million of all program or activity made during the fiscal year reported or \$100 million (regardless of the improper payment percentage of total program outlays). While not rising to the level of the improper payment thresholds above, agency payments were reviewed during FY 2014 based on different dollar values, and those payments in the amount of \$250,000 and above were subjected to an extensive review through a semiannual system-generated report. Further, the Peace Corps is a full participant in the Treasury's "Do Not Pay" program operating through the Treasury Do Not Pay Business Center. Payees under consideration for payment are reviewed for eligibility through the pre-award component of the business center, then payments are re-verified in the pre-payment component, followed by post-payment data matching reviews.

Debt Management Controls

The Peace Corps manages a limited amount of debt under the provisions of the Debt Collection Improvement Act of 1996, OMB Circular A-129, Policies for Federal Credit Programs and Non-Tax Receivables, the Controller Alert, Improving Collection of Delinquent Debt issued January 4, 2013, and other laws. During FY 2014, the agency wrote off delinquent debt older than two years in the amount of \$7.4 thousand and submitted quarterly reports through the Treasury Report on Receivables and Debt Collection.

Financial Management Systems Strategy

During FY 2014, Peace Corps upgraded and implemented a number of changes to its Oracle financial management system, Odyssey, required under Treasury's Governmentwide Accounting

Initiative. By FY 2015, Treasury's single data collection system will provide for more consistent and more complete financial data from all reporting agencies and will eliminate many manual reports. During the first phase, the agency converted to a monthly automated submission of the detailed trial balance to the Governmentwide Treasury Account Symbol Adjusted Trial Balance System, replacing the previous FACTS II (Federal Agencies' Centralized Trial-Balance System II) reporting. By the third quarter in FY 2014, the Peace Corps implemented changes to its processing of Collections and Intra-governmental Payment and Collection System charges to include all of the required data fields for Treasury's centralized reporting. Lastly, the agency converted its Treasury payment files to the new Payment Automation Manager System and implemented the required changes to the Secure Payment System. By the end of the fiscal year, the Peace Corps became a Treasury-certified full CARS (Central Accounting and Reporting System) reporter.

An upgrade to Hyperion Planning, the agency's budget formulation and analysis software application, was also completed in the third quarter of the fiscal year. The upgraded system is fully integrated with the agency's upgraded IT infrastructure components and expedites data entry and reporting.

During the fourth quarter of the fiscal year, the Peace Corps awarded a contract for the procurement

and implementation of a new asset management system. This new system will replace the current Bar Tracks system used by Peace Corps offices worldwide. This new system will eliminate manual asset input, provide better asset tracking, and create more functionality, including integration with the financial system Odyssey and with the Office of the Chief Information Officer's software tracking systems. The system implementation, which involves several organizations, is being coordinated by the Office of the Chief Financial Officer with a phased rollout expected in FY 2015.

Also in the fourth quarter of FY 2014, the agency signed an Interagency Agreement with its payroll service center, the National Finance Center, for the procurement and implementation of a new timekeeping system. The new system, WebTA, will track staff time related to capital projects and capture the associated payroll data in Odyssey, the financial system. WebTA is expected to be launched by the third quarter of FY 2015.

The financial systems changes put in place to become a CARS reporter and the implementation of the asset management and the timekeeping systems will strengthen financial reporting and internal control agencywide.

The FFMIA Qualified Management Assurance Statement that follows is consistent with the FY 2014 financial statement audit report.

FY 2014 FMFIA Qualified Assurance Statement

The Peace Corps assessed the effectiveness of internal control to support effective and efficient operations, reliable financial reporting, and compliance with applicable laws and regulations in accordance with the Federal Managers' Financial Integrity Act (FMFIA) of 1982 Section 2 and OMB Circular A-123. Based on this assessment, the Peace Corps can provide reasonable assurance for FY 2014 that its internal control over the effectiveness and efficiency of operations and financial reporting was operating effectively and no material weaknesses were found in the design or operation of the internal controls. Three instances, though, of noncompliance with applicable laws and regulations were identified.

The Peace Corps conducted its assessment of whether the financial management systems conform to governmentwide financial systems requirements in accordance with FMFIA Section 4. Based on this assessment, the Peace Corps can provide reasonable assurance that its financial management systems are in compliance with the applicable provisions of FMFIA Section 4 and OMB Circular A-123 for FY 2014 with the exception of one nonconformance for the Federal Information System Management Act of 2002 (FISMA). Details of the FISMA nonconformance are in Appendix 1.



Carolyn Hessler-Radelet, Director
November 17, 2014



Joseph L. Hepp, Jr.
Chief Financial Officer
November 17, 2014

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Performance Section



Introduction

The Performance Section details the FY 2014 results of the 11 strategic objectives and the 26 performance goals in the FY 2014–18 Strategic Plan and FY 2014 Annual Performance Plan. This is the first year of agency operations under the new strategic plan. The FY 2014–18 Strategic Plan and FY 2014 Annual Performance Plan may be found at www.peacecorps.gov/strategicplan.

Verification and Validation of Performance Data

As stated in the Director's Letter, the agency's FY 2014 performance results are based on reliable and valid data that are complete as of the end of the fiscal year. Data collection and reporting consistency is ensured by the use of detailed performance goal data reference sheets, which include operational definitions, data sources, and a comprehensive methodology for measuring each performance indicator. The Peace Corps Office of Strategic Information, Research, and Planning reviews all performance data to ensure they are complete and accurate. Major data sources and verification and validation processes are described in detail in Appendix 2, Verification and Validation of Performance Data.

Strategic Plan Framework

The FY 2014–18 Strategic Plan includes the long-range goals and objectives designed to advance the

Peace Corps mission. The accompanying FY 2014 Annual Performance Plan lays out the strategies and activities the agency utilizes to accomplish these goals and objectives as well as the specific results the agency expects to achieve over time.

The FY 2014–18 Strategic Plan and FY 2014 Annual Performance Plan include the following components:

- **Strategic Goals** reflect the broad, long-term outcomes the agency works toward to achieve the Peace Corps mission of world peace and friendship.
- **Strategic Objectives** express the specific areas the agency will prioritize to achieve the strategic goals. Strategic objectives may support multiple strategic goals.
- **Strategies and Activities** include the actions the agency intends to take to meet agency goals and objectives.
- **Performance Goals** state a quantitative level of performance, or “target,” to be accomplished within a specific timeframe.
- **Lead Offices** are responsible for coordinating agencywide efforts to develop, implement, and report on plans to achieve each performance goal.

Strategic Goals

The Peace Corps' three strategic goals are based on the three core goals outlined in the Peace Corps Act (1961). Each of the strategic goals is supported by several strategic objectives as shown below:

Strategic Objectives	Strategic Goal 1: Building Local Capacity	Strategic Goal 2: Sharing America with the World	Strategic Goal 3: Bringing the World Back Home
1. Volunteer Well-Being	X	X	X
2. Service Opportunity of Choice	X	X	X
3. Development Impact	X	X	
4. Cross-Cultural Understanding	X	X	X
5. Continuation of Service			X
6. Diversity and Inclusion	X	X	X
7. Site Development	X	X	
8. Train-Up	X	X	
9. High-Performing Learning Organization	X	X	X
10. Global Connectivity	X	X	X
11. Measurement for Results	X	X	X

Performance Results by Strategic Objective

Legend

The following legend details the key symbols used in the Performance Section.

Strategic Objective Status:

Noteworthy progress	The agency is on track to achieve the strategic objective. Strategies and activities have been executed on schedule, and there is evidence to suggest they are leading to the desired outcomes. Performance goal targets have either been met or are expected to be met in the future as the result of planned strategies.
Area for improvement	An increased focus is needed by the agency to improve performance on the strategic objective. Some strategies and activities may have been executed, but more progress is needed to advance the strategic objective. Additional data may be needed to better understand performance.

Performance Goal Targets:

	Target met
	Target not met
No target set	The agency did not set FY 2014 targets for performance goals measured by new data sources. New data sources include the Global Counterpart Survey, the Host Country Staff Survey, and elements of the Volunteer Reporting Tool and the Annual Volunteer Survey (AVS). Data collected in FY 2014 from these new sources were used to develop targets for future years.

Strategic Objective 1: Volunteer Well-Being <i>Enhance the safety, security, and health of Volunteers through rigorous prevention and response systems and high-quality medical and mental health services (Supports Strategic Goals 1, 2, and 3)</i>	FY 2014 Status Noteworthy progress
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Volunteers serve in local communities often under hardship conditions where the health care infrastructure and security environments differ from those of the United States. The Peace Corps develops rigorous prevention and response systems and services to support the safety, security, and physical and emotional health of Volunteers.

The agency has implemented several critical reforms to ensure the optimal safety, security, and health of Volunteers. The agency will evaluate the effectiveness of these reforms by exploring new methods for measuring Volunteer well-being in future years.

Key Strategies and Activities:

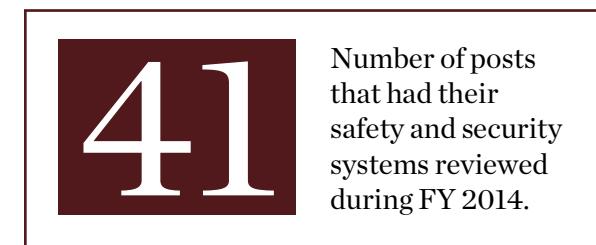
- **Finalize implementation of the Kate Puzey Peace Corps Volunteer Protection Act of 2011:** The agency continued to move toward full implementation of the Act. Activity in FY 2014 included continuing implementation of the Sexual Assault Risk Reduction and Response (SARRR) program. Staff who provide support to victims of crime have completed mandatory SARRR training, and sexual assault response liaisons at all posts have been trained. Additional information may be found at www.peacecorps.gov/volunteer/learn/safety/support/puzey/.
- **Improve pre-service training sessions:** The agency updated pre-service training sessions on mitigating risks and maintaining physical and emotional health to meet the agency's global learning standards.
- **Implement the electronic medical records system:** The agency began implementation of the new electronic medical records system and initiated Peace Corps medical officer training. When fully operational, the new system will streamline procurement of medical supplies, provide real-time medical information, and allow Volunteers to communicate with health-care professionals and provide feedback through a portal.

Performance Goal Results:

Performance Goal 1.1: Implement Critical Safety and Security Recommendations <i>Increase the percentage of critical Volunteer safety and security recommendations implemented by the agreed upon time to 90 percent by FY 2015</i>		FY 2014 Target
		X

	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Target	100%	100%	85%	88%	88%	--
Result	56%	79%	75%	84%	67%	

Analysis: The agency implemented 107 of 159 (67 percent) critical safety and security recommendations. Challenges to meeting this performance goal include determining the appropriate definition for what constitutes a “critical” recommendation leading to improved Volunteer safety, as well as the lack of a centralized data management system to store data related to critical recommendations. While the implementation of critical safety and security recommendations will continue to be an activity undertaken to improve safety and security systems at overseas posts, the agency is in the process of developing a new



performance goal that will more directly measure Volunteer safety and security outcomes. The proposed new measure will include Volunteer perceptions of their safety and security in addition to data on reported incidents of crime against Volunteers. The agency expects to utilize the new

performance goal beginning in FY 2016. In the interim, the agency will measure Volunteer safety and security through an AVS measure related to Volunteer satisfaction with safety and security support in FY 2015.

Data Source: Peace Corps administrative records

Lead Office: Office of Global Operations

<p>Performance Goal 1.2: Volunteer Satisfaction with Medical and Mental Health Support</p> <p><i>Reduce the percentage of Volunteers dissatisfied¹ with medical and mental health support to 7.0 percent by FY 2016</i></p>	FY 2014 Target 
---	--

	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Target	--	--	--	--	8.2%	7.2%
Result²	7.0%	7.0%	7.4%	9.2%	8.6%	

¹ Includes the bottom two negative response options on a five-point scale. In FY 2014, the agency redesigned the Annual Volunteer Survey (AVS) questionnaire. As part of the redesign, the response scales for a number of questions were changed from an unbalanced to a balanced format where there are an equal number of positive and negative categories on the response scale. The decision to use balanced scales was made in order to improve the quality of AVS responses by making the positive, neutral, and negative options more clear for respondents. For this performance goal, the bottom two negative response options on the five-point scale were changed from "Minimally/Not at All" to "Dissatisfied/Very Dissatisfied."

² Due to the improvements to the AVS in FY 2014, including modifying the response scales (described above) and reducing the length of the questionnaire by half, results from FY 2010–13 (shaded in grey) may not be directly comparable to results in FY 2014 and future years. However, year-to-year comparison of results from FY 2014 and beyond will be possible. Additional information on the effects of the AVS changes on performance results may be found in Appendix 2, Verification and Validation of Performance Data.

Analysis: While the target was not met, the difference between the FY 2014 result and target is not of practical significance. Additionally, the result may have been influenced by improvements to the AVS in FY 2014. The Peace Corps provides direct medical care for its Volunteers, and several factors may contribute to patient satisfaction, including satisfaction with Peace Corps medical officers (PCMO), disease incidence, the quality of local providers, and medical facilities. The agency works to improve Volunteer health outcomes and

satisfaction with medical and mental health support by strengthening PCMO support, ensuring vacant PCMO positions are filled in a timely manner, providing continuous education for medical staff, improving Volunteer training on maintaining physical and emotional health, and focusing on quality improvement.

Data Source: Annual Volunteer Survey

Lead Office: Office of Health Services

<p>Strategic Objective 2: Service Opportunity of Choice</p> <p><i>Position the Peace Corps as the top choice for talented Americans interested in service by reaching a new generation of potential Volunteers and streamlining the application process (Supports Strategic Goals 1, 2, and 3)</i></p>	FY 2014 Status Noteworthy progress
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For over 50 years, the Peace Corps has been a top choice for talented Americans interested in service. However, individuals now have a growing range of international service opportunities from which to choose. To address this challenge, the Peace Corps has transformed its application and selection process to open service opportunities to a new generation of Volunteers.

The agency made significant improvements to the application process in the second half of the fiscal year. While performance goal targets were not met, the agency expects the gains achieved in FY 2014 to continue into the next year and beyond.

Key Strategies and Activities:

- **Modernize and streamline the application process:** As a result of changes to the application process, applicants can now choose the programs and countries to which they would like to apply. The application is also significantly shorter (reduced from eight hours required to complete an application to one hour). Additionally, applicants have more information on when they can expect to receive an invitation for service.
- **Conduct market research on core prospects and their primary influencers:** The agency is in the process of conducting a market research project to better understand the brand and value of the Peace Corps from the perspectives of core prospects (18- to 26-year-olds), future prospects (15- to 17-year-olds), and their primary influencers (e.g., family and friends). The agency has completed its review of research related to millennials and is in the process of fielding an omnibus survey and qualitative testing. The research project will conclude by the end of the calendar year and will inform marketing and recruitment strategies.
- **Engage in proactive recruitment and invest in additional staff:** To meet aggressive targets to increase the number of applications received for Volunteer service, the agency has adopted a more proactive approach to recruitment and increased recruitment and placement staff by over 50 percent. The agency recently kicked off an ongoing, agencywide effort to call over 100,000 prospective applicants. In the past, the agency did not have sufficient staffing resources to directly follow-up with so many prospects.

Performance Goal Results:

Performance Goal 2.1: Volunteer Requests Met		FY 2014 Target
<i>Field 100 percent of the Volunteers requested by overseas posts each year</i>		✗

	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Target	--	95%	95%	95%	100%	100%
Result	101%	97%	97%	90%	98%	

Analysis: The agency fielded 3,485 of the 3,554 Volunteers requested by posts last year. As the time from applying to the Peace Corps to entering on duty

as a Volunteer typically takes over a year, the agency did not meet the target largely due the low number of applications received in FY 2012–13. The greater

number of applications in FY 2014, as well as agency plans to implement a waitlist system, will increase the percentage of requests for Volunteers met next year and beyond.

Data Source: Peace Corps database

Lead Office: Office of Volunteer Recruitment and Selection

Top 5 Posts By Number of Volunteers Who Entered Service

Ethiopia	133
Zambia	120
Senegal	116
Morocco	104
Paraguay	101

Performance Goal 2.2: Increase Service Opportunities

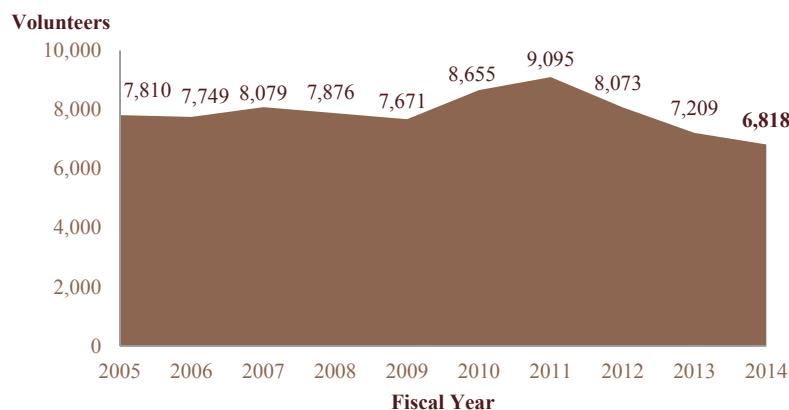
Increase the number of Volunteers serving annually to 10,000 by FY 2018

FY 2014 Target



	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Target	--	--	--	--	7,600	8,200
Result	8,655	9,095	8,073	7,209	6,818	

Number of Volunteers Serving



Analysis: Prior to the suspension of the programs in Ukraine and Kenya due to security concerns as well as the temporary removal of Volunteers in Guinea, Liberia, and Sierra Leone due to the Ebola outbreak, the agency was on track to maintain the FY 2013 number of Volunteers serving. The agency plans to return to each of these countries as conditions on the ground improve. In FY 2014, the agency entered Kosovo for the first time and restarted the previously

suspended program in Mali. The Peace Corps is planning to increase its presence around the world by opening or reopening programs in Burma, Comoros, and Timor Leste, and increasing Volunteer numbers in existing programs.

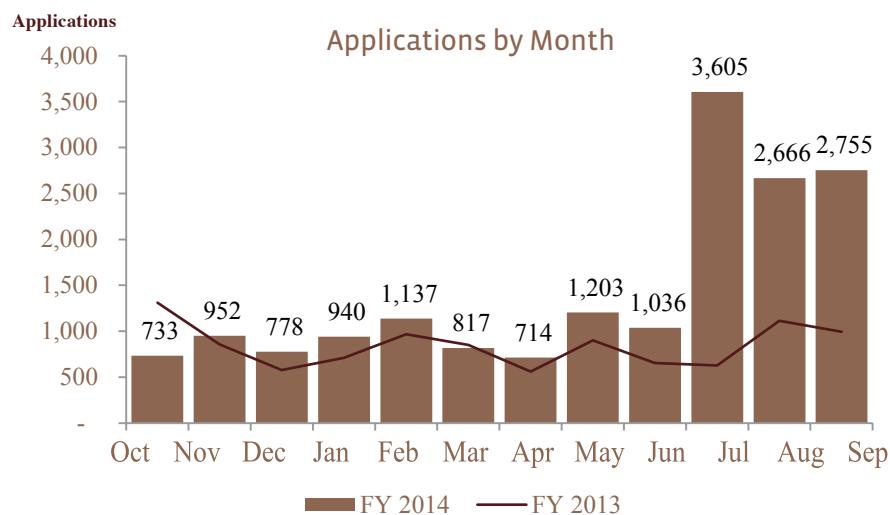
Data Source: Peace Corps database

Lead Office: Office of Global Operations

Performance Goal 2.3: Increase Applications <i>Increase applications for Volunteer service to 25,000 by FY 2018</i>	FY 2014 Target X
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	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Target	--	--	--	--	20,000	22,000
Result	13,430	12,206	10,091	10,118	17,336 ¹	

¹ The definition of an application for Volunteer service was modified in FY 2014—results for FY 2010–13 are reported using the previous definition. The agency received 15,404 applications in FY 2014 as measured by the previous definition. Under the new definition, an “application” occurs when a qualified U.S. citizen submits a completed application for either the two-year Peace Corps Volunteer program or the short-term Peace Corps Response program. The previous definition did not include Peace Corps Response and required that individuals submit both the application and health history form. Under the new definition, the agency received 19,151 applications in FY 2014. For comparison to the FY 2014 target, only applications from the two-year program (17,336) are reported in FY 2014. Future performance targets will be set based on this new definition which includes applications from both the two-year program and the Peace Corps Response program.



Analysis: While the target was not met, the agency expects the strategies implemented in late FY 2014 to continue producing positive results in future years. After the modifications to the application process in July 2014, the agency saw a dramatic increase in the number of applications received—from July to September of this year, the agency saw an over 200 percent increase in applications over the same period last year, leading to a 22-year high in the number of applications received in FY 2014. Future plans to

expand marketing and recruitment activities will sustain this growth and lead to the achievement of this performance goal over time.

Data Source: Peace Corps database

Lead Office: Office of Volunteer Recruitment and Selection

Performance Goal 2.4: Reduce Time from Application to Invitation <i>Reduce the median time from application to invitation to no more than 3 months by FY 2016</i>	FY 2014 Target X
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	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Target		--	--	--	5 months	4 months
Result		10 months	11 months	6 months ¹	7 months	

¹ In FY 2013, the application and medical review processes were modified; invitations are now offered prior to medical clearance. This resulted in a reduction of the median time from application to invitation.

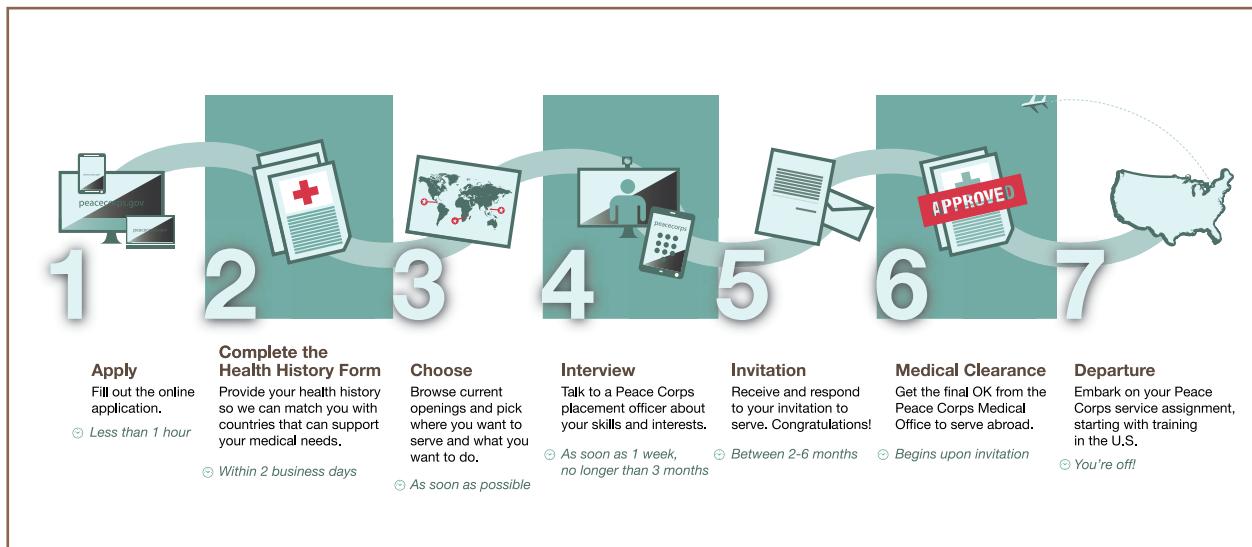
Analysis: Results for this performance goal are expected to lag behind other indicators of the Volunteer recruitment and selection process as individuals who applied under the previous application process continue to move through the system. The development of quarterly application deadlines to rank and pool candidates, the increase in recruitment and placement staff, and the reduction

in the time required to complete the application are expected to reduce wait times in the future.

Data Source: Peace Corps database

Lead Office: Office of Volunteer Recruitment and Selection

Application Process



Strategic Objective 3: Development Impact <i>Advance community-based development by strengthening the capacity of local individuals and communities, focusing on highly effective technical interventions, and leveraging strategic partnerships (Supports Strategic Goals 1 and 2)</i>	FY 2014 Status Area for improvement
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The Peace Corps contributes to local development outcomes and strengthens local capacity by implementing Volunteer projects that utilize technical interventions proven to be successful. The agency also partners with other U.S. government, nongovernmental, and private sector development organizations to enhance Volunteers' impact through knowledge, skill, and resource sharing.

The Peace Corps is in the process of significantly enhancing its ability to measure the development impact of Volunteers. However, more data are needed to fully understand if the agency's strategies for supporting and enhancing Volunteers' development work are leading to gains in local development outcomes.

Key Strategies and Activities¹:

- **Revise Volunteer project frameworks:** The agency completed the major revisions to project frameworks for all Volunteer projects in FY 2013 and continued to update frameworks as needed in FY 2014. Project frameworks include the goals the Volunteers are working toward, recommended activities for achieving those goals, and indicators of success. This multiyear effort is in response to a recommendation in the 2010 Comprehensive Agency Assessment (http://files.peacecorps.gov/multimedia/pdf/opengov/PC_Comprehensive_Agency_Assessment.pdf) to focus Volunteer projects on a discrete set of interventions proven to be successful when executed by Volunteers.
- **Actively participate in Presidential and whole-of-government initiatives:** Due to the placement, intercultural, and language skills of Peace Corps Volunteers, they are well-positioned to expand the reach of major development initiatives in local communities. Volunteers work on projects related to several Presidential and whole-of-government initiatives, including the Energy and Climate Partnership of the Americas; Feed the Future; the Global Health Initiative; the President's Emergency Plan for AIDS Relief (PEPFAR); the President's Malaria Initiative; and Saving Mothers, Giving Life.
- **Modify guidelines for feedback to Volunteers:** The agency recognizes the critical importance of providing timely and quality feedback to Volunteers on their work to ensure that they benefit from the expertise of staff and the best practices of other Volunteers. The agency now has regional standards in place for the timeliness and frequency required for providing this feedback. Posts are also in the process of adding dedicated staff positions, which will include a focus on improving the feedback provided to Volunteers on their work, to strengthen the support provided to Volunteers.

¹ Volunteer activities related to the achievement of Strategic Objective 3: Development Impact may be found in the Work of the Volunteers Section.

Performance Goal Results:

<p>Performance Goal 3.1: Advance Community-Based Development Outcomes</p> <p><i>Increase the percentage of projects with documented gains on community-based development outcomes</i></p>	<p>FY 2014 Target</p> <p>No target set</p>
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	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Target	--	--	--	--	No target set; Baseline data collection	No target set; Baseline data collection
Result ¹	--	--	--	--	61%	

¹ FY 2014 results are preliminary and will be updated with the FY 2016 Annual Performance Plan to be issued with the FY 2016 Congressional Budget Justification in February 2015.

Analysis: This performance goal is measured by data collected by Volunteers on their activities related to 19 standard sector indicators that represent Volunteer achievement across the Peace Corps' six programmatic sectors. The result represents the percentage of projects that met two thresholds—a minimum percentage of Volunteers reporting on an indicator and a minimum percentage of annual targets met in the project framework. As Volunteer projects and activities vary at each post, not all Volunteers report on these indicators. However, the

results represent Volunteer work at the majority of posts; Volunteers at 52 posts working in 103 projects reported on at least one of these standard sector indicators in FY 2014. This was a new performance goal in FY 2014, and the agency will continue to collect baseline data in FY 2015 to ensure adequate data for the development of future year targets.

Data Source: Volunteer Reporting Tool

Lead Office: Office of Global Operations

Examples of Standard Sector Indicators

Programmatic Sector	Standard Sector Indicator
Education	Improved English Teaching Methodology
Health	Youth adopting healthy sexual behavior
Environment	Improved Community Environmental Action
Community Economic Development	Improved project design and management in local organizations
Youth in Development	Developed Life Skills in Youth: Decision-making and Critical thinking
Agriculture	Adoption of new technologies and practices in agriculture

<p>Performance Goal 3.2: Strengthen Local Capacity</p> <p><i>Increase the percentage of projects with documented gains in the capacity of host country individuals</i></p>	<p>FY 2014 Target</p> <p>No target set</p>
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	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Target	--	--	--	--	No target set; Baseline data collection	No target set; Baseline data collection
Result	--	--	--	--	--	

Analysis: The agency launched its first agencywide survey of counterparts in FY 2014, reaching 1,436 out of an estimated 5,800 counterparts (approximately 25 percent). The survey was launched mid-year, and the percentage of surveyed counterparts is not sufficient to draw conclusions globally. As a result, the agency will continue to collect baseline data in FY 2015 to develop targets for future years. Although the agency does not yet have sufficient data at the global-level, data collected in FY 2014 does provide evidence of the influence of Volunteers at the three posts that achieved a response rate of over 90 percent: Azerbaijan, Macedonia, and Ukraine.

More than eight out of ten counterparts (from 82 to 87 percent) surveyed in these three countries responded that either their capacity or the capacity of their organization was strengthened as the result of working with a Volunteer. The agency will continue to work with posts as they field the Global Counterpart Survey in FY 2015 and beyond to ensure results are globally representative to inform targets for future years.

Data Source: Global Counterpart Survey

Lead Office: Office of Global Operations

Counterparts in these countries say the most important contributions of Volunteers are:



Ukraine

- Increasing capacity in their primary project sector
- Increasing confidence and leadership
- Leading classes and workshops



Macedonia

- Improved English skills
- Increasing capacity in their primary project sector
- Creating new materials and resources



Azerbaijan

- Increasing capacity in their primary project sector
- Improved English skills
- Creating new materials and resources

<p>Performance Goal 3.3: Improve Feedback to Volunteers</p> <p><i>Increase the percentage of Volunteers satisfied¹ with the timeliness and quality of feedback provided on their work to 72 percent by FY 2018</i></p>	<p>FY 2014 Target</p> 
--	--

	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Target	--	--	--	--	40% ²	60%
Result ³	35%	39%	33%	38%	55%	

¹ Includes the top two positive response options on a five-point scale.

² The FY 2014 target for this performance goal was based on FY 2010–13 results from a proxy measure from the AVS: “How satisfied are you with the following support provided by in-country Peace Corps staff: Feedback on my work reports.” Two new questions were introduced in the AVS to measure this performance goal in FY 2014 and beyond.

³ In FY 2014, the agency redesigned the AVS questionnaire. As part of the redesign, the response scales for a number of questions were changed from an unbalanced to a balanced format where there are an equal number of positive and negative categories on the response scale. The decision to use balanced scales was made in order to improve the quality of AVS responses by making the positive, neutral, and negative options more clear for respondents. The length of the questionnaire was also reduced by half. Due to the improvements to the AVS, as well as the use of a new question to measure this performance goal, results from the proxy measure in FY 2010–13 (shaded in grey) may not be directly comparable to results in FY 2014 and future years. However, year-to-year comparisons of results from FY 2014 and beyond will be possible. Future year targets have been adjusted based on the FY 2014 result. Additional information on the effects of the AVS changes on performance results may be found in Appendix 2, Verification and Validation of Performance Data.

Analysis: The target was met in FY 2014. However, the achievement may have been due to measurement changes resulting from improvements to the AVS in FY 2014. Targets for FY 2015 and future years have been adjusted upward based on the FY 2014 result. This performance goal measures the percentage of Volunteers satisfied with both the timeliness and quality of feedback provided by Peace Corps staff. When analyzed separately, Volunteers are slightly more satisfied with the quality of feedback (67 percent) than with the timeliness of feedback (64 percent). Additionally, Volunteers in each

sector rated the timeliness and quality of feedback differently. Volunteers in the Community Economic Development and Youth in Development sectors rated the timeliness and quality of feedback the highest (62 percent and 60 percent, respectively) followed by Agriculture (59 percent), Education (57 percent), Environment (56 percent), and Health (49 percent).

Data Source: Annual Volunteer Survey

Lead Office: Office of Global Operations

Strategic Objective 4: Cross-Cultural Understanding <i>Build a deeper understanding of other cultures by developing long-lasting connections between American and host country individuals and communities (Supports Strategic Goals 1, 2, and 3)</i>	FY 2014 Status Area for improvement
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Volunteers advance cultural understanding between the United States and the communities where they serve by living and working among local people and by sharing their experiences with family, friends, and colleagues when they return home. To enhance the Volunteers' work to build cultural understanding, the agency provides Volunteers with training and tools to thrive in host country cultures and encourages them to use modern technology to connect host country and American people in meaningful conversations that lead to strong and sustained relationships.

Volunteers serve as cultural ambassadors between host countries and the United States—promoting mutual understanding among peoples through daily interactions and the use of new technology. However, to reach Volunteers' full potential for contributing to local development and cross-cultural understanding, more progress is needed in providing training and resources to Volunteers and staff on recent advances in intercultural competence.

Key Strategies and Activities¹:

- Develop intercultural competence training and tools:** The agency is in the beginning stages of the development of new mechanisms to build and measure the intercultural competence of staff and Volunteers. Intercultural competence is the knowledge, skills, and attitudes necessary to communicate effectively and appropriately with people from other cultures. In FY 2014, the agency developed and piloted an online training for use by staff in managing cultural differences. In FY 2015, the agency will focus on rolling out the new online training for both staff and Volunteers and will conduct market research to identify appropriate tools to measure the intercultural competence of staff and Volunteers.

- Increase the use of social media and other technology to promote cross-cultural understanding:** Volunteers regularly use social media and other technology to connect with local partners, other Volunteers, and family and friends back home. The Peace Corps contributes to this through agency-supported social media sites as well as special programs designed to encourage cultural education and understanding. The second annual Blog It Home Competition is one example. Through the program, nine top Volunteer bloggers (from among more than 350 Volunteers from 60 countries) were selected and recognized for how they use their blogs to increase cultural understanding. Twenty finalists were featured on the Peace Corps' Facebook page (www.facebook.com/peacecorps) and voted on by the public. The competition reached more than 420,000 people on Facebook and received over 11,000 votes.

¹ Volunteer activities related to the achievement of Strategic Objective 4: Cross-Cultural Understanding may be found in the Work of the Volunteers Section.

Performance Goal Results:

<p>Performance Goal 4.1: Greater Understanding of Americans</p> <p><i>Increase the percentage of counterparts who report a greater understanding of Americans after working with a Volunteer</i></p>	<p>FY 2014 Target</p> <p>No target set</p>
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	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Target	--	--	--	--	No target set; Baseline data collection	No target set; Baseline data collection
Result	--	--	--	--	--	

Analysis: This performance goal is measured through the Global Counterpart Survey—first launched in FY 2014. As the percentage of surveyed counterparts (approximately 25 percent) is not sufficient to draw conclusions globally, the agency will continue to collect baseline data in FY 2015 to develop targets for future years. While results are not available at the global-level, data collected in FY 2014 from the three posts that achieved a response rate of over 90 percent (Azerbaijan, Macedonia, and Ukraine) provides an indication of the influence of Volunteers on counterparts'

understanding of Americans. The vast majority of counterparts surveyed in these three countries (from 87 to 100 percent) reported a greater understanding of Americans after working with a Volunteer. The agency will continue to work with posts as they field the Global Counterpart Survey in FY 2015 and beyond to ensure results are globally representative to inform targets for future years.

Data Source: Global Counterpart Survey

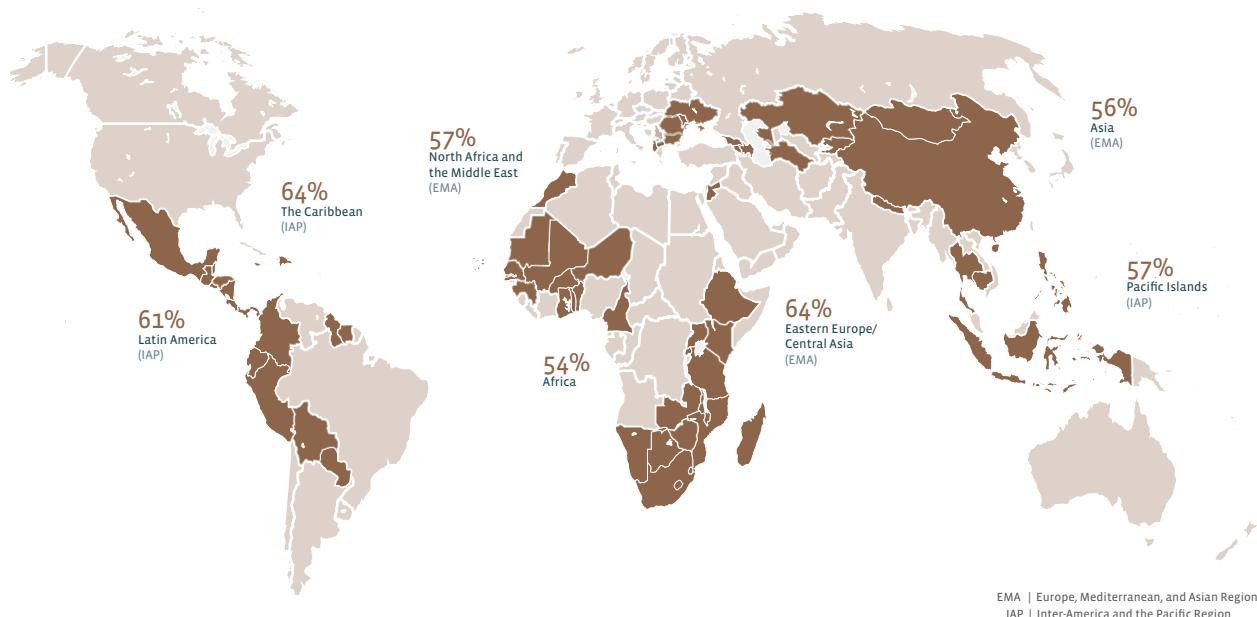
Lead Office: Office of Global Operations

<p>Performance Goal 4.2: Increase Cross-Cultural Connections</p> <p><i>Increase the percentage of Volunteers who report they facilitated direct interactions between American and host country individuals and communities to 62 percent by FY 2016</i></p>	<p>FY 2014 Target</p> <p>No target set</p>
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	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Target	--	--	--	--	No target set; Baseline data collection	60%
Result	--	--	--	--	57%	

Volunteers who report they facilitated direct interactions between American and host country individuals and communities

Percent of 2014 Annual Volunteer Survey Respondents
who facilitated Cross-Cultural Connections



EMA | Europe, Mediterranean, and Asian Region
IAP | Inter-America and the Pacific Region

Analysis: This performance goal captures Volunteers' work to facilitate direct in-person and virtual interactions between Americans and host country peoples through participation in match programs, social media, in-person visits, web conferences, and other mechanisms. This question was included in the Annual Volunteer Survey for the first time in FY 2014. Initial analysis of survey results suggests that the longer that a Volunteer serves the more likely they are to facilitate interactions between Americans and host country individuals and communities. While nearly one-third of Volunteers (32 percent) facilitated such interactions in the first

three months of their service, seven in ten Volunteers (70 percent) did so in their last three months. Volunteer language ability may be another factor. Regardless of how long they have served, two-thirds of Volunteers (66 percent) who felt that they spoke the local language well, facilitated direct interactions compared to 45 percent of those who felt they spoke the language poorly.

Data Source: Annual Volunteer Survey

Lead Office: Office of Overseas Programming and Training Support, Office of Third Goal and Returned Volunteer Services

Strategic Objective 5: Continuation of Service

Support returned Volunteers' continuation of service by fostering a vibrant alumni network, providing tools and resources to ease their transition after service, and offering opportunities for them to share their experiences (Supports Strategic Goal 3)

FY 2014 Status

Noteworthy progress

The more than 215,000 Americans who have served as Volunteers since 1961 represent a significant community of skilled and dedicated individuals who continue serving the American public and the overseas communities where they lived and worked long after they return home. The agency prepares returned Volunteers (RPCVs) to be active contributors to the Peace Corps mission on an ongoing basis by offering career and other transition services and providing opportunities for them to share their experiences with the American public.

In FY 2014, the agency continued to improve the career services provided to RPCVs and to strengthen relationships with independent RPCV groups to advance the Peace Corps mission and support returned Volunteers. Planned improvements to data collection and an expansion of RPCV speaking opportunities is expected to lead to continued gains in performance in future years.

Key Strategies and Activities:

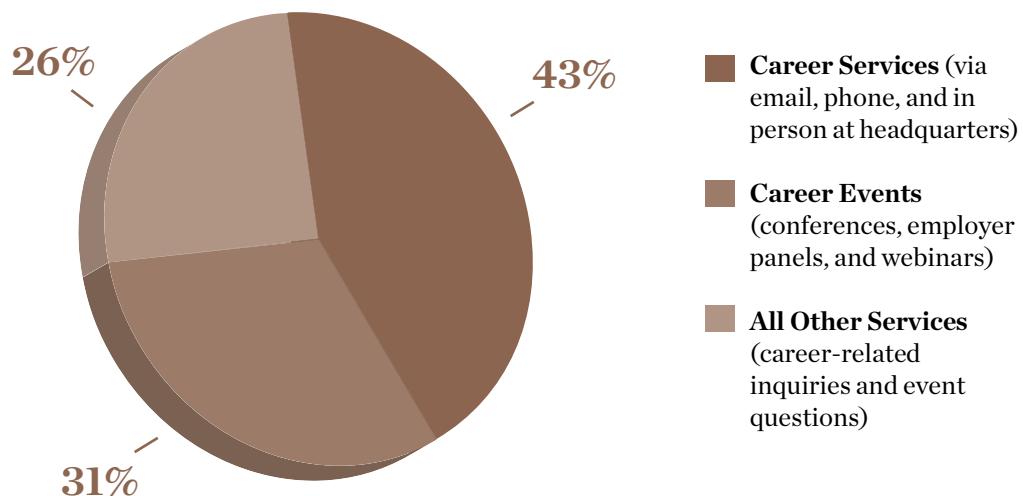
- **Expand RPCV career services through improved online resources:** The agency launched a major revision to the RPCV section of the Peace Corps website in FY 2014 (<http://www.peacecorps.gov/resources/returned/home/>). The revised page features an RPCV Virtual Career Center, a “Bring the World Home” section with resources to help RPCVs share their story, and a section with information on how to connect with other returned Volunteers.
- **Actively promote the noncompetitive eligibility of RPCVs:** The agency regularly works with federal employers to promote the benefits of using noncompetitive eligibility to hire Peace Corps staff and RPCVs. In FY 2014, the agency held a noncompetitive hiring event at the Department of Transportation that included participants from the Department of Housing and Urban Development and the Department of Energy.
- **Gather regular feedback from RPCVs and improve contact information:** The agency made progress in both improving RPCV contact information and systematically gathering feedback from RPCVs. Through a direct mail campaign, the agency collected an additional 7,000 valid email addresses for RPCVs, for a total of approximately 50,000 valid RPCV emails. The agency also began developing an RPCV survey to gather feedback on the agency’s RPCV services as well as information on how RPCVs are continuing to contribute to the Peace Corps mission long after their service. The agency expects to launch the new survey in FY 2015.

Performance Goal Results:

Performance Goal 5.1: Support RPCV Career Transition <i>Increase the number of returned Volunteers who access Peace Corps' career services to 3,000 by FY 2016</i>	FY 2014 Target 
--	--

	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Target	--	--	--	--	2,500	2,750
Result	--	--	--	--	2,649	

Agency-supported Returned Volunteer Services by Type of Interaction



Analysis: Based on the assumption that the target audience for the Peace Corps' career services is recently returned Volunteers, the FY 2014 target was set to reach a significant percentage of the number of Volunteers who complete service each year (an average of 3,500 each year from FY 2010–13). Reliable RPCV registration information for career services for previous years was not available. The career services measured by

this performance goal include: career conferences and fairs, employer panels, employer information sessions, career-focused webinars, résumé reviews, mock interviews, and career services provided at headquarters and regional recruitment offices.

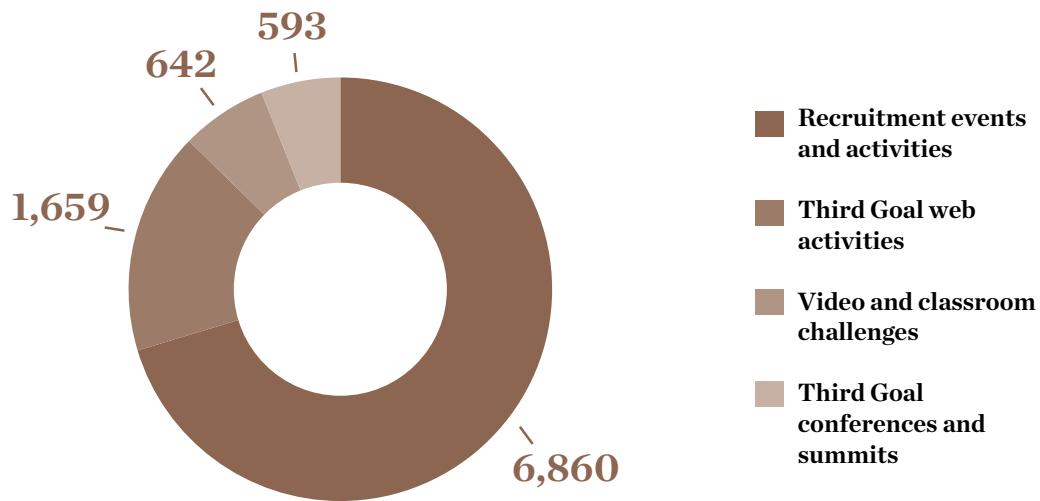
Data Source: Peace Corps administrative records

Lead Office: Office of Third Goal and Returned Volunteer Services

<p>Performance Goal 5.2: Increase RPCV Engagement</p> <p><i>Increase the number of returned Volunteers who participate in agency-supported Third Goal activities to 16,000 by FY 2018</i></p>	<p>FY 2014 Target</p> 
--	--

	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Target	--	--	--	--	8,000	10,000
Result	--	--	--	--	9,754	

Returned Volunteer Engagement in Agency-supported Activities



Analysis: This performance goal measures RPCV participation in agency-supported activities to increase Americans' awareness and knowledge of other cultures, including the Coverdell World Wide Schools Speaker's Match program, Peace Corps Week, Third Goal conferences and summits, and recruitment events. The agency began collecting this information in FY 2014; the target for this year was based on an estimate from a previous indicator that measured RPCV participation in both career events and Third Goal activities. Of the RPCVs who participated in agency-supported activities in

FY 2014, 70 percent spoke at recruitment events, 17 percent participated in events through the Peace Corps website including Peace Corps Week, 7 percent participated in video and classroom challenges, and 6 percent participated in Third Goal conferences, summits, and other events.

Data Source: Peace Corps administrative records

Lead Office: Office of Third Goal and Returned Volunteer Services

Strategic Objective 6: Diversity and Inclusion <i>Actively recruit, support, and retain a diverse workforce and Volunteer corps and build an inclusive culture that encourages collaboration, flexibility, and fairness (Supports Strategic Goals 1, 2, and 3)</i>	FY 2014 Status Noteworthy progress
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The Peace Corps recruits a diverse workforce and Volunteer corps to ensure that—in promoting a better understanding of Americans on the part of the host countries—Volunteers and staff represent the rich diversity of the United States. To harness and support the unique perspectives of a diverse Peace Corps, the agency fosters an inclusive culture that encourages collaboration, flexibility, and fairness.

In FY 2014, the Peace Corps continued to increase the diversity of the Volunteer corps. The agency has also made strides in building an inclusive culture through the development of employee resource groups and the fielding of the first systematic, agencywide Host Country Staff Survey.

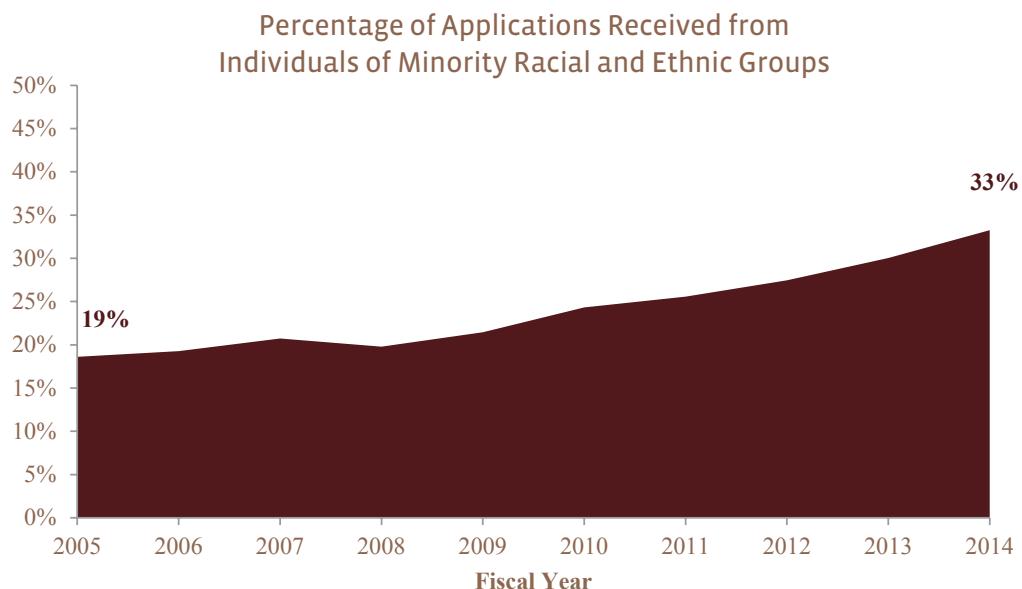
Key Strategies and Activities:

- **Identify and mitigate economic barriers to service:** The agency is collaborating with other organizations to mitigate economic barriers to Volunteer service in an effort to increase the socioeconomic diversity of the Peace Corps. The agency has discussed solutions regarding student loan relief with the U.S. Department of Education and other organizations.
- **Implement a digital marketing strategy:** The agency launched its first digital advertising campaign to increase Volunteer applications from Asian-American, African-American, and Hispanic populations. Results show the impact of the campaign was higher than industry standards. The campaign resulted in a 0.65 percent click-through rate—three times the industry standard. The majority of the individuals reached by the campaign viewed the advertisements on mobile devices.
- **Develop Employee Resource Groups:** Peace Corps employee resource groups (ERGs) are employee-driven groups drawn together by shared areas of interest. They are supported by the agency to promote networking, career development, community service, and cross-cultural understanding. They are also instrumental in recruitment, skill development, and morale-building. The agency currently has eight ERGs that focus on the following areas of interest: African-American; Asian-American and Pacific Islander; Hispanic; Jewish; LGBTQQA (lesbian, gay, bisexual, transgender, queer, and ally); women; mindfulness; and veterans.

Performance Goal Results:

<p>Performance Goal 6.1: Increase Applicant Diversity</p> <p><i>Increase applications for Volunteer service from individuals of minority racial and ethnic groups to 35 percent by FY 2016</i></p>	<p>FY 2014 Target</p> 
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	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Target	--	--	25%	26%	32%	34%
Result	24%	26%	27%	30%	33%	



Analysis: Since FY 2008, the agency has seen a 13 percentage point increase for this performance goal—a significant achievement. Growth has been largest in the African-American and Hispanic groups (a 6 and 5 percentage point increase since FY 2008, respectively). Targets are informed by the college-degreed population of the United States to ensure the Volunteer corps reflects the diversity of America. Targets are set higher than the college-degreed rate to account for higher attrition

of individuals of minority racial and ethnic groups; in FY 2014, 33 percent of applicants were from these racial and ethnic groups, compared to 25 percent of the Volunteer population.

Data Source: Peace Corps database

Lead Office: Office of Volunteer Recruitment and Selection

<p>Performance Goal 6.2: Build an Open and Inclusive Organizational Culture</p> <p><i>Increase the percentage of Peace Corps Volunteers, U.S. direct hire staff, and host country national staff who report that the agency has an open and inclusive organizational culture¹ to 90 percent by FY 2016</i></p>	FY 2014 Target 
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		FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Target ²		--	--	--	--	85%	88%
Result ³	U.S. direct hire staff	--	--	--	--	88%	
	Host country staff	--	--	--	--	89%	
	Volunteers	--	--	--	--	80%	

¹ Includes the top two positive response options on a five-point scale.

² The FY 2014 target only applies to U.S. direct hire staff and was based on an estimate derived from contextual information from the Employee Viewpoint Survey, including the following questions: “My supervisor/team leader listens to what I say” and “Managers/supervisors/team leaders work well with employees of different backgrounds.” Based on the collection of baseline data from host country staff and Volunteers through the Host Country Staff Survey and Annual Volunteer Survey, respectively (shaded in grey), targets for FY 2015 and beyond apply to all three groups.

³ FY 2014 results from the Employee Viewpoint Survey and Host Country Staff Survey are preliminary and will be updated with the FY 2016 Annual Performance Plan to be issued with the FY 2016 Congressional Budget Justification in February 2015.

Analysis: This question was included in surveys for each respondent group for the first time in FY 2014. The target was met with regard to U.S. direct hire staff—the only group for which a target was set in FY 2014. Baseline data were collected in FY 2014 from the Host Country Staff Survey and Annual Volunteer Survey to inform targets related to host country staff and Volunteers. Moving forward, the agency has set one performance target for all three respondent groups.

Preliminary results from FY 2014 illustrate a difference between the perceptions of staff and Volunteers on the degree to which the organizational culture of Peace Corps is open and inclusive. While 89 percent of host country staff and 88 percent of

U.S. direct hire staff reported positively, 80 percent of Volunteers reported positively. The agency’s efforts to improve performance on this goal in the future will focus on narrowing this gap and working with Volunteers on issues they have identified as areas for improvement. For example, of the Volunteers

Top Three Gaps in Culture of Inclusion Identified by Volunteers*

1. Race/Color/Ethnicity
2. Socioeconomic Status
3. Sexual Orientation

* Based on percentage of Volunteers who disagreed or strongly disagreed that the culture is inclusive

who disagreed that the organization of the Peace Corps is open and inclusive to diversity, 71 percent of respondents selected race, color, or ethnicity as a gap in the culture of inclusion in the Peace Corps; 44 percent of respondents cited socioeconomic status, 39 percent cited sexual orientation, and 33 percent cited age.

Data Source: Annual Volunteer Survey, Employee

Viewpoint Survey, Host Country Staff Survey

Lead Office: Office of Civil Rights and Diversity

Strategic Objective 7: Site Development <i>Establish an environment conducive to Volunteer success through an integrated approach to developing effective projects, preparing work sites, and successfully collaborating with local partners (Supports Strategic Goals 1 and 2)</i>	FY 2014 Status Area for improvement
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Before Volunteers arrive in their countries of service, the Peace Corps works to ensure they will have meaningful work that meets local needs and that there are local partners interested in working with them. The agency also verifies that Volunteer housing and work sites are safe, secure, and meet Volunteers' medical and mental health needs. This foundation allows Volunteers to focus on their work both when they arrive in their community and throughout their service.

The agency made improvements in several components of site development in FY 2014; however, more progress is needed to meet this objective. Sustained, concentrated attention by the agency is required to meet the aggressive targets set for site development over time.

Key Strategies and Activities:

- **Develop and implement post-specific site development procedures:** Each region has specific site development and monitoring standards and, in FY 2014, the agency made progress on developing post-specific site development criteria, policies, and procedures for each post. Site development and monitoring standards include a required number of visits by Peace Corps staff to Volunteers' sites each year, standards for communication and housing, requirements for collaborating with local communities, and site safety protocols, among others.
- **Increase staff capacity for site development and monitoring:** As the result of new site

development standards and procedures, the workload of staff at overseas posts has increased significantly. To address this challenge, the agency provided additional staff resources to the posts with the most need and is in the process of adjusting staffing at other posts to ensure Volunteers are positioned for success in well-developed and supported housing and work sites.

- **Train counterparts and host communities on working effectively with Volunteers:** The Africa region has developed new training modules for counterparts and host families, which outline how to live and work effectively with Volunteers, including setting clear expectations regarding the role of the Volunteer.

Performance Goal Results:

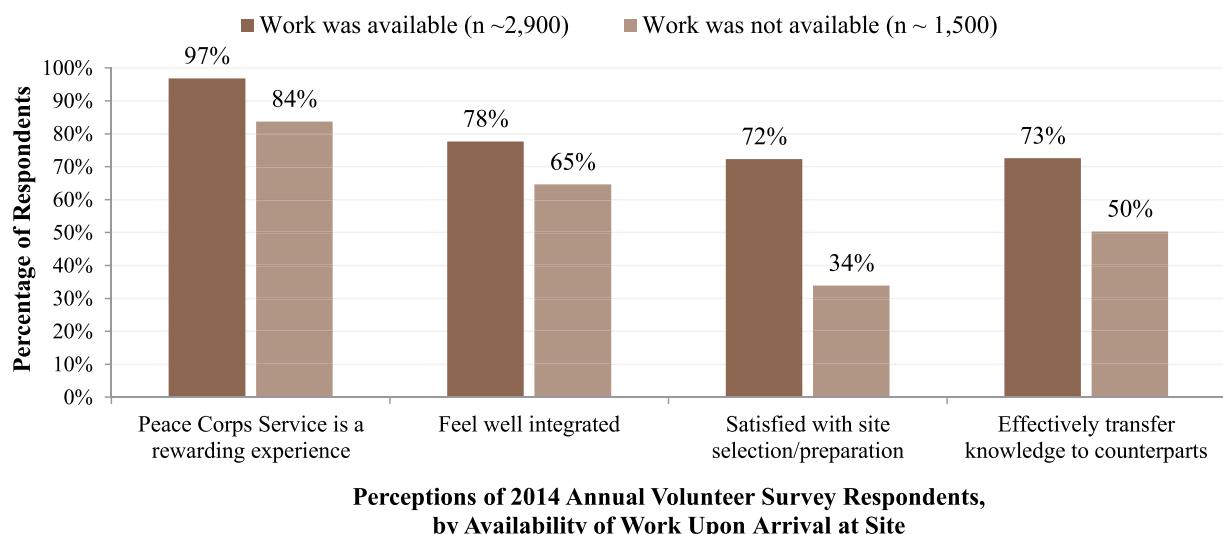
Performance Goal 7.1: Improve Site Development		FY 2014 Target
<i>Increase the percentage of Volunteers satisfied¹ with site selection and preparation to 74 percent by FY 2018</i>		✓

	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Target	--	--	--	--	44%	62%
Result ²	44%	42%	41%	42%	59%	

¹ Includes the top two response options on a five-point scale. In FY 2014, the agency redesigned the AVS questionnaire. As part of the redesign, the response scales for a number of questions were changed from an unbalanced to a balanced format where there are an equal number of positive and negative categories on the response scale. The decision to use balanced scales was made in order to improve the quality of AVS responses by making the positive, neutral, and negative options more clear for respondents. For this performance goal, the top two positive response options on the five-point scale were changed from "Considerable/Exceptional" to "Satisfied/Very Satisfied."

² Due to the improvements to the AVS in FY 2014, including modifying the response scales (described above) and reducing the length of the questionnaire by half, results from FY 2010–13 (shaded in grey) may not be directly comparable to results in FY 2014 and future years. However, year-to-year comparisons of results from FY 2014 and future years will be possible. Additional information on the effects of the AVS changes on performance results may be found in Appendix 2, Verification and Validation of Performance Data.

Meaningful Work Improves Peace Corps Service



Analysis: The target was met in FY 2014. However, the achievement may have been due to measurement changes resulting from improvements to the AVS in FY 2014. Targets for FY 2015 and future years have been adjusted upward based on the FY 2014

result. Consistent with FY 2013 results, Volunteer satisfaction with site selection and preparation remains the lowest among six types of in-country Peace Corps support functions surveyed. Volunteer responses to other AVS questions provide additional

insights on which components of site development and preparation require additional focus by the agency. The vast majority of Volunteers feel safe living at their sites (93 percent), which reflects community selection and housing preparation by the Peace Corps. However, only slightly more than half of respondents said that meaningful work was

available (55 percent) or host country individuals were prepared (54 percent) when they arrived at site.

Data Source: Annual Volunteer Survey

Lead Office: Africa Region; Europe, Mediterranean, and Asia Region; Inter-America and the Pacific Region

Performance Goal 7.2: Improve Counterpart Selection and Preparation

Increase the percentage of Volunteers satisfied¹ with the community integration and project work support provided by their assigned counterpart to 61 percent by FY 2018

FY 2014
Target



	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Target	--	--	--	--	34% ²	55%
Result ³	33%	31%	32%	32%	53%	

¹ Includes the top two response options on a five-point scale.

² The FY 2014 target for this performance goal was based on FY 2010–13 results from a proxy measure from the AVS: “When you arrived at your community, how prepared for your arrival were the host country individuals with whom you would be working?” A new question was introduced in the AVS to measure this performance goal in FY 2014 and beyond. Future year targets have been adjusted based on the FY 2014 result.

³ In FY 2014, the agency redesigned the AVS questionnaire. As part of the redesign, the response scales for a number of questions were changed from an unbalanced to a balanced format where there are an equal number of positive and negative categories on the response scale. The decision to use balanced scales was made in order to improve the quality of AVS responses by making the positive, neutral, and negative options more clear for respondents. The length of the questionnaire was also reduced by half. Due to the improvements to the AVS, as well as the use of a new question to measure this performance goal, results from the proxy measure in FY 2010–13 (shaded in grey) may not be directly comparable to results in FY 2014 and future years. However, year-to-year comparisons of results from FY 2014 and beyond will be possible. Additional information on the effects of the AVS changes on performance results may be found in Appendix 2, Verification and Validation of Performance Data.

Analysis: The target was met in FY 2014. However, the achievement may have been due to measurement changes resulting from improvements to the AVS in FY 2014. Targets for FY 2015 and future years have been adjusted upward based on the FY 2014 result. This performance goal measures the percentage of Volunteers satisfied with both the community integration and project work support provided by their assigned counterpart; 53 percent of Volunteers were satisfied with both aspects of support. When analyzed separately, Volunteers are significantly more satisfied with the support provided by their

counterpart on integrating into the community (72 percent) than the support for their projects and activities in their communities (63 percent). Additionally, over two-thirds of Volunteers (68 percent) reported that they continued to work with their Peace Corps-assigned counterpart.

Data Source: Annual Volunteer Survey

Lead Office: Africa Region; Europe, Mediterranean, and Asia Region; Inter-America and the Pacific Region

Strategic Objective 8: Train-Up <i>Develop a highly-effective Volunteer corps through a continuum of learning throughout service (Supports Strategic Goals 1 and 2)</i>	FY 2014 Status Area for improvement
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The Peace Corps invests in training throughout service to help Volunteers translate their skills into the local context. Training topics focus on developing Volunteers' technical capacity, language skills, and cultural acuity. By providing ongoing training throughout service, the agency provides Volunteers with the tools they need to be effective in their work.

In FY 2014, the agency made great strides in standardizing the training that Volunteers receive during pre-service training through the Focus-In/Train-Up strategy. However, more progress is needed to coordinate and develop training topics throughout Volunteers' service and to ensure adequate time for technical and language training.

Key Strategies and Activities:

- **Expand Volunteer language testing:** The agency implemented new guidance to require the expansion of Volunteer language testing at all posts. Starting in FY 2015, all posts will be required to conduct language proficiency interviews for all Volunteers who are closing their service. In FY 2014, only 53 percent of Volunteers who finished their service were tested. An expansion in Volunteer language testing will provide the agency with important information on the language learning that occurs throughout a Volunteers' service to inform language training, mentoring, and support strategies.
- **Revise training packages:** Through the Focus-In/Train-Up strategy—initiated in FY 2012—the Peace Corps has undertaken

a major revision of the training provided to Volunteers. Curricula for each of the six programmatic sectors as well as global core training packages have been developed and training materials continue to be revised. In FY 2014, the agency developed 16 new training packages, 17 new stand-alone training sessions, and seven new training manuals and revised three existing training packages.

- **Establish terminal learning objectives for Volunteers:** The agency is developing terminal learning objectives to measure Volunteers' progress toward the key competencies they need to be effective in their work. The agency finalized objectives for the global core training packages in FY 2014, and sector-specific objectives are in development and are expected to be required for all posts in FY 2015.

Performance Goal Results:

Performance Goal 8.1: Improve Language Learning <i>Increase the percentage of Volunteers tested at close of service who achieve the "advanced" level or above on the language proficiency interview to 70 percent by FY 2018</i>	FY 2014 Target 
--	--

	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Target	--	--	--	--	50%	55%
Result	--	--	--	--	63%	

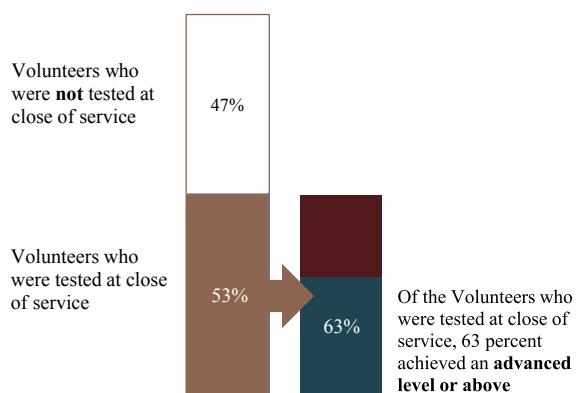
Analysis: While the target was met, the result represents only 53 percent of the Volunteers who closed their service. In FY 2014, testing Volunteers at close of service was not a requirement for posts. Starting in FY 2015, the agency will require all posts that provide language training to Volunteers to conduct close of service language testing for all Volunteers. The agency expects results for this performance goal to change once all Volunteers are tested at close of service, but the agency does not yet have sufficient evidence to indicate the direction of that change.

Data Source: Peace Corps database

Lead Office: Office of Overseas Programming and Training Support; Africa Region; Europe,

Mediterranean, and Asia Region; Inter-America and the Pacific Region

Percentage of Volunteers who are Tested and Percentage who Achieved an Advanced Level or Above



Performance Goal 8.2: Increase Effectiveness of Technical Training

Increase the percentage of Volunteers who report that their technical training was effective¹ in preparing them to work at their site to 70 percent by FY 2018

FY 2014 Target



	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Target	--	--	--	--	52%	64%
Result ²	44%	44%	44%	50%	63%	

¹ Includes the top two positive response options on a five-point scale. In FY 2014, the agency redesigned the AVS questionnaire. As part of the redesign, the response scales for a number of questions were changed from an unbalanced to a balanced format where there are an equal number of positive and negative categories on the response scale. The decision to use balanced scales was made to improve the quality of AVS responses by making the positive, neutral, and negative options more clear for respondents. For this performance goal, the top two positive response options on the five-point scale were changed from "Considerable/Exceptional" to "Effective/Very Effective."

² Due to the improvements to the AVS in FY 2014, including modifying the response scales (described above) and reducing the length of the questionnaire by half, results from FY 2010–13 (shaded in grey) may not be directly comparable to results in FY 2014 and future years. However, year-to-year comparisons of results from FY 2014 and future years will be possible. Additional information on the effects of the AVS changes on performance results may be found in Appendix 2, Verification and Validation of Performance Data.

Analysis: The target was met in FY 2014. However, the achievement may have been due to measurement changes resulting from improvements to the AVS in FY 2014. Targets for FY 2015 and future years have been adjusted upward based on the FY 2014 result. This performance goal measures the percentage of Volunteers who report their training was effective in preparing them to perform technical aspects of their work. Results in FY 2014 showed differences between the six programmatic sectors. Volunteers in the Education sector rated technical training the highest

(69 percent), followed by Agriculture (65 percent), Youth in Development (64 percent), Environment (61 percent), Community Economic Development (60 percent), and Health (55 percent).

Data Source: Annual Volunteer Survey

Lead Office: Office of Overseas Programming and Training Support; Africa Region; Europe, Mediterranean, and Asia Region; Inter-America and the Pacific Region

Strategic Objective 9: High-Performing Learning Organization	FY 2014 Status
<i>Cultivate a high-performing learning organization by investing in professional development for staff, improving staff retention, and strengthening institutional memory (Supports Strategic Goals 1, 2, and 3)</i>	Area for improvement

Due to the five-year rule—the unique law that limits the majority of U.S.-based and American overseas staff to five-year appointments—the Peace Corps is faced with high staff turnover that produces significant human capital and knowledge management challenges. The agency is cultivating a high-performing learning organization that invests in staff development, retains employees to the fullest extent of the law, and manages institutional knowledge to successfully advance the Peace Corps mission.

The Peace Corps is in the process of developing an agencywide staff development program and is considering pursuing legislative solutions to address the human capital and knowledge management challenges posed by the five-year rule. As the agency is in the initial stages of multiyear strategies to cultivate a high-performing learning organization, more progress is needed over time to reach this strategic objective.

Key Strategies and Activities:

- Invest in a learning management system:** The agency has allocated resources toward the development of a centralized learning management system. When finalized, the new system will track and manage individual development plans for staff as well as staff training events. This will allow the agency to connect staff development needs with training opportunities and to budget more effectively for training.

- Implement a leadership continuum for staff:** The Peace Corps is in the early stages of developing a new entry to executive leadership continuum for staff. The agency redesigned its Leadership Development Academy and launched a supervisory training program. This leadership continuum program will develop the future leaders of the agency and contribute to the ongoing professional development of current leaders.
- Pursue legislative modifications to the five-year rule:** In response to the 2012 Peace Corps

Office of Inspector General evaluation of the impacts of the five-year rule on agency operations (http://files.peacecorps.gov/multimedia/pdf/policies/PC_Final_Evaluation_Report_on_Impacts_of_the_Five_Year_Rule_IG1205E.pdf), the agency is considering seeking legislative modifications to the five-year rule.

The agency is committed to maintaining the spirit of the five-year rule—to permit the constant flow of new ideas and provide administrative flexibility—while addressing major management challenges that inhibit the agency's ability to advance its goals.

Performance Goal Results:

Performance Goal 9.1: Improve Staff Training <i>Increase the percentage of staff satisfied¹ with the training they received to do their job to 62 percent by FY 2018</i>						FY 2014 Target	
		FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Target ²		--	--	--	--	54%	56%
Result ³	U.S. direct hire staff	49%	50%	50%	57%	55%	
	Host country staff	--	--	--	--	62%	

¹ Includes the top two positive response options on a five-point scale.

² The FY 2014 target only applies to U.S. direct hire staff and was based on actual results from the Employee Viewpoint Survey. Based on the collection of baseline data from host country staff through the Host Country Staff Survey (shaded in grey), targets for FY 2015 and beyond apply to both U.S. direct hire and host country staff.

³ FY 2014 results from the Employee Viewpoint Survey and Host Country Staff Survey are preliminary and will be updated with the FY 2016 Annual Performance Plan to be issued with the FY 2016 Congressional Budget Justification in February 2015.

Analysis: The target was met for the U.S. direct hire respondent group. As the Host Country Staff Survey was first fielded in FY 2014, the agency did not have baseline data to set a target for the host country staff respondent group. Moving forward, the agency has set one target for both staff groups.

It is important to note that the preliminary results from the Host Country Staff Survey are based on the 58 percent of the staff who received and responded to the survey in its first year. This pool of respondents represents 38 percent of the overall pool of eligible staff. The remaining host country staff—who were

eligible but did not respond—could not be reached with an invitation due to the lack of available email addresses. In FY 2015, Peace Corps will continue to reach out to eligible staff and improve the survey instrument and administration, including translating the survey into several languages and exploring alternatives to electronic submissions where necessary, to encourage broader participation in the survey.

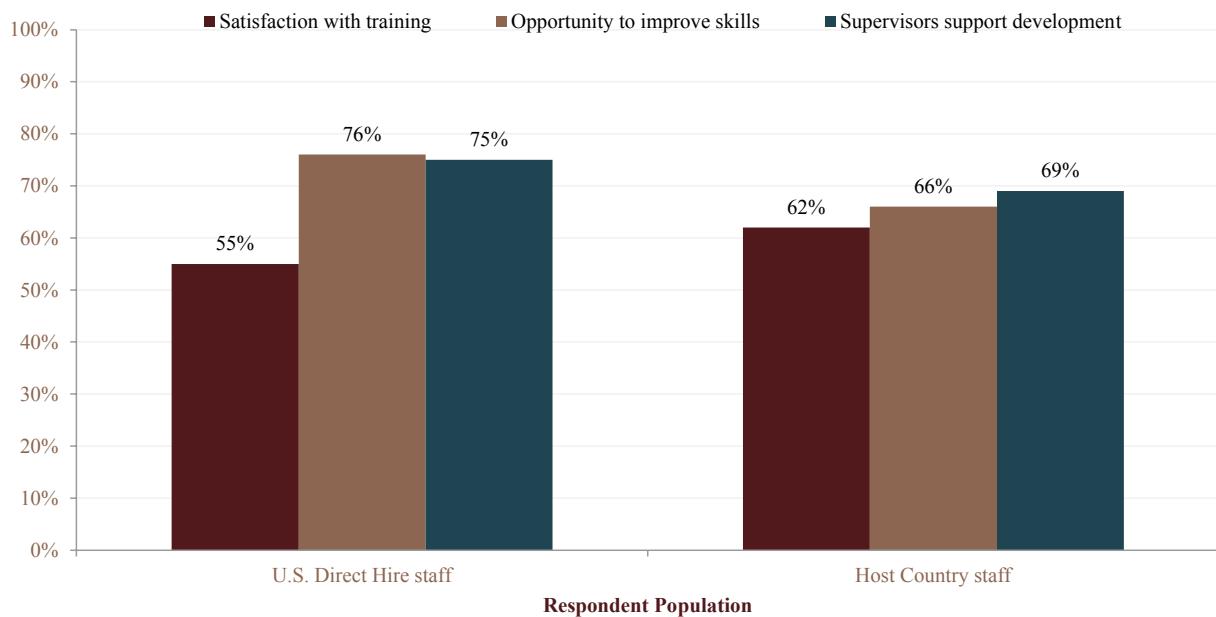
Staff responses to other questions provide additional insights into how the Peace Corps supports staff training and development. Staff responded that they

are given a real opportunity to improve their skills (76 percent and 66 percent of U.S. direct hire and host country staff respondents, respectively) and that supervisors in their units support employee development (75 percent and 69 percent of U.S. direct hire and host country staff respondents, respectively).

Data Source: Employee Viewpoint Survey and Host Country Staff Survey

Lead Office: Office of Human Resource Management, Office of Overseas Programming and Training Support

Responses to Training and Development Questions



Performance Goal 9.2: Increase Staff Tenure

Increase the average tenure of U.S. direct hire staff

**FY 2014
Target**

No target set

	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Target	--	--	--	--	No target set; Baseline data collection	No target set; Baseline data collection
Result ¹	--	--	3.3 years	4.1 years	3.7 years	

¹ FY 2012–14 results are preliminary and based on the median years of tenure of staff who separated from the Peace Corps in each fiscal year. FY 2012–14 results and targets for FY 2016 and beyond will be provided in the FY 2016 Annual Performance Plan to be issued with the FY 2016 Congressional Budget Justification in February 2015.

Analysis: This performance goal measures the average (calculated using the median) tenure of U.S. direct hire staff. Results are preliminary as only a subset of data is currently available. The agency will finalize FY 2010–14 results and set targets for FY 2016 and future years as full records are collected from the USDA National Finance Center and analyzed. Preliminary results show that staff leave Peace Corps employment much earlier than is required due to the five-year rule. For employees who have separated since FY 2012, the average tenure was an estimated 3.5 years. This calculation includes the staff who were granted extensions to serve beyond five years.¹ For

the employees who served five years or less during the same time period, the average tenure was an estimated 2.9 years. The agency continues to employ multiple strategies to both increase staff tenure and mitigate the effects of high staff turnover, including pursuing legislative modifications to the five-year rule, improving the off-boarding process by collaborating with federal government employers to place staff with noncompetitive eligibility, and investing in learning and knowledge management systems.

Data Source: Peace Corps database

Lead Office: Office of Human Resource Management

¹ *The Peace Corps Act allows the Director to make appointments of more than five years for up to 15 percent of U.S. direct hire staff at any given time for employees who have demonstrated an exceptional record of performance in order to achieve one of the following purposes: to promote continuity of functions in administering the Peace Corps; to permit individuals who have worked at least 2.5 years at overseas posts to work in the United States; to permit individuals who have worked at least 2.5 years in the United States to work at overseas posts; and to permit individuals working in a recruitment, selection, or training capacity to serve in another capacity. Additionally, the Director may, under special circumstances, approve an extension of appointment for up to one year on an individual basis.*

<p>Strategic Objective 10: Global Connectivity</p> <p><i>Enable seamless communication and collaboration for all Volunteers and staff by modernizing and integrating information technology systems and leveraging the innovation of Volunteers and staff in the field (Supports Strategic Goals 1, 2, and 3)</i></p>	<p>FY 2014 Status</p> <p>Area for improvement</p>
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The Peace Corps operates in areas of the world where the information technology (IT) infrastructure is not fully developed. At the same time, there is an increasing demand for modern tools to enable effective communication and collaboration among Volunteers and staff. The agency is building flexible IT systems that leverage modern technology to break down barriers to communication and collaboration.

The Peace Corps is on the cusp of major advances in modernizing and integrating IT systems; however, more progress is needed to fully enable seamless communication and collaboration for all Volunteers and staff.

Key Strategies and Activities:

- Build modern and flexible systems that improve data access:** The Peace Corps has made progress on retiring old applications and developing new systems that are compatible with evolving technology. The agency retired 19 out of 131 legacy applications in FY 2014. The agency also expects to transition fully to

Microsoft SharePoint 2013 by the beginning of FY 2015.

- Develop and implement a comprehensive, agencywide IT strategy:** To guide IT planning and future decision making, the agency initiated work on an independent assessment of its IT strategy and operations. The assessment will be conducted by a team of external experts

and will result in a forward-looking strategy for supporting staff and Volunteers with the most effective technology. The assessment team will also identify how best to align IT resource decisions with the long-term, agencywide IT strategy.

- Improve the agency's knowledge-exchange platform:** The agency updated the technology for PCLive—the Peace Corps' knowledge and information exchange platform for Volunteers

and staff in FY 2014. Through PCLive, Volunteers and staff can search for materials, share resources, ask questions, and connect with other Volunteers and staff from around the world. Volunteers and staff can upload documents to share with others; in FY 2014, the agency digitized all of the agency's Volunteer programming, training, and evaluation publications, as well as nearly 1,500 other learning resources and placed them in PCLive.

Performance Goal Results:

Performance Goal 10.1: Develop an Integrated Technology Platform <i>Retire all legacy applications and consolidate functions into an integrated platform by FY 2018</i>	FY 2014 Target 
---	---

	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Target	--	--	--	--	10%	30%
Result	--	--	--	--	15%	

Analysis: In FY 2014, the agency completed an audit of its legacy applications—defined as systems based on an outdated technology that is no longer fully supported by the Peace Corps. Through the audit, the agency identified 131 legacy applications, 46 of which are low-impact applications that can be retired without replacement. The remaining 85 applications

will be considered for consolidation into the platform modernization project. In FY 2014, 19 low-impact applications were retired.

Data Source: Peace Corps administrative records

Lead Office: Office of the Chief Information Officer

Performance Goal 10.2: Facilitate Knowledge Sharing <i>Increase the percentage of Volunteers who report that they use the digital materials provided by the Peace Corps in their work to 85 percent by FY 2016</i>	FY 2014 Target No Target set
--	--

Analysis: This performance goal measures the frequency of Volunteers' use of the digital materials provided by the Peace Corps in their work, including materials received by email or downloaded through knowledge-sharing platforms such as PCLive. This question was included in the Annual Volunteer Survey for the first time in FY 2014. While Volunteers reported high usage of Peace Corps digital materials, survey results suggest that infrequent internet access is one constraint for Volunteers in fully utilizing

the digital materials provided by the Peace Corps. Volunteers with frequent access to the internet (daily or weekly) reported higher usage of Peace Corps digital materials (79 percent) than Volunteers with less than monthly or no access to the internet (71 percent).

Data Source: Annual Volunteer Survey

Lead Office: Office of Overseas Programming and Training Support

Strategic Objective 11: Measurement for Results	FY 2014 Status
<i>Advance the agency's ability to measure progress, improve performance, and demonstrate impact through integrated monitoring, reporting, and evaluation practices (Supports Strategic Goals 1, 2, and 3)</i>	FY 2014 Status Noteworthy progress

The Peace Corps nurtures a culture of performance improvement where all staff and Volunteers have a role in using evidence to make decisions and in measuring and assessing the results of their work. The agency integrates and supports monitoring, reporting, and evaluation practices by providing training and guidance to staff and Volunteers, developing and improving data sources, conducting studies of agency programs, and evaluating the long-term impact of Volunteers.

Key Strategies and Activities:

- Increase the monitoring, reporting, and evaluation (MRE) capacity of Volunteers and staff:** The agency provided additional staffing resources and training to increase the MRE capacity of Volunteers and staff. All Volunteers receive standard MRE training during pre-service training. Additionally, all posts received detailed training on the new Volunteer Reporting Tool (VRT)—Volunteers' primary monitoring and reporting mechanism for their work. The agency also increased MRE staff at overseas posts and at headquarters to respond to new and expanding monitoring and reporting tasks.
- Collect baseline data for new country entries and new Volunteer projects:** The Peace Corps successfully launched the baseline

data collection study in Kosovo—the sole new country entry in FY 2014. The agency expects to conduct similar studies for new country entries and country re-entries planned in FY 2015, including Burma, Comoros, and Timor Leste. Possible new Volunteer projects include a Youth in Development project in Jordan. Baseline data collected through these studies will inform eventual impact evaluations, which will provide the agency with evidence of Volunteers' impact.

- Develop new data sources and improve existing data sources:** The agency developed two new surveys in FY 2014—the Global Counterpart Survey and the Host Country Staff Survey—and made significant improvements to the AVS and the VRT. Both the Global Counterpart Survey and Host Country Staff Survey provide information from key stakeholders that the agency has never

before surveyed systematically—Volunteer counterparts and host country national staff, respectively. Improvements to the AVS—which included a reduction in the number of questions asked of Volunteers and the use of balanced

scales—significantly increased the quality of the data. The agency continued to improve the VRT by enhancing reporting functions and instituting additional data quality controls.

Performance Goal Results:

Performance Goal 11.1: Conduct Baselines						FY 2014 Target
<i>Increase the percentage of new country entries and new Volunteer project frameworks where baseline data has been collected or compiled prior to the beginning of the intervention to 100 percent by FY 2016</i>						X

	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Target	--	--	--	--	50%	75%
Result	--	--	--	--	0%	

Analysis: The agency successfully initiated the baseline data collection study in Kosovo—the one new country entry in FY 2014. The Volunteer project in Kosovo is focused on education, and the study will collect baseline data on the skills of local English teachers, student English proficiency, and attitudes about Americans in support of the Peace Corps' Strategic Goal Two. The data collected and the analysis of the results will eventually inform an evaluation of the impact of Volunteers working in the country. However, for the reasons outlined below, baseline data was not collected prior to the arrival of Volunteers at their sites, as required by the performance goal, so the FY 2014 target was not met.

In many cases, the collection of baseline data collection, particularly for projects in the Education sector, will only be possible after Volunteers have arrived at their sites. In the case of Education projects, many primary baseline data collection

activities cannot take place until the school year begins and students and teachers are available for interviews and observation. As Volunteers typically arrive at their sites at the beginning of the school year, baseline data collection necessarily begins after Volunteers' arrival.

Moving forward, the agency will modify the performance goal to allow for the collection of baseline data either before the arrival of Volunteers or for a short period after their arrival. This modification allows the agency to collect baseline data during the time period when data are most available while still maintaining methodological rigor.

Data Source: Peace Corps administrative records
Lead Office: Office of Global Operations; Office of Strategic Information, Research, and Planning

<p>Performance Goal 11.2: Increase Evidence-Based Decisions</p> <p><i>Increase the percentage of posts and headquarters offices that demonstrate the use of evidence in program, policy, and/or budget decisions to 100 percent by FY 2016</i></p>	FY 2014 Target 
---	--

	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Target	--	--	--	--	50%	75%
Result	--	--	--	--	68%	

Analysis: This performance goal is measured through an annual data call to posts and headquarters offices, and the question that informs this performance goal was first asked in FY 2014. Both posts and headquarters offices exceeded the FY 2014 target (69 and 64 percent, respectively), demonstrating notable examples of evidence-based decision making across the agency. The majority of posts utilized insights from Annual Volunteer Survey data to improve their programs. For example, the program in Peru modified its Volunteer homestay policy based on data from the Annual Volunteer Survey, triangulated with data from a survey of Volunteers on

their homestay experience, one-on-one interviews with Volunteers, and internet research on the topic. As a result of this analysis, the post modified its policy to allow Volunteers to choose whether or not they live with a host family. Detailed results from this performance goal will be shared with all posts and headquarters offices to encourage the sharing of best practices in evidence-based decision making.

Data Source: Peace Corps administrative records

Lead Office: Office of Strategic Information, Research, and Planning

<p>Performance Goal 11.3: Using Evidence to Encourage Innovation</p> <p><i>Increase the percentage of posts and headquarters offices that conduct structured pilots to test new approaches to advance programmatic goals and/or address management challenges</i></p>	FY 2014 Target No Target set
--	--

	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Target	--	--	--	--	No target set; Baseline data collection	No target set; Baseline data collection
Result	--	--	--	--	70%	

Analysis: This performance goal is measured through an annual data call to posts and headquarters offices, and the question that informs this performance goal was first asked in FY 2014. The agency will continue to collect baseline data in FY 2015 to inform the development of guidance regarding the use of structured pilots, including protocols for identifying potential pilot programs, establishing project baselines, testing new approaches through iteration, evaluating results, and scaling-up or ending pilot programs. The use of standard criteria and rigorous measurement will enable the agency to learn from pilots and determine if they should be fully adopted. While standard criteria have not yet been developed for conducting structured pilots, several posts and headquarters offices provided notable examples of pilot programs in FY 2014. The program in Georgia, for example, piloted a new site placement model to

better serve ethnic minority communities. Rather than placing Volunteers in the two-year program in these communities, the post placed Peace Corps Response Volunteers—returned Volunteers from Azerbaijan with strong technical skills, proficiency in the Azeri language, and a strong understanding of how to live and work effectively in the Azeri culture. Through the pilot, the post concluded that the model was effective in better meeting the needs of ethnic minority communities. The post is expanding the model to include the placement of recently returned Volunteers from Armenia to be placed in ethnic Armenian communities.

Data Source: Peace Corps administrative records

Lead Office: Office of Strategic Information, Research, and Planning

Evaluation and Research

The Peace Corps made significant progress in FY 2014 in strengthening its evaluation and research practices. Evaluation and research are critical to achieving a better understanding of agency performance on strategic objectives, providing actionable information to decision makers, and demonstrating the impact of Volunteers to stakeholders.

Descriptions of the major evaluation and research activities conducted by the agency in FY 2014, as well as how they relate to agency strategic objectives, are provided below. Activities in FY 2014 relate to expanding and improving sources of evidence; generating new insights through research; evaluating Peace Corps processes, initiatives, and impact; piloting new approaches to solve persistent problems; and strengthening the agency's capacity to use evidence.

Summaries of performance audits and evaluations conducted by the Office of Inspector General are also provided in this section. Publicly available evaluation and research results and other data may be found at www.peacecorps.gov/open.



Major Evaluation and Research Activities in FY 2014

Expanding and improving sources of evidence	Related Strategic Objective
<p>Improvements to the Annual Volunteer Survey. The Annual Volunteer Survey (AVS) is one of the primary sources of evidence utilized by the agency to improve operations. In FY 2014, the agency substantially redesigned the survey questionnaire to improve data quality by reducing measurement error and strengthening respondent confidentiality. Based on a comprehensive review of prior survey questionnaires and item analysis, the agency significantly shortened the survey questionnaire, reducing the response time by half (from a median of 56 minutes in 2013 to 28 minutes in 2014). The agency also modified the response scales for a number of questions—from an unbalanced to a balanced format—to make the positive, neutral, and negative options more clear for respondents. As a result of these improvements to the AVS, the agency will have a more accurate understanding of the perspectives of Volunteers.</p>	1.Volunteer Well-Being 2. Service Opportunity of Choice 3. Development Impact 4.Cross-Cultural Understanding 6. Diversity and Inclusion 7. Site Development 8. Train-Up 10. Global Connectivity
<p>Redesign of the Volunteer Reporting Tool. In FY 2014, the agency completed a major redesign of the Volunteer Reporting Tool (VRT). The redesigned VRT has a more intuitive user interface, and allows for the global aggregation of Volunteer activity data. The redesigned VRT is structured based on the new Volunteer project frameworks, providing a connection between Volunteer accomplishments and the goals and objectives of their projects. These advancements enable the agency to more easily and accurately track the progress that Volunteers are making on their projects and report high-quality data on the outcomes of Volunteer activities to agency strategic partners such as Feed the Future and the President's Emergency Plan for AIDS Relief. As a result, the agency has more data to inform the design of Volunteer projects and better demonstrate the impact of Volunteers.</p>	3. Development Impact

Expanding and improving sources of evidence	Related Strategic Objective
<p>Global Counterpart Survey. Upon the completion of a pilot study with 14 posts in FY 2013, the agency began administering the first Global Counterpart Survey to all posts in February 2014. The survey is designed to provide information on the impact of Volunteers on local communities from the perspectives of Volunteers' primary work partners. The agency surveyed approximately 25 percent of counterparts in FY 2014.</p>	<p>3. Development Impact 4. Cross-Cultural Understanding</p>
<p>Host Country Staff Survey. In FY 2014, the Peace Corps launched its first agencywide survey to systematically gather perspectives from host country staff. The survey in FY 2014 included questions related to staff training and the degree to which the Peace Corps has an inclusive culture. The survey will be expanded in future years to cover additional post operations and support topics.</p>	<p>6. Diversity and Inclusion 9. High-Performing Learning Organization</p>

Generating new insights through research	Related Strategic Objective
<p>Analysis of the drivers of Volunteer effectiveness. Based on the 2013 AVS data, the agency conducted an analysis of the key drivers of perceived Volunteer effectiveness. Applying advanced statistical analysis techniques, the agency found that the strongest stand-alone drivers of Volunteer effectiveness were the amount of gain in their theoretical and practical knowledge through Peace Corps training and field experience and the ongoing agency support of work-related functions provided to Volunteers. The analysis identified specific areas for improvement—Volunteer training and site development, management, and support—which are likely to yield the greatest increases in Volunteer effectiveness. The complete study results may be found in the 2013 Annual Volunteer Survey Report: Voice of the Volunteer at http://files.peacecorps.gov/multimedia/pdf/opengov/2013_Voice%20of%20the%20Volunteer_July-3-14.pdf.</p>	1. Volunteer Well-Being 3. Development Impact 4. Cross-Cultural Understanding 7. Site Development 8. Train-Up
<p>Market research on core Volunteer prospects and their primary influencers. The agency is in the process of conducting a multiphase market research project to better understand the Peace Corps' brand perception among core prospects, future prospects, and their primary influencers. The project will also enhance the agency's understanding of the barriers to service among core and future prospects. The agency fielded initial questions in an online omnibus survey; the results informed the design of online qualitative research and live focus groups which will be fielded in FY 2015. Following the completion of the qualitative research, the agency will conduct large-scale quantitative research to help inform future messaging and marketing to prospective Volunteers.</p>	2. Service Opportunity of Choice

Generating new insights through research	Related Strategic Objective
<p>Positive deviance approach to identify best practices in Volunteer health care. In August 2014, the Peace Corps convened a meeting of the top nine health units at overseas posts to better understand how they have achieved a high level of performance. The approach was designed to glean best practices from top performers, look for commonalities, and subsequently build the skills of medical units and improve health outcomes at posts with lower levels of performance. Through this approach, the agency will capitalize on the experience of experts in the field to enhance the support of Volunteers.</p>	<p>1. Volunteer Well-Being</p>

Evaluating Peace Corps processes, initiatives, and impact	Related Strategic Objective
<p>Volunteer Delivery System evaluation. The agency is in the preliminary stages of evaluating the effectiveness and impact of recent reforms to the Volunteer Delivery System. These reforms include changes to the application and selection process, a reorganization of the Office of Volunteer Recruitment and Selection, an increase in recruitment and placement staff, and investments in technology and public outreach. Potential evaluation topics may include the process through which the reforms were developed and implemented and the impact of the reforms on agency goals, including the number, quality, and diversity of applicants. The first phase of the evaluation is expected to be completed in FY 2015 to inform resource decisions for FY 2016 and beyond.</p>	<p>2. Service Opportunity of Choice</p>
<p>Quasi-experimental impact evaluation of the program in Kosovo. In FY 2014, the agency initiated the collection of baseline data for the new Volunteer program in Kosovo—the first stage of an eventual quasi-experimental impact evaluation. Over the course of the five year project, the agency will collect data to evaluate the impact of Volunteers on the overall Kosovar education system, teacher proficiency in English and teaching methods, student proficiency in English, and community members' perceptions of Americans. Data will be collected from two comparison groups—communities where Volunteers serve and those that do not have a Volunteer. When completed, the evaluation is expected to provide clear evidence on the impact of Volunteers on development and cross-cultural outcomes. The agency expects to initiate similar evaluations for the new country entries and re-entries planned in FY 2015 (Burma, Comoros, and Timor Leste) as well as a new Volunteer project in Jordan (Youth in Development).</p>	<p>3. Development Impact 4. Cross-Cultural Understanding 11. Measurement for Results</p>

Evaluating Peace Corps processes, initiatives, and impact	Related Strategic Objective
<p>Country Portfolio Review. Each year, the agency conducts a comprehensive review of active and potential Peace Corps posts based on external and internal data. The Country Portfolio Review informs decisions about new country entries, country graduations (closures), and the allocations of Volunteers and other resources. The review conducted in FY 2014 focused on Volunteer safety and security, medical infrastructure, host country need, development impact, cross-cultural impact, host country commitment and engagement, post management, congruence with U.S. government development priorities, and cost. The review included data from the following external sources: the World Bank, United Nations Development Programme, the United Nations Office on Drugs and Crime, the U.S. Department of State, the Pew Research Center, Transparency International, the International Disaster Database, and the World Health Organization. Internal data sources included administrative and financial data, results from surveys of post staff, and AVS results. Through the review, the agency found regional disparities in both the complexity of operating environments and agency resource allocations. As a result, the agency reexamined staffing ratios at posts around the world in order to ensure that posts operating in particularly complex environments are adequately resourced to provide the highest possible quality of support to Volunteers.</p>	1. Volunteer Well-Being 2. Service Opportunity of Choice 3. Development Impact 4. Cross-Cultural Understanding 7. Site Development 8. Train-Up
<p>Global analysis of the Host Country Impact Studies. The agency initiated a global analysis of the Host Country Impact Studies conducted between 2008–11. These country- and project-specific studies were designed to measure how effectively Volunteers' activities met the technical needs of host countries and promoted a better understanding of Americans. A global analysis of these studies will provide the agency and external stakeholders with additional information and insights on the impact of Volunteers across several countries and projects. In FY 2014, the agency finalized the remaining technical reports and two-page summaries for the Host Country Impact Studies and made all of the studies and summaries available to the general public. The reports and summaries of all 24 studies are available at http://www.peacecorps.gov/about/open/evaluations/.</p>	3. Development Impact 4. Cross-Cultural Understanding

Evaluating Peace Corps processes, initiatives, and impact	Related Strategic Objective
<p>Case study on the effects of Volunteers on smallpox eradication. In FY 2014, the agency studied the impact of Volunteers on smallpox eradication in the 1960s and '70s. The case study was informed by written records, recordings of interviews conducted by the Centers for Disease Control and Prevention, and additional interviews conducted by Peace Corps staff of Volunteers who participated in smallpox eradication projects during their service in Afghanistan, Ethiopia, and Zaire. The study is in progress, and the agency expects to publish findings in FY 2015. Initial findings provide evidence of the contributions of Volunteers to the global effort to eradicate smallpox as well as the effect of the eradication campaigns on the future careers of the Volunteers, many of whom leveraged their experience as Volunteers to play key roles in international eradication programs through the U.S. Agency for International Development, the Centers for Disease Control and Prevention, and the World Health Organization. In recalling the contributions of volunteers from the Peace Corps and other countries, the former head of the international eradication program at the World Health Organization noted, "As I look back on events, I doubt very much that without the [Peace Corps'] input into these countries that we would have succeeded in sustaining the momentum of a global effort that required a group of determined young people who ignored the fact that many had pronounced the goal as 'unachievable.'" (January 2014 email) The agency also plans to conduct case studies on the contributions of Volunteers on polio and guinea worm eradication.</p>	<p>3. Development Impact 5. Continuation of Service</p>
<p>Process evaluation of the Master Farmer Program in Senegal. The agency conducted an evaluation of the Master Farmer Program in Senegal—a program supported through a partnership with the U.S. Agency for International Development through the Feed the Future initiative. The goal of the Master Farmer Program is to improve food security for farmers and their families through the adoption of effective agriculture and agroforestry technologies. Through the process evaluation, the agency assessed the degree to which the program is meeting its intended objectives to provide Master Farmers with appropriate resources to develop a Master farm,</p>	<p>3. Development Impact</p>

Evaluating Peace Corps processes, initiatives, and impact	Related Strategic Objective
<p>support Master Farmers to conduct relevant trainings, and promote adoption of improved agricultural technologies and management practices by local farmers. Through direct observation, a review of secondary information about the program, and structured interviews with key informants and program participants, the agency found evidence that the program contributed to advances in food security and the use of effective agricultural technologies in local communities. The agency also found opportunities for improvement, including the need to decentralize program management and encourage Master Farmers' knowledge and skill development.</p>	

Piloting new approaches to solve persistent problems	Related Strategic Objective
<p>Vehicle fleet sustainability and cost-savings. The Peace Corps is testing new approaches to both “green” the vehicle fleet and achieve cost-savings in transportation. In FY 2014, the agency piloted a contract with a car-sharing company for the Midwest Regional Office in Chicago. Regional recruitment offices typically utilize vehicles purchased through the General Services Administration for use during recruitment trips to colleges, universities, and communities. The pilot tested the degree to which car-sharing provided recruitment staff with adequate access to transportation while simultaneously generating cost savings. In light of the results achieved through the pilot, the agency established a nationwide car-sharing contract for use by staff in all regional recruitment offices beginning in FY 2015. The agency is also piloting the use of a small fleet of Smart cars, wrapped with the Peace Corps logo, for recruitment and promotional activities. These “Peace Cars” are expected to reduce the agency’s carbon footprint, reduce transportation costs, and increase awareness of the Peace Corps.</p>	2. Service Opportunity of Choice
<p>Volunteer location mapping tool. The agency piloted and launched a tool for posts to develop interactive maps of Volunteer locations to improve the accuracy of the existing Volunteer locator forms utilized at posts. Developed originally by the Senegal post, the new tool will improve the site management process by providing a more accurate picture of Volunteer distributions across different regions in a country and will enhance each post’s emergency action plan by providing a clear record and visual representation of each Volunteer’s location.</p>	1. Volunteer Well-Being 7. Site Development 10. Global Connectivity

Strengthening agency capacity to use evidence	Related Strategic Objective
<p>Monitoring, reporting, and evaluation (MRE) task force. The agency established an MRE task force to clarify the roles, responsibilities, and opportunities for collaboration among the offices and staff with evaluation and research functions. Monitoring, reporting, and evaluation practices are conducted at all levels within the agency. Through the task force, the agency will advance an integrated approach to MRE that expands and rationalizes the dissemination of data, information, and evidence to support well-informed decision making.</p>	11. Measurement for Results
<p>Office- and system-based dashboards. The agency developed new dashboards for several offices and major systems to provide agency leadership and staff with timely, actionable, and meaningful information to inform decisions. In FY 2014, the agency implemented an agencywide dashboard to monitor the Volunteer Delivery System—the system for requesting, recruiting, selecting, and fielding Volunteers. The Europe, Mediterranean, and Asia Region; the Office of the Chief Information Officer; the Office of Global Operations; and, the Office of the Third Goal and Returned Volunteer Services have also developed dashboards for internal management purposes.</p>	11. Measurement for Results
<p>Investments in MRE capacity at posts. The agency enhanced the MRE skills of staff at overseas posts through targeted workshops and trainings related to data collection, analysis, and reporting. The agency is also in the process of increasing MRE staff at posts to support decision-making processes at posts and headquarters.</p>	11. Measurement for Results

Audits and Evaluations conducted by the Office of Inspector General

The Peace Corps Office of Inspector General (OIG) regularly conducts audits and evaluations of the effectiveness of programs that support Volunteers. The objectives of OIG audits and evaluations vary by project, but most aim to recommend improvements that will increase the effectiveness and efficiency of Peace Corps operations and strengthen the agency's ability to implement country programs that increase host country capacity. OIG audits and evaluations are submitted to agency leadership, which then takes appropriate action to address the concerns that have been identified. Open recommendations are tracked by the agency's chief compliance officer, who is responsible for assuring that actions are documented and advising OIG when actions have been confirmed.

The OIG conducted the following program evaluations and performance audits in FY 2014. A complete list of all OIG audits and evaluations conducted during FY 2014 may be found at <http://www.peacecorps.gov/about/inspgen/reports/>.

Final Evaluation Report on the Peace Corps Sexual Assault Risk Reduction and Response Training (IG-14-01-E)	The OIG evaluated the effectiveness and implementation of the sexual assault risk reduction and response training for Volunteers, including the information provided to applicants as mandated by the Kate Puzey Peace Corps Volunteer Protection Act of 2011, the use of field experts and best practices in the design of the sexual assault training, the extent to which the sexual assault training was tailored to the Volunteers' country of service, and the overall effectiveness of the sexual assault training among Volunteers.
Final Evaluation Report on the Peace Corps Volunteer Sexual Assault Policy (IG-14-02-E)	The OIG evaluated the effectiveness and implementation of the sexual assault policy, including a case review of a statistically significant number of cases. The evaluation focused on the implementation of a sexual assault policy that complies with the Kate Puzey Peace Corps Volunteer Protection Act of 2011, implementation of a mandatory training program for all overseas staff on the Peace Corps' sexual assault policy, and implementation of services for all victims of sexual assault as mandated by the Kate Puzey Act.
Special Review: Lessons Learned from New Country Entries	The OIG synthesized and highlighted lessons learned from previous OIG reports to provide insight and guidance on the opening or re-opening of posts. Through a review of 33 OIG reports issued from 1990–2013 on newly opened or re-opened posts, the study addresses what strategies and best practices have proven effective in opening new posts, what common challenges were encountered in opening new posts, and the extent to which the agency has adequately addressed the challenges of opening posts.

<p>Country Program Evaluations</p> <p>Peace Corps/Ecuador (IG-14-03-E) Peace Corps/Mexico (IG-14-04-E) Peace Corps/Armenia (IG-14-05-E) Peace Corps/Philippines (IG-14-06-E)</p>	<p>Through country program evaluations, the OIG assessed the extent to which each post developed and implemented programs intended to increase the capacity of host country communities to meet their own technical needs. Programs were generally evaluated across four focus areas: project objectives, site development and monitoring, coordination with host country project partners, and counterpart selection.</p>
<p>Final Audit Report: Peace Corps Overseas Staffing (IG-14-01-A)</p>	<p>The objectives of the OIG audit were to determine how country directors are hired and terminated; determine how overseas staff are hired; and assess how country directors are evaluated. Two primary focus areas in the audit include how the performance plans mandated by the Kate Puzey Peace Corps Volunteer Protection Act of 2011 have been implemented and how Volunteer feedback provided in the AVS was considered.</p>
<p>Final Report on the Audit of Peace Corps Applicant Screening Process (IG-14-04-A)</p>	<p>The objectives of the OIG audit were to determine whether the Office of Volunteer Recruitment and Selection had sufficient and reliable information to make appropriate suitability and eligibility determinations for Volunteer applicants; determine whether the Peace Corps' applicant screening process was consistent with the screening practices of other major volunteer organizations; and evaluate the prevalence, characteristics, and outcomes of serious Volunteer misconduct.</p>

Financial Section



Message from the Chief Financial Officer

The agency achieved an unmodified (clean) audit opinion on the financial statements during the FY 2014 financial statement audit and no material weaknesses were identified. There were, though, three instances of noncompliance with laws and regulations identified and one nonconformance with financial management system requirements for the Federal Information Security Management Act of 2002. Additionally, three significant deficiencies were identified in the audit report. The current status of the significant deficiencies, the noncompliances, and the system nonconformance are shown in Appendix 1 along with corrective actions.

While the agency received an unmodified (clean) audit opinion on its FY 2013 financial statement preparation, one material weakness, three significant deficiencies, and three instances of noncompliance with laws and regulations were identified during the Kearney & Company FY 2013 financial statement audit and the FY 2012 financial statements were restated. Prior to this audit, no material weaknesses had been identified since FY 2006 and there were no prior instances of noncompliance with laws and regulations.

This year, my staff worked very hard and resolved the financial management analysis and reporting material weakness identified in FY 2013 by strengthening review and oversight internal controls, ensuring fund balances were properly reported and maintaining a constant review of the calculation of Separation Liabilities for the Foreign Service Nationals (FSN) and the Personal Services Contractors (PSC). Treatment of the Proceeds of Sale and the Estimation of Collections were properly reported in FY 2014, and there are no further issues. We remain firmly committed to attaining the highest standard for financial accountability and reporting and have redoubled our efforts toward achieving that goal.

Although my staff and managers across the agency worked to resolve the three significant deficiencies in internal control identified in the FY 2013 financial statement audit, those efforts were not sufficient to eliminate all significant deficiencies, only the Accounts Payable Accrual Significant Deficiency. There, we refined the methodology for review of the Accounts Payable Accrual (New condition in FY 2013) and trained contract officer technical representatives and internal CFO staff in order to resolve this audit condition.

The significant deficiencies that remain open from the FY 2013 audit are Property, Plant, and Equipment (Repeat Condition), and Information Technology Security (Repeat Condition). Resolution of the Property, Plant, and Equipment (PP&E) is expected during FY 2015 when full implementation of the newly acquired Asset Management System occurs. The contract was recently awarded for this system and a major project is underway involving several organizations responsible for the reporting and management of PP&E. Information Technology Security corrective actions include securing a centrally located federal repository for Plan of Action and Milestones mitigation and purchasing AlienVault Security Information and Event Management (SIEMs) for continuous monitoring of the EMA posts. See Appendix 1 for corrective actions completed for these significant deficiencies and planned for the future.

The three new instances of noncompliance with laws and regulations cited in the FY 2013 financial statement audit were (1) OMB Circular A-11, Preparation, Submission, and Execution of the Budget, (2) Federal Managers' Financial Integrity Act (FMFIA) of 1982 and (3) Federal Information Security Management Act (FISMA) of 2002. Proper financial reporting by the agency on the Statement of Budgetary Resources, and the SF 132, Apportionment and Reapportionment Schedule, was accomplished during FY 2014 that satisfied the OMB Circular A-11 and the FMFIA noncompliances. During FY 2014, all FISMA System Inventory boundaries were identified and actions are in progress to identify and analyze all external connections. See Appendix 1 for corrective actions completed for this noncompliance and planned for the future.

In FY 2014, the agency was appropriated \$379 million to accomplish our mission and more fully support the work of the Volunteers through their 27 months of service. This compares favorably with the slightly more than \$356 million appropriated during FY 2013 with its sequestration budget cuts. As of September 30, the Peace Corps was actively operating in 64 countries and had processed financial transactions in 75 currencies during the year.

The successful evacuation in August of Guinea, Liberia, and Sierra Leone at one time due to the spread of Ebola in West Africa caused widespread financial issues with critical time constraints, proper payments, logistical support, and extra staffing hours.

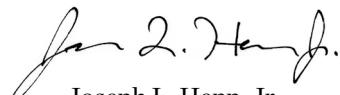
During FY 2014, the following financial management improvements were implemented:

- Became a full “CARS” Reporter (Central Accounting and Reporting System) under the Treasury’s Government Wide Accounting initiative by redesigning payment and collections processing and financial reporting
- Launched page on the [FOREIGNASSISTANCE.GOV](#) website for the reporting of historical and quarterly financial information by Peace Corps country and program sector, including Peace Corps’ spending of President’s Emergency Plan for AIDS Relief (PEPFAR) funds
- Completed the projected update to Hyperion Planning (the budget formulation and analysis software used by the agency) to provide posts and domestic offices with enhanced functionality and to stay current with other Information Technology (IT) infrastructure improvements
- Successfully transitioned the agency month-end balance reporting via the Governmentwide Treasury Account Symbol Adjusted Trial Balance System beginning in Quarter 1
- Incorporated the Office of Acquisitions and Contracts Management into the CFO to gain greater efficiencies in operation and coordination efforts

Looking forward to FY 2015, the agency will submit data reports to OMB during the phased implementation of the Digital Accountability and Transparency Act of 2014 (DATA ACT). In FY 2016, the DATA ACT will require agencies to publicly report detailed spending data on [USASpending.gov](#), moving toward governmentwide standards for financial data and streamlining agency reporting requirements.

The audited financial statements and notes that follow are reliable and complete and were prepared in accordance with generally accepted accounting principles for federal government entities.

My staff and the financial management personnel located throughout the regions, posts, and headquarters offices continuously work toward achieving new financial management improvements with the goal of improving the lives of our Volunteers. Our efforts continue to promote more effective internal controls and to resolve audit recommendations.



Joseph L. Hepp, Jr.
Chief Financial Officer
November 17, 2014

Financial Statements

**Peace Corps
Balance Sheets**
As of September 30, 2014 and 2013
(In Thousands)

	<u>2014</u>	<u>2013</u>
Assets		
Intragovernmental		
Fund Balance With Treasury (Notes 2 and 3)	\$ 211,369	\$ 188,687
Accounts Receivable (Note 4)	2,758	2,958
Total Intragovernmental	<u>214,127</u>	<u>191,645</u>
Accounts Receivable, Net (Note 4)	334	208
General Property, Plant, and Equipment, Net (Note 5)	34,556	29,987
Other		
Prepaid Volunteer Living Allowances (Note 6)	1,836	2,010
Other Assets (Note 7)	3,890	3,440
Total Assets	<u>\$ 254,743</u>	<u>\$ 227,290</u>
Liabilities		
Intragovernmental		
Accounts Payable	\$ 396	\$ 1,074
Other		
Unfunded FECA Liability (Note 8)	33,348	32,297
Other Liabilities (Note 9)	71	224
Total Intragovernmental	<u>33,815</u>	<u>33,595</u>
Accounts Payable	9,487	10,887
Federal Employee and Veterans Benefits (Note 8)	149,107	153,397
Other		
Other Employment Related Liability (Note 8)	333	98
Non-Entity Funds (Note 2)	20,225	23,400
Accrued Funded Payroll and Leave	3,253	2,394
Unfunded Annual Leave (Note 8)	10,289	9,755
Other Liabilities (Notes 9 and 11)		
FSN and PSC Severance Liability	25,849	24,643
Other Liabilities	202	935
Total Liabilities	<u>252,560</u>	<u>259,104</u>
Commitments and Contingencies (Note 11)		
Net Position		
Unexpended Appropriations	158,343	129,818
Cumulative Results of Operations	(156,160)	(161,632)
Total Net Position	<u>\$ 2,183</u>	<u>\$ (31,814)</u>
Total Liabilities and Net Position	<u>\$ 254,743</u>	<u>\$ 227,290</u>

The accompanying notes are an integral part of these statements

Peace Corps
Statements of Net Cost
For The Years Ended September 30, 2014 and 2013
(In Thousands)

	<u>2014</u>	<u>2013</u>
Program Costs:		
Gross Costs	\$ 364,502	\$ 381,873
Less: Earned Revenue (Note 12)	<u>(10,040)</u>	<u>(10,031)</u>
Net Cost of Operations	<u>\$ 354,462</u>	<u>\$ 371,842</u>

The accompanying notes are an integral part of these statements

Peace Corps
Statements of Changes in Net Position
For The Years Ended September 30, 2014 and 2013
(In Thousands)

	<u>2014</u>	<u>2013</u>
Cumulative Results of Operations:		
Beginning Balances	\$ (161,632)	\$ (140,283)
Budgetary Financing Sources:		
Appropriations Used	350,413	339,336
Donations and Forfeitures of Cash and Cash Equivalents	2,846	387
Transfers-In/Out Without Reimbursement	-	5,280
Other Financing Sources (Non-Exchange):		
Transfers-In/Out Without Reimbursement	510	(154)
Imputed Financing (Note 18)	6,165	5,644
Total Financing Sources	359,934	350,493
Net Cost of Operations	354,462	371,842
Net Change	5,472	(21,349)
Cumulative Results of Operations	(156,160)	(161,632)
Unexpended Appropriations:		
Beginning Balance	129,818	114,526
Budgetary Financing Sources:		
Appropriations Received	379,000	375,000
Other Adjustments	(62)	(20,372)
Appropriations Used	(350,413)	(339,336)
Total Budgetary Financing Sources	28,525	15,292
Total Unexpended Appropriations	158,343	129,818
Net Position	\$ 2,183	\$ (31,814)

The accompanying notes are an integral part of these statements

Peace Corps
Statements of Budgetary Resources
For The Years Ended September 30, 2014 and 2013
(In Thousands)

	2014	2013
Budgetary Resources:		
Unobligated Balance Brought Forward, Oct 1	\$ 72,018	\$ 71,109
Recoveries of Prior Year Unpaid Obligations	11,616	10,237
Other Changes in Unobligated Balance	(62)	(1,391)
Unobligated Balance from Prior Year Budget Authority, Net	83,572	79,955
Appropriations (Discretionary and Mandatory)	379,006	360,578
Spending Authority from Offsetting Collections (Discretionary and Mandatory)	16,967	7,268
Total Budgetary Resources	<u>\$ 479,545</u>	<u>\$ 447,801</u>
Status of Budgetary Resources:		
Obligations Incurred (Note 13)	\$ 388,184	\$ 375,783
Unobligated Balance, End of Year:		
Apportioned	79,458	60,180
Exempt from Apportionment	2,102	4,488
Unapportioned	9,801	7,350
Total Unobligated Balance, End of Year	<u>91,361</u>	<u>72,018</u>
Total Budgetary Resources	<u>\$ 479,545</u>	<u>\$ 447,801</u>
Change in Obligated Balance		
Unpaid Obligations:		
Unpaid Obligations, Brought Forward, Oct 1	\$ 97,280	\$ 92,209
Obligations Incurred	388,184	375,783
Outlays (Gross)	(367,256)	(360,475)
Recoveries of Prior Year Unpaid Obligations	(11,616)	(10,237)
Unpaid Obligations, End of Year	<u>106,592</u>	<u>97,280</u>
Uncollected Payments:		
Uncollected Pymts, Fed Sources, brought forward, Oct 1	(4,011)	(10,371)
Change in Uncollected Pymts, Fed Sources	(2,798)	6,360
Uncollected Pymts, Fed Sources, End of Year	<u>(6,809)</u>	<u>(4,011)</u>
Memorandum (non-add) entries:		
Obligated Balance, Start of year	\$ 93,269	\$ 81,838
Obligated Balance, End of year	<u>\$ 99,783</u>	<u>\$ 93,269</u>
Budget Authority and Outlays, Net		
Budget Authority, Gross (Discretionary and Mandatory)	\$ 395,973	\$ 367,846
Actual Offsetting Collections (Discretionary and Mandatory)	(14,169)	(12,912)
Change in Uncollected Pymts, Fed Sources (Discretionary and Mandatory)	(2,798)	6,360
Budget Authority, Net	<u>\$ 379,006</u>	<u>\$ 361,294</u>
Outlays, Gross (Discretionary and Mandatory)	\$ 367,256	\$ 360,475
Actual Offsetting Collections (Discretionary and Mandatory)	(14,169)	(12,912)
Outlays, Net (Discretionary and Mandatory)	353,087	347,563
Distributed Offsetting Receipts	(1,193)	(1,770)
Agency Outlays, Net (Discretionary and Mandatory)	<u>\$ 351,894</u>	<u>\$ 345,793</u>

The accompanying notes are an integral part of these statements

Notes to the Financial Statements

Note 1 Significant Accounting Policies

a) Reporting Entity

The Peace Corps was initially established by President John F. Kennedy pursuant to Executive Order 10924 on March 1, 1961, and was subsequently formalized by the Peace Corps Act of 1961. The Peace Corps is an independent agency within the executive branch of the United States government.

The core mission of the Peace Corps is to promote world peace and friendship by making available to interested, less developed countries men and women of the United States qualified for service abroad and willing to serve, even under conditions of hardship if necessary. The Peace Corps' goals are to help the people of interested countries in meeting their need for trained men and women; to help promote a better understanding of Americans on the part of the peoples served; and to help promote a better understanding of other peoples on the part of Americans.

b) Basis of Presentation

The financial statements present the financial position, the net cost of operations, and changes in net position, along with budgetary resources activities of the agency pursuant to the requirements of 31 U.S.C. 3515(b). They have been prepared using Peace Corps' books and records in accordance with agency accounting policies, the most significant of which are summarized in this note. The statements are in addition to the financial reports used to monitor and control budgetary resources, which are prepared from the same books and records. The statements are presented in accordance with the applicable form and content requirements of OMB Circular A-136, Financial Reporting Requirements, issued September 18, 2014. The statements should be read with the realization that they are for a component of the U.S. government, a sovereign entity.

The financial activities of the agency are categorized between entity and non-entity assets and reported and non-reported balances. Entity assets are those assets which the agency has authority to use in its operations, while non-entity assets are assets that are currently held by the Peace Corps but are not available for use by the agency. Although both entity and non-entity assets are in the custody and management of the agency, they are reported but segregated for presentation purposes.

The Peace Corps' accounting policies follow Federal Accounting Standards Advisory Board standards and other generally accepted accounting principles for the United States federal government.

The financial statements represent intragovernmental and public activities. The intragovernmental balances, revenues, and costs reflect financial transactions between the Peace Corps and other federal agencies. Public activities are those with non-governmental customers, including Volunteers, contributors, employees, contractors, and vendors.

Federal Financial Statements

Statement	Federal Objective
Balance Sheet	Reflects the agency's financial position as of the statement date. The assets are the amount of current and future economic benefits owned or managed by the agency. The liabilities are amounts owed by the agency. The net position is the difference between the assets and liabilities.
Statement of Net Cost	Shows separately the components of the net cost of the agency's operations for the period. Net cost is equal to the gross cost incurred by the agency, less any exchange revenue from its activities.
Statement of Changes in Net Position	Explains how the net cost of the agency's operations was funded, and reports other changes in the equity that are not included in the Statement of Net Cost. It reflects the changes in both the proprietary and the budgetary activities through the respective components: Cumulative Results of Operations and Unexpended Appropriations.
Statement of Budgetary Resources	Provides information about how the budgetary resources were made available as well as their status at the end of the period. It is the only financial statement exclusively derived from the agency's budgetary general ledger in accordance with budgetary accounting rules.

c) Basis of Accounting

Accounting principles encompass both accrual and budgetary transactions. Under the accrual method, revenues are recognized when earned and expenses are recognized when a liability is incurred, without regard to receipt or

payment of cash. Under the budgetary basis, however, fund availability is recorded based upon legal considerations and constraints. The agency receives financing sources through direct appropriations from the general fund of the U.S. Treasury and offsetting collections to support its operations. "Appropriations Used" recognizes that appropriation authority has been applied against received goods and services.

d) Fund Accounting Structure

The agency's financial activities are accounted for by the U.S. Treasury Appropriation Fund Symbols. They include accounts for appropriated funds and other fund groups described below for which the Peace Corps maintains financial records.

General Funds - These funds consist of the receipts and expenditures by the Peace Corps that are not earmarked by law for a specific purpose and used to fund agency operations and capital expenditures.

Special or Trust Funds - These funds consist of receipts and expenditures by the Peace Corps for carrying out specific purposes and programs in accordance with terms of the statute that designates the fund as a special fund or trust fund.

Deposit Funds - These funds consist of monies held temporarily by the Peace Corps as an agent for others. These include allowance and allotment accounts for employees and Volunteers. The balances in these funds are non-entity assets and are only reported on the face of the Balance Sheet.

General Fund Receipt Accounts - These funds consist of monies collected by the Peace Corps that are returned to the U.S. Treasury and not available for Peace Corps' use. The balances in these funds are excluded from the financial statements.

e) Budget Authority

Congress annually passes multi-year appropriations that provide the agency with authority to obligate funds over a two-year period for necessary expenses to carry out operations. After the right to create new obligations has expired, this two-year budget authority is available for five additional years for adjusting obligations and for completing the liquidation of open obligations, advances, and receivables. After the five-year period, all open transactions for the respective fiscal year will be cancelled and funds will be returned to the U.S. Treasury. Any valid claims associated with these funds after closure must be processed against current year appropriations.

In addition, Congress enacts no-year appropriations that are available until expended. All appropriations are subject to OMB apportionment as well as Congressional restrictions. The agency places internal restrictions to ensure the efficient and proper use of all funds.

Peace Corps has discretionary and mandatory spending of its budget authority. The general funds, which are funded by multi-year appropriations from Congress are discretionary. The special and trust funds, which were authorized by permanent laws are considered mandatory spending for donations received from the private entities and to account for retirement and severance of Host Country Resident Personal Services Contractors and Foreign Service Nationals.

f) Revenues and Other Financing Sources

Peace Corps' operations are financed through appropriations, proceeds from the sale of property, and inter-agency agreements. For financial statement purposes, appropriations are recorded as a financing source and reported on the Statement of Changes in Net Position at the time they are recognized as expenditures.

g) Fund Balance with the Treasury

Fund Balance with the U. S. Treasury consists of general, special, and trust funds that are available to pay current liabilities and finance authorized purchase commitments, and special funds that periodically are direct-financing reimbursements to the appropriated funds.

The agency does not maintain agency cash in commercial bank accounts. All cash receipts and disbursements are processed by the U.S. Treasury or the Department of State (DOS).

The funds that make up post cashiers' imprest funds belong to the U.S. Treasury through DOS's accountability.

These funds are routinely used to pay for small-value purchases of goods and services and are also used to make an occasional emergency payment. Per agreement with DOS, the Peace Corps is responsible for paying for any losses incurred by the cashiers that would normally fall on the account holder. All international payments made by DOS on behalf of the Peace Corps are charged to the Peace Corps and reduce the applicable Peace Corps' appropriation unexpended balance in U.S. Treasury records. As of September 30, 2014, cashier imprest funds represented by cash on hand, checks on hand, interim advances, and cashier checking account balances totaled approximately \$1,003,871 in U. S. dollar equivalents.

Fund balance with Treasury is carried forward until such time as goods or services are received and payment is made, or until the funds are returned to the U.S. Treasury.

h) Foreign Currency

Accounting records for the agency are maintained in U.S. dollars, while a significant amount of the overseas expenditures are in foreign currencies. For accounting purposes, overseas obligations and disbursements are recorded in U.S. dollar equivalents, based on the budgeted rate of exchange as of the date of the transaction. Foreign currency payments are made by the U.S. disbursing officers located at the Global Financial Services centers in Charleston, South Carolina, and Bangkok, Thailand.

i) Accounts Receivable

Accounts receivable includes amounts due from other federal entities and from current and former employees and Volunteers. Annually, a determination of the amount of the Allowance for Doubtful Accounts will be established for material amounts of nonfederal (public) debt exceeding \$30,000. The agency recognizes an Allowance for Doubtful Accounts when it is determined that the amounts are not likely to be collected. Accounts with approved payment plans in place and for which the debtor is meeting the terms of the plan are exceptions to this write-off policy.

j) Advances and Prepayments

Payments in advance of the receipt of goods and services are recorded as advances and recognized as expenses when the related goods and services are received. Advances are made principally to agency employees for official travel and prepayments to Volunteers for living allowances.

Pursuant to Section 5(b) of the Peace Corps Act, Peace Corps Volunteers are entitled to a living allowance in order that they may serve effectively and safely overseas. Living allowances are paid to Volunteers to provide support while in their country of assignment. Allowances are based on local living standards and costs, including food, clothing, household items, rent, utilities, and local transportation.

k) Property, Plant, and Equipment (PP&E)

The agency capitalizes property, plant, and equipment that has an individual acquisition cost of \$25,000 or greater, a useful life of two years or more, is not intended for sale in the ordinary course of business, and is intended to be used or available for use by the entity. Aggregate purchases of General Property, Plant, and Equipment in the amount of \$500,000 or greater are capitalized. Costs incurred for major building rehabilitations of \$25,000 or greater are initially recorded as Construction in Progress then after project completion are transferred to Leasehold Improvement and amortized over the remaining life of the lease. Software purchased for \$25,000 or developed for internal use at a cost of \$25,000 or greater is capitalized and amortized over its expected life (currently three to nine years). IT hardware is capitalized and amortized over its expected life of three to fifteen years. Vehicles in the amount of \$10,000 and over are capitalized over their useful life of five years for assets acquired FY 2013 and prior and six years for purchases made on or after FY 2014. The agency uses an estimated salvage value of 40 percent for vehicles. Land and anything attached to it, such as buildings, located overseas are capitalized at their fair market value at the time of transfer, regardless of their acquisition cost. Buildings are depreciated with a ten year asset life. Acquisitions that do not meet these criteria are recorded as operating expenses. Assets are capitalized at historical cost and depreciated using the straight-line method.

l) Accounts Payable and Other Liabilities

Liabilities represent the amount of monies or other resources that are likely to be paid as the result of a transaction

or event that has already occurred. Liabilities classified as not covered by budgetary resources are liabilities for which appropriations have not been enacted.

m) Employee Benefits

- I. *Federal Employees' Compensation Act (FECA) Accrued Claims* - FECA provides income and medical cost protection to covered federal civilian employees injured on the job, to employees who have incurred work-related occupational diseases, and to beneficiaries of employees whose deaths are attributable to job-related injuries or occupational diseases through the Department of Labor (DOL). The FECA liability consists of two components. The first component is based on actual claims paid by DOL but not yet reimbursed by the Peace Corps. The Peace Corps reimburses DOL as funds are appropriated for this purpose, generally resulting in a two-year lag in payment. This is the liability for the actual claims paid by DOL to be reimbursed by the Peace Corps.
 - II. *Future Workers Compensation Benefits* - The second component of FECA is the estimated actuarial liability for future benefit payments as a result of past events. This liability includes death, disability, medical, and miscellaneous costs. DOL determines this component annually as of September 30, and the Peace Corps recognizes an unfunded liability to DOL for estimated future payments.
 - III. *Accrued Leave* - A liability for annual leave is accrued as leave is earned and paid when leave is taken or employment terminates. Accrued annual leave is paid from future funding sources and is reflected as a liability not covered by budgetary resources. Sick and other leave is expensed as taken.
 - IV. *Employee Health Benefits and Life Insurance* - The agency's employees are eligible to participate in the contributory Federal Employees Health Benefit Program and the Federal Employees Group Life Insurance Program. The agency contributes to each program to pay for current benefits.
 - V. *Post-Retirement Health Benefits and Life Insurance* - Agency employees who may be eligible to participate in the Federal Employees Health Benefit Program and the Federal Employees Group Life Insurance Program could continue to do so during retirement. The Office of Personnel Management (OPM) has provided the agency with cost factors that estimate the true cost of providing the post-retirement benefit to current employees. The agency recognizes a current cost for these and other retirement benefits at the time of employment with the agency. The other retirement benefit expense is financed by OPM and offset by the agency through the recognition of an imputed financing source on the Statement of Changes in Net Position.
 - VI. *Employee Retirement Benefits* - Peace Corps direct hire employees participate in one of three retirement systems: Civil Service Retirement System, Federal Employees Retirement System, or the Foreign Service Retirement and Disability System. Foreign Service National (FSN) employees at overseas posts who were hired prior to January 1, 1984, are covered under the Civil Service Retirement System. FSNs hired after that date, as well as most host country residential personal services contractors (PSC), are covered under a variety of local compensation plans in compliance with the host country's local laws and regulations.
- The Peace Corps recognizes its share of the cost of providing future pension benefits to eligible employees throughout their period of employment. The pension expense not covered by budgetary resources is calculated using actuarial factors provided by OPM and is considered imputed cost to the agency.
- VII. *Valuation of Host Country Resident Personal Services Contractor Severance and Retirement Liability* - The Peace Corps is generally liable for separation or retirement payments to eligible PSCs in countries that require payments under local labor laws. The estimate of the current and future costs of the severance and retirement liability is determined quarterly.
 - VIII. *Valuation of Foreign Service National Liability* - The Peace Corps is generally liable for separation or retirement payments to foreign service nationals who are employed by the agency in countries that require payments under local labor laws. The estimate of the current and future costs of the severance and retirement liability is determined quarterly.

n) Commitments and Contingencies

The agency is involved in various administrative proceedings, legal actions, and claims arising in the ordinary

course of business. Contingencies are recognized as a liability when a future outflow or other sacrifice of resources is probable and measurable.

o) Funds from Dedicated Collections

Under 22 U.S.C § 2509(a)(4) of the Peace Corps Act, the agency is authorized to accept gifts of voluntary service, money, or property, for use in the furtherance of the purposes of its mission. The donated monies received by the agency from non-federal sources meet the prescribed criteria of Funds from Dedicated Collections. The amount of donations received was \$1,836,567 as of September 30, 2014 and \$2,564,495 as of September 30, 2013.

p) Use of Estimates

The preparation of financial statements required management to make some estimates and assumptions that affect the reported amount of assets and liabilities, the disclosure of contingent liabilities at the date of the financial statements, and the amount of revenues and costs reported during the period. Actual results could differ from those estimates.

q) Interest on Late Payments

Occasionally, the agency incurs interest penalties on late payments. Such interest penalties are paid to the respective vendor in accordance with the guidelines mandated by the Prompt Payment Act, P.L. 97-177, as amended.

r) Intragovernmental Net Costs

The Statement of Net Cost is consolidated for the agency using a budget functional classification code. This code is used to classify budget resources presented in the budget of the United States government per OMB. The agency is categorized under budget functional classification code number 150—International Affairs. Gross cost and earned revenues from other intragovernmental agencies (reimbursable agreements) fall under this code.

s) Adjustments to Maintain Inherent Account Relationship Integrity

The agency performs analytical tie-points to maintain inherent accounts relationships between proprietary and budgetary accounts, in compliance with United States Standard General Ledger posting logic. Adjustments are made at the appropriation fund code level prior to the submission of the agency's monthly trial balance via Treasury's Governmentwide Treasury Account Symbol Adjusted Trial Balance System.

t) Allocation Transfer

The Peace Corps is a party to allocation transfers with the DOS as a receiving (child) entity. Allocation transfers are legal delegations by one agency of its authority to obligate budget authority and outlay funds to another agency. A separate fund account (allocation account) is created in the U. S. Treasury as a subset of the parent fund account (DOS) for tracking and reporting purposes. All allocation transfers of balances are credited to this account, and subsequent obligations and outlays incurred by the child entity (Peace Corps) are charged to this allocation account as they execute the delegated activity on behalf of the parent entity. All financial activity related to these allocation transfers (e.g., budget authority, obligations, and outlays) is reported in the financial statements of the parent entity, from which the underlying legislative authority, appropriations, and budget apportionments are derived.

u) Fiduciary Activities

Fiduciary activities consist of Host Country Contributions provided to the Peace Corps by the host country government which are accepted under the authority of Section 22 U.S.C. 2509(a)(4) of the Peace Corps Act. These contributions provide host country support for the Peace Corps and help defray expenses, enabling the agency to use its budget more effectively. The host country retains ownership though the funds are deposited in special foreign currency accounts in the U.S. Treasury. Any funds not used are returned to the host country.

Note 2 Non-Entity Assets

Non-entity assets are composed of deposit fund and clearing accounts. These funds are not available for the use of the Peace Corps and are not part of the Peace Corps' resources. The Peace Corps monitors collections, status, and

distribution. Below, as information, are the U.S. Treasury fund balances of non-entity assets which are non-governmental.

Non-Entity Assets	September 30, 2014 <i>(In Thousands)</i>	September 30, 2013 <i>(In Thousands)</i>
Deposit Fund	\$ 19,806	\$ 22,891
Clearing Accounts	419	509
Total Non-Entity Assets	20,225	23,400
Total Entity Assets	234,518	203,890
Total Assets	\$ 254,743	\$ 227,290

Deposit Fund - The deposit fund is comprised of the Volunteer readjustment allowance earned by Volunteers for each month of satisfactory service and payable upon their return to the United States.

Clearing Accounts - The proceeds of sales funds represent cash received from the sale of assets, primarily vehicles, and are available once transferred to Peace Corps appropriated funds to be reinvested in a like-kind replacement purchase (e.g., proceeds from vehicle sales used to purchase replacement vehicles).

Note 3 Fund Balance with Treasury		
Fund Balances	September 30, 2014 <i>(In Thousands)</i>	September 30, 2013 <i>(In Thousands)</i>
Appropriated Funds	\$ 163,143	\$ 136,297
Special Funds	22,460	24,157
Trust Funds	5,541	4,833
Non-Entity Assets (Note 2)	20,225	23,400
Total	\$ 211,369	\$ 188,687
Status of Fund Balance with Treasury	September 30, 2014 <i>(In Thousands)</i>	September 30, 2013 <i>(In Thousands)</i>
Unobligated Balance		
Available	\$ 81,560	\$ 64,668
Unavailable	9,801	7,350
Obligated Balance Not Yet Disbursed	99,783	93,269
Non-Budgetary FBWT	20,225	23,400
Total	\$ 211,369	\$ 188,687

The Fund Balance with Treasury is equal to the unobligated balance of funds plus the obligated balance not yet disbursed.

Available Unobligated Balance - Composed of apportionments available for allotment plus allotments available for obligation or commitment.

Unavailable Unobligated Balance - Composed of unapportioned authority plus unobligated appropriation authority from prior years that is no longer available for new obligations. This latter authority is only available for adjustments to existing obligations.

Non-Budgetary Fund Balance with Treasury - This represents non-entity assets of the agency.

Note 4 Accounts Receivable, Net

Accounts Receivable as of September 30, 2014 (In Thousands)	Accounts Receivable, Gross	Allowance for Doubtful Accounts	Accounts Receivable, Net
Intragovernmental	\$ 2,758	\$ -	\$ 2,758
Other	334	-	334
Total	\$ 3,092	\$ -	\$ 3,092
Accounts Receivable as of September 30, 2013 (In Thousands)	Accounts Receivable, Gross	Allowance for Doubtful Accounts	Accounts Receivable, Net
Intragovernmental	\$ 2,958	\$ -	\$ 2,958
Other	208	-	208
Total	\$ 3,166	\$ -	\$ 3,166

Intragovernmental receivables are due from other federal agencies for services provided under reimbursable agreements.

Other accounts receivable are due from nonfederal entities, consisting primarily of receivables from employees. Based upon the agency's policy, it was determined that the establishment of an Allowance for Doubtful Accounts was not necessary as of September 30, 2014 and September 30, 2013.

Note 5 General Property, Plant, and Equipment, Net

Components of Fixed Assets as of September 30, 2014 (In Thousands)	Useful Life in Years	Cost	Accumulated Depreciation	Net Book Value
Land		\$ 43	\$ -	\$ 43
Buildings	10	463	116	347
Construction in Progress		417	-	417
General Property, Plant, and Equipment	5–10	4,735	1,932	2,803
Vehicles	5–6	23,768	8,962	14,806
IT Hardware	3–15	19,500	13,444	6,056
Leasehold Improvements	2–10	6,338	2,869	3,469
Internal-Use Software in Development		4,564	-	4,564
Internal-Use Software	3–9	35,361	33,310	2,051
Total		\$ 95,189	\$ 60,633	\$ 34,556
Components of Fixed Assets as of September 30, 2013 (In Thousands)	Useful Life in Years	Cost	Accumulated Depreciation	Net Book Value
Land		\$ 43	\$ -	\$ 43
Buildings	10	463	49	414
Construction in Progress		-	-	-
General Property, Plant, and Equipment	5–10	4,640	1,494	3,146
Vehicles	5	21,180	8,240	12,940
IT Hardware	3–15	16,304	12,460	3,844
Leasehold Improvements	2–10	6,162	1,895	4,267
Internal-Use Software in Development		1,684	-	1,684
Internal-Use Software	3–9	35,576	31,927	3,649
Total		\$ 86,052	\$ 56,065	\$ 29,987

As of September 30, 2014, Peace Corps' fixed assets include internally developed software and those assets that are reflected as active in the property management databases. These assets are located at headquarters in Washington, D.C.,

the seven regional offices, and the overseas posts. Values for all assets other than internally developed software were obtained from data extracted from the databases. Values for internally developed software were derived from the most reliable available data for each system.

In FY 2014, a donation of land rights with a fair market value of \$58,200 was received under the agency's authority to receive gifts and contributions. The property was sold by the agency in the same year. Proceeds from the sale were restricted, as stipulated by the donor, for a specific purpose. Other than conditional donated properties, there are no restrictions on the use or convertibility of General Property, Plant, and Equipment owned by the Peace Corps.

Note 6 Prepaid Volunteer Living Allowances

	September 30, 2014 (In Thousands)	September 30, 2013 (In Thousands)
Prepaid Volunteer Living Allowances	\$ 1,836	\$ 2,010

Prepaid Volunteer Living Allowances - Payments of Volunteer living allowances are made prior to the entitlement month so the posts can ensure timely payments of the allowances to the Volunteers. These payments are pre-positioned so that Volunteers will not incur a financial burden for their living costs.

Note 7 Other Assets

	September 30, 2014 (In Thousands)	September 30, 2013 (In Thousands)
Travel Advances to Employees	\$ 403	\$ 451
Relocation Advances to Employees	-	27
Prepaid Rent	2,908	2,870
Other Advances	579	92
Total Other Assets	\$ 3,890	\$ 3,440

Travel Advances to Employees - Travel advances are provided to employees when appropriate. Advances remain in the financial records until they are offset against travel entitlements or collected.

Relocation Advances to Employees - Direct-hire employees are provided a relocation advance when appropriate.

Prepaid Rent - Prepaid Rent includes the advance payment for some of the residential and commercial office spaces in support overseas operations.

Note 8 Liabilities Not Covered by Budgetary Resources

	September 30, 2014 (In Thousands)	September 30, 2013 (In Thousands)
Intragovernmental Liabilities		
Unfunded FECA Liability	\$ 33,348	\$ 32,297
Public Liabilities		
Unfunded Annual Leave	10,289	9,755
Unfunded Employment-Related Liability	333	98
Federal Employee and Veterans Benefits	149,107	153,397
Total Liabilities Not Covered by Budgetary Resources	\$ 193,077	\$ 195,547
Total Liabilities Covered by Budgetary Resources	\$ 59,483	\$ 63,557
Total Liabilities	\$ 252,560	\$ 259,104

Unfunded FECA Liability - A liability for the direct dollar costs of compensation and medical benefits paid on the agency's behalf by DOL. Since the agency is dependent on annual appropriation, it will include the amount billed for the direct costs in its budget request two years later.

Unfunded Annual Leave - A liability for annual leave is accrued as leave is earned and paid when leave is taken or when the individual terminates. The balance represents the estimated value of annual leave earned but not taken as of September 30, 2014 for U.S.-hired employees. The valuation of the accrued annual leave for FSN employees and the foreign national PSCs has been estimated for this financial statement. There were approximately 133 FSNs and 2,692

foreign national PSCs working for the Peace Corps at the end of the 4th quarter. Annual leave earned is based on local labor law requirements. Annual leave is paid out of current appropriations when taken.

Unfunded Employment Related Liability - A liability for the estimated severance of foreign national PSCs. Lump-sum payments are generally made to eligible international long-term personal services contractors based on local labor law requirements for separation. These payments are made when the individual terminates and are paid out of current appropriations.

Federal Employee and Veterans Benefits - Liability for the actuarial value of future payments for FECA as estimated by DOL for the agency.

Liabilities Covered by Budgetary Resources - Liabilities covered by budgetary resources include accounts payable for goods and service received by the agency, liability for the separation and retirement payments for eligible foreign service PSCs and FSNs, and other liabilities as shown in Note 9.

Note 9 Other Liabilities		
	September 30, 2014 (In Thousands)	September 30, 2013 (In Thousands)
Intragovernmental		
Advances from Others	\$ 71	\$ 224
Other Liabilities		
Contingent Liability (Note 11)	202	935
FSN and PSC Severance/Retirement Liability	25,849	24,643
Total Other Liabilities	\$ 26,122	\$ 25,802

Advances from Others - The balance of amounts advanced by other federal entities for goods and services to be furnished (e.g., money advance for Small Project Assistance grants.) All advances are considered current liabilities.

Foreign Service National Liability (FSN) and Host Country Resident Personal Services Contractor (PSC) Severance and Retirement Liability - The estimated future liability cost to be paid to eligible FSNs and foreign national PSCs upon separation from the agency. FSN and PSC Severance/Retirement Liability are considered non-current liabilities.

Note 10 Leases

For overseas operations, Peace Corps rents residences, office space and training facilities. Leases overseas contain a termination clause, allowing the agency to terminate any lease with a 30-90 day notice. Peace Corps leases are all operating leases and are considered cancellable.

The agency enters into Occupancy Agreements with the General Services Administration (GSA) for its building in Washington, DC and its regional recruiting offices throughout the continental U.S. GSA leases commercial facilities and provides spaces in federal buildings for occupancy by the agency. Occupational Agreements range from five to ten year terms, however, leased spaces can be vacated within a 120-day notice to GSA. Future operating lease payments for domestic leases are depicted below:

Fiscal Year	Future Lease Payments (In Thousands)
Fiscal Year 2015	6,629
Fiscal Year 2016	6,591
Fiscal Year 2017	6,196
Fiscal Year 2018	4,028
Fiscal Year 2019	387
After Fiscal Year 2020	753
Total Future Lease Payments	\$ 24,584

Note 11 Commitments and Contingencies

In the opinion of the management and legal counsel, the agency is liable for contingent liabilities related to administrative proceedings, legal actions, or claims associated with employee grievances that are probable and measurable in the amount of \$202,035 as of September 30, 2014 and \$935,000 as of September 30, 2013. These contingencies are considered current liabilities.

Disclosure is required if there is a reasonable possibility that a loss may be incurred. The likelihood of a reasonable possibility of a loss related to administrative proceedings, legal actions, or claims related to employee grievances are estimated to be \$300,000 as of September 30, 2014 and \$150,000 as of September 30, 2013.

Note 12 Intragovernmental Costs and Exchange Revenue

	September 30, 2014 (In Thousands)	September 30, 2013 (In Thousands)
Intragovernmental Costs	\$ 66,812	\$ 63,521
Intragovernmental Earned Revenue	(9,853)	(9,636)
Total Intragovernmental	\$ 56,959	\$ 53,885
Public Costs	\$ 297,690	\$ 318,352
Public Earned Revenue	(187)	(395)
Total Public	\$ 297,503	\$ 317,957
Total Net Cost	\$ 354,462	\$ 371,842

Intragovernmental activity represents the costs of goods and services provided to other federal agencies. Costs of goods and services and any revenue earned from outside federal sources are classified as public costs.

Exchange revenues represent revenue from services provided. This includes reimbursable agreements from other government agencies such as U.S. Agency for International Development sponsored HIV/AIDS education, prevention, and mitigation activities; and umbrella programs covering environment, health, youth, micro-enterprise, and Small Project Assistance technical assistance.

Note 13 Apportionment Categories of Obligations Incurred: Direct vs. Reimbursable Obligations

	September 30, 2014 (In Thousands)	September 30, 2013 (In Thousands)		
	Direct	Reimbursable	Direct	Reimbursable
Category A	\$ 372,508	\$ 10,310	\$ 359,785	\$ 10,401
Exempt from Apportionment	5,366	-	5,597	-
Total Obligations Incurred	\$ 377,874	\$ 10,310	\$ 365,382	\$ 10,401

All obligations incurred are Category A or Exempt from Apportionment.

Note 14 Undelivered Orders at the End of the Period

	September 30, 2014 (In Thousands)	September 30, 2013 (In Thousands)
Undelivered Orders – End of Period	\$ 73,327	\$ 63,753

The undelivered orders are budgetary obligations with and without advances/prepayments placed against federal budget authority where goods or services have yet to be received.

Note 15 Explanation of Differences between the SBR and the Budget of the US Government

<i>(In Millions)</i>	Budgetary Resources	Obligations Incurred	Net Outlays	Distributed Offsetting Receipts and Outlays
Statement of Budgetary Resources	\$ 448	\$ 376	\$ 347	\$ (2)
Budget of the U.S. Government	453	379	347	(3)
Difference	\$ (5)	\$ (3)	\$ -	\$ 1

The differences between the FY 2013 SBR and the FY 2013 actual numbers presented in the FY 2015 Budget of the United States Government are summarized in the table above. The President's Budget with actual numbers for FY 2013 has been published at <http://www.whitehouse.gov/sites/default/files/omb/budget/fy2015/assets/budget.pdf>. The difference between the agency's SBR and the Budget of the U.S. Government is attributable to a non-entity trust fund not reported in the agency's SBR. In FY 2014, all trust funds were included in the SBR.

Note 16 Fiduciary Activities

Schedule of Fiduciary Activity (In Thousands)	HCC Cash 2014	HCC Cash 2013	HCC In-Kind 2014	HCC In-Kind 2013
Fiduciary Net Assets, Beginning	\$ 887	\$ 804	\$ -	\$ -
Contributions	658	787	2,717	4,274
Disbursements	(799)	(704)	(2,717)	(4,274)
Increase/(Decrease) in Fiduciary Net Assets	(141)	83	-	-
Fiduciary Net Assets, Ending	\$ 746	\$ 887	\$ -	\$ -
Schedule of Fiduciary Net Assets (In Thousands)	HCC Cash 2014	HCC Cash 2013	HCC In-Kind 2014	HCC In-Kind 2013
Fiduciary Net Assets				
Cash and Cash Equivalents	\$ 746	\$ 887	\$ -	\$ -
Total Fiduciary Net Assets	\$ 746	\$ 887	\$ -	\$ -

Host Country Contributions are provided to Peace Corps by the host government and are accepted under the authority of Section 22 U.S.C. 2509(a)(4) of the Peace Corps Act. These contributions indicate host country support for the Peace Corps and help defray expenses, enabling the agency to use its budget more effectively. The host country retains ownership though the funds are deposited to special foreign currency accounts in the U.S. Treasury. In the event the funds are not used, funds are returned to the host country. The agency received cash and in-kind contributions from host countries. In-kind contributions estimated at \$2,716,957 in fair market value were received at posts through the end of September 30, 2014, for services, supplies, equipment, and facilities. The host country cash balance is \$716,829 as of September 30, 2014.

Note 17 Reconciliation of Net Cost of Operations to Budget

	September 30, 2014 (In Thousands)	September 30, 2013 (In Thousands)
Resources Used to Finance Activities:		
Budgetary Resources Obligated:		
Obligations Incurred	\$ 388,184	\$ 375,783
Less: Spending Authority from Offsetting Collections and Recoveries	<u>28,583</u>	<u>17,505</u>
Obligations Net of Offsetting Collections and Recoveries	359,601	358,278
Less: Offsetting Receipts	<u>(1,193)</u>	<u>(1,770)</u>
Net Obligations	360,794	360,048
Other Resources		
Transfers in/out without reimbursement (+/-)	510	(154)
Imputed financing from costs absorbed by others	<u>6,165</u>	<u>5,644</u>
Net resources used to finance activities	6,675	5,490
Total resources used to finance activities	367,469	365,538
Resources Used to Finance Items Not Part of the Net Cost of Operations:		
Change in budgetary resources obligated for goods, services and benefits ordered but not yet provided (+/-)	(5,626)	(14,226)
Resources that fund expenses recognized in prior periods	(3,202)	13,866
Budgetary offsetting collections and receipts that do not affect net cost of operations	1,840	5,280
Resources that finance the acquisition of assets	(12,178)	(4,424)
Other resources or adjustments to net obligated resources that do not affect net cost of operations (+/-)	<u>(510)</u>	<u>154</u>
Total resources used to finance items not part of the net cost of operations	(19,676)	650
Total resources used to finance the net cost of operations	347,793	366,188
Components Requiring or Generating Resources in Future Periods:		
Future Funded Expenses	-	(4,143)
Employer Contribution to Employee Benefits	-	1,773
Components not Requiring or Generating Resources:		
Depreciation and amortization	6,722	7,818
Other (+/-)	<u>(53)</u>	<u>206</u>
Total Components of Net Cost of Operations that will not require or generate resources	6,669	5,654
Net Cost of Operations	\$ 354,462	\$ 371,842

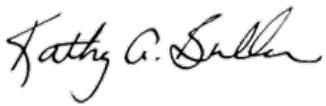
The Reconciliation of Net Cost of Operations to Budget reflects both the budgetary and non-budgetary sources that fund the Net Cost of Operations.

Note 18 Imputed Financing

	September 30, 2014 (In Thousands)	September 30, 2013 (In Thousands)
Federal Employees Health Benefit Program	\$ 4,038	\$ 3,926
Federal Employees Group Life Insurance Program	15	16
Civil Service Retirement System	559	577
Federal Employees Retirement System	1,532	1,091
Foreign Service Retirement and Disability System	21	34
Total Imputed Costs	\$ 6,165	\$ 5,644

Imputed financing recognizes actual costs of future benefits which include the Federal Employees Health Benefit Program, Federal Employees Group Life Insurance Program, and pension benefits that are paid by other federal entities.

Inspector General's Audit Transmittal Letter**Office of Inspector General**

To: Carolyn Hessler-Radelet, Director
From: Kathy A. Buller, Inspector General 
Date: November 7, 2014
Subject: Audit of Peace Corps' Fiscal Year 2014 Financial Statements

This letter transmits the reports of Kearney & Company, P.C. (Kearney) on its financial statement audit of the Peace Corps' Fiscal Year (FY) 2014 Financial Statements. As required by the Accountability of Tax Dollars Act of 2002, the Peace Corps prepared financial statements in accordance with Office of Management and Budget (OMB) Circular No. A-136, *Financial Reporting Requirements*, and subjected them to audit.

Auditor's Reports on the Financial Statements, Internal Control over Financial Reporting, and Compliance with Applicable Provisions of Laws, Regulations, Contracts, and Grant Agreements

We contracted with Kearney, an independent certified public accounting firm, to audit the Peace Corps' financial statements as of September 30, 2014 and 2013. The contract required that the audit be done in accordance with U.S. *Generally Accepted Government Auditing Standards* (GAGAS), OMB audit guidance, and the *Government Accountability Office/President's Council on Integrity and Efficiency Financial Audit Manual*.

Kearney's reports for FY 2014 include: (1) an opinion on the financial statements, (2) conclusions on internal control over financial reporting, and compliance with applicable provisions of laws, regulations, contracts, and grant agreements. In its audit of the Peace Corps, Kearney found:

- The financial statements were fairly presented, in all material respects, in conformity with GAGAS principles.

- There were no material weaknesses in internal control.¹
- Three significant deficiencies related to internal control were disclosed by the auditor:²
 - Internal control over property, plant, and equipment needs to be improved. Improvements needed are related to recording and tracking of property.
 - Information technology security needs improvement. The auditor cited continuous monitoring, risk management and security program controls, as areas needing improvement.
 - De-obligation of unliquidated obligations (ULO) is not timely. Specifically, the auditor cited that an effective ULO control environment is not being maintained and needs to be strengthened.
- Four instances of reportable noncompliance were found relating to complying with applicable provisions of laws, regulations, contracts, and grant agreements which are required to be reported under GAGAS or OMB guidance. Kearney found that the Peace Corps did not comply with:
 - OMB Circular A-11 relating to complete and accurate reporting of federal agency consolidated financial statements.
 - OMB Circular A-11 regarding accurate and timely recording of obligations.
 - Ethics in Government Act of 1978 associated with the timely reporting and reviewing of annual Public Financial Disclosure Reports.
 - Federal Information Security Management Act of 2002.

OIG Evaluation of Kearney's Audit Performance

In connection with the contract, we reviewed Kearney's reports and related documentation and inquired of its representatives. Our review, as differentiated from an audit in accordance with GAGAS, was not intended to enable us to express, and we do not express, opinions on the Peace Corps' financial statements or conclusions about the effectiveness of internal control or compliance with applicable provisions of laws, regulations, contracts, and grant agreements. Kearney is responsible for the attached auditor's reports dated November 7, 2014 and the conclusions expressed in the reports. However, our review disclosed no instances where Kearney did not comply in all material respects with GAGAS.

¹ A material weakness is defined as a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

² A significant deficiency is defined as a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

We would like to express our gratitude to the Peace Corps staff involved in working with the auditors and issuing the financial statements within the established OMB milestones. Their professionalism, cooperation, and timely responsiveness, allowed us to overcome the many challenges associated with performance of the audit and our oversight of the audit process. If you or a member of the Peace Corps staff has any questions about Kearney's audit or our oversight please contact me or Assistant Inspector General for Audit Judy Leonhardt, at 202-692-2914.

Attachment

cc: Laura Chambers, Chief of Staff
 Kathy Rulon, Senior Advisor to the Director
 Joseph L. Hepp, Jr., Chief Financial Officer
 Dorine Andrews, Chief Information Officer
 Daljit Bains, Chief Compliance Officer



Auditor's Report

1701 Duke Street, Suite 500, Alexandria, VA 22314
PH: 703.931.5600, FX: 703.931.3655, www.kearneyco.com

INDEPENDENT AUDITOR'S REPORT

To the Director and Inspector General of the United States Peace Corps

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of the United States Peace Corps (Peace Corps), which comprise the consolidated balance sheets as of September 30, 2014 and 2013, the related consolidated statements of net cost and changes in net position, and the combined statements of budgetary resources (hereinafter referred to as the “consolidated financial statements”) for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Office of Management and Budget (OMB) Bulletin No. 14-02, *Audit Requirements for Federal Financial Statements*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.



We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Peace Corps as of September 30, 2014 and 2013, and its net cost of operations, changes in net position, and budgetary resources for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (hereinafter referred to as the "required supplementary information") be presented to supplement the consolidated financial statements. Such information, although not a part of the consolidated financial statements, is required by OMB and the Federal Accounting Standards Advisory Board (FASAB), who consider it to be an essential part of financial reporting for placing the consolidated financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing it for consistency with management's responses to our inquiries, the consolidated financial statements, and other knowledge we obtained during our audits of the consolidated financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. Other Information is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information has not been subjected to the auditing procedures applied in the audits of the consolidated financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards* and OMB Bulletin No. 14-02, we have also issued reports, dated November 7, 2014, on our consideration of the Peace Corps' internal control over financial reporting, our tests of the Peace Corps' compliance with certain provisions of laws, regulations, contracts, and grant agreements, and other matters for the year ended September 30, 2014. The purpose of those reports is to describe the scope of our testing of



internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance and other matters. Those reports are an integral part of an audit performed in accordance with *Government Auditing Standards* and OMB Bulletin No. 14-02, and should be considered in assessing the results of our audits.

A handwritten signature in blue ink that reads "Kearney & Company". The signature is fluid and cursive, with the ampersand being particularly prominent.

Alexandria, Virginia
November 6, 2014



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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND COMPLIANCE WITH APPLICABLE PROVISIONS OF LAWS, REGULATIONS, CONTRACTS, AND GRANT AGREEMENTS

To the Director and Inspector General of the United States Peace Corps

We have audited the accompanying consolidated financial statements of the United States Peace Corps (Peace Corps), which comprise the consolidated balance sheets as of and for the year ended September 30, 2014, the related consolidated statements of net cost and changes in net position, and the combined statements of budgetary resources (hereinafter referred to as the "consolidated financial statements") for the year then ended, and have issued our report thereon, dated November 7, 2014. We conducted our audits in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Office of Management and Budget (OMB) Bulletin No. 14-02, *Audit Requirements for Federal Financial Statements*.

Internal Control Over Financial Reporting

In planning and performing our audits of the consolidated financial statements, we considered the Peace Corps' internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Peace Corps' internal control. Accordingly, we do not express an opinion on the effectiveness of the Peace Corps' internal control. We limited our internal control testing to those controls necessary to achieve the objectives described in OMB Bulletin No. 14-02. We did not test all internal controls relevant to operating objectives as broadly defined by the Federal Managers' Financial Integrity Act of 1982 (FMFIA), such as those controls relevant to ensuring efficient operations.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's consolidated financial statements will not be prevented or detected and corrected on a timely basis. A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies; therefore, material weaknesses or significant



deficiencies may exist that were not identified. Given these limitations, during our audits, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings, which we consider to be significant deficiencies.

We noted certain additional matters involving internal control over financial reporting that we will report to the Peace Corps' management in a separate letter.

Compliance with Applicable Provisions of Laws, Regulations, Contracts, and Grant Agreements

As part of obtaining reasonable assurance about whether the Peace Corps' consolidated financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance which could have a direct and material effect on the determination of financial statement amounts, and certain provisions of other laws and regulations specified in OMB Bulletin No. 14-02. We limited our tests of compliance to these provisions and did not test compliance with all laws, regulations, contracts, and grant agreements applicable to the Peace Corps. However, providing an opinion on compliance with those provisions was not an objective of our audits, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and are described in the accompanying Schedule of Findings.

The Peace Corps' Response to Findings

The Peace Corps' management has provided its response to the findings identified in our audits in a separate memorandum attached to this report. The Peace Corps' response was not subjected to the auditing procedures applied in our audit of the consolidated financial statements and accordingly, we do not express an opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and OMB Bulletin No. 14-02 in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in blue ink that reads "Kearney & Company".

Alexandria, Virginia
November 6, 2014



Schedule of Findings

* * * *

Significant Deficiencies

I. Property, Plant, and Equipment (Repeat Condition)

Agency management is responsible for the design and operation of Property, Plant, and Equipment (PP&E) internal control framework. This control framework should include policies, procedures, reviews, and approvals to ensure that long-lived assets are properly identified and all acquisition costs are accurately captured. Agencies should also ensure that property purchases and dispositions are recorded accurately, supported by appropriate documentation, and recorded timely to ensure the completeness and accuracy of property balances on the Balance Sheet. Absence of a comprehensive internal control framework may result in erroneous consolidated financial statements, theft, lack of accountability, waste, fraud, abuse, and lack of responsiveness to changing risk and threats.

The Peace Corps' property includes land and structures permanently attached to land, as well as leasehold improvements, vehicles, information technology (IT) hardware, and other tangible items. Additionally, the Peace Corps accumulates project costs in Construction in Progress (CIP) until the asset is placed into service.

The Peace Corps uses several non-integrated systems, such as the Fixed Assets Module, Vehicle Management Information System (VMIS), and BarTracks to track, manage, and record personal property transactions in the financial records. During Kearney's audit procedures, we noted the following issues related to PP&E:

- Kearney identified PP&E internal control gaps in the areas of Reconciliation of Asset Listings and the overall controls that are in place to ensure that the PP&E included in the consolidated financial statements is accurate and free from material misstatements. The points listed below illustrate the control gaps and processes noted:
 - **Reconciliation of Asset Listings** – The Peace Corps maintains three separate property tracking applications, a detailed vehicle tracking system (VMIS), a “master” vehicle tracking spreadsheet, and a personal property inventory maintained in BarTracks. None of these tracking applications are automatically interfaced with the financial information system asset management system (Odyssey Fixed Assets Module). The Peace Corps has not established controls activities to ensure information in all applications is complete and accurate. For example:
 - The Peace Corps has no assigned responsibility to perform reconciliations between VMIS and the financial systems to ensure the existence, completeness, and valuation of vehicles included in the consolidated financial statements
 - The Peace Corps has not developed an effective reconciliation process to identify differences between the personal property tracked in BarTracks and the Odyssey Fixed Assets Module subsidiary ledger in a timely manner



- **Asset Impairment and Obsolescence Procedures** – The Peace Corps currently does not have standardized procedures regarding the identification and subsequent accounting treatment of obsolete and impaired assets. This may lead to inconsistent treatment among Posts, and potentially erroneous consolidated financial statements.

The Peace Corps cannot ensure complete and accurate financial information regarding PP&E. The control deficiencies result in:

- Loss of asset accountability, which introduces operational risk related to the ability to execute the Peace Corps' mission
- Decrease in the uniformity and standardization of procedures, resulting in inconsistent treatment of assets and an increase in the difficulty of completing consolidated reports
- Increase in the likelihood of financial reporting misstatements due to delayed recognition of asset impairments.

Recommendation Number 1: Kearney recommends that the Peace Corps enhance its overall control environment in relation to PP&E by performing the following:

1. Develop and implement reconciliation procedures between the various inventory management tools used by the process owners and the Odyssey Fixed Assets Module subsidiary ledger to ensure accuracy and completeness
2. As appropriate, develop standardized procedures to identify and account for damaged, obsolete, or otherwise impaired PP&E.

Kearney analyzed property balances, acquisitions, and disposal transactions recorded by the Peace Corps through June 30, 2014. Kearney conducted testing across all Peace Corps asset types as of June 30, 2014 and during four Post visits conducted during fieldwork. Kearney identified the following:

- Kearney evaluated a statistically selected sample of 50 asset additions with a recorded value of \$556,572 as of June 30, 2014 from a \$4,089,739 population. Kearney identified 10 exceptions, with a total known error of \$12,986 and a statistically projected error of \$63,222, in which the Peace Corps did not capture all capitalizable costs related to vehicle acquisitions, including clearing agents and freight costs
- Kearney selected a judgmental sample of 10 recorded asset disposals. Kearney identified a \$13,240 fixed asset addition which should have been capitalized. The Peace Corps erroneously reversed the addition, understating assets and overstating operating expenses by \$13,240
- During Post visits, Kearney noted the following exceptions:
 - The Peace Corps did not include acquisition costs of \$19,160 for 31 vehicles with initial costs of \$1,063,056 and a net book value of \$780,006 in the capitalized amount in the Fixed Asset Listing, which was an average error rate of two percent
 - The Peace Corps did not remove four disposed assets from the Fixed Assets Listing. The total net book value of the assets as of June 30, 2014 was \$39,915 and the unrecorded gain was \$111,467



- The capitalized amounts for six vehicles in the Fixed Asset Listing do not agree with invoices. Kearney noted a difference of \$(11,349) between the amount on the invoice and the amount in the Fixed Asset Listing.

The untimely and inaccurate processing of property transactions may result in misstatements in the Peace Corps' consolidated financial statements, as well as incomplete or inaccurate property data used in making management and budgeting decisions. Additionally, the errors in the property records may result in a lack of accountability for asset custodianship, which could lead to theft or waste.

Recommendation Number 2: Kearney recommends that the Peace Corps enhance its overall control environment in relation to PP&E by performing the following:

1. Institute procedures to ensure that all capitalizable costs related to vehicle acquisitions, including clearing agents and freight costs, are included in the capitalized asset cost
2. Institute standard operating procedures that emphasize the importance of accurately determining and timely recording asset acquisitions and disposals
3. Expand domestic reviews and validation of property information.

II. Information Technology Security (Repeat Condition)

The Peace Corps' IT internal control structure, both for the General Support Systems and critical financial reporting applications, did not include a comprehensive risk analysis, evidence of effective monitoring of design and performance, and evidence of an ability to identify and respond to changing risk profiles. The Peace Corps' IT control environment included design and operation weaknesses that, when combined, are considered to be a significant deficiency, as summarized below:

- During Fiscal Year (FY) 2014, the Office of the Chief Information Officer (OCIO) had begun the process of implementing a continuous monitoring program. However, it was not able to complete the implementation with visibility of all Federal Information Security Management Act of 2002 (FISMA) systems in accordance with its Information Security Continuous Monitoring (ISCM) strategy. The FISMA Evaluation Team identified the following control deficiencies:
 - Five of seven FISMA reportable information systems were not captured by the OCIO's official tool, Cyber Security Assessment and Management, for Ongoing Assessment and Authorization (OAA), tracking, and closing Plan of Action and Milestones records
 - The Peace Corps did not follow the OAA process to identify and assess selected security controls (including system-specific, hybrid, and common controls) for the Odyssey and Global Operations (GlobalOps) systems
 - The Peace Corps has not implemented a capability to detect unauthorized connections to its networks.
- The Peace Corps does not have a robust agency-wide risk management program to manage information security risks. OCIO has formalized an overall Risk Management



Strategy as of February 2014; however, no evidence demonstrated that the agency was able to identify, assess, respond to, and monitor information security risks at the entity or business process levels. In addition, the Peace Corps has not developed relevant security policies and procedures to effectively manage the FISMA system inventory, establish system boundaries, and conduct appropriate Security Testing and Evaluation as part of the Security Assessment and Authorization (SA&A) process. Further, the FISMA Evaluation Team determined that the Peace Corps did not effectively manage its FISMA system inventory and identified that two major applications, Odyssey and GlobalOps, were missing up-to-date authorization packages.

As defined in Generally Accepted Government Auditing Standards , information system controls consist of those internal controls that are dependent on information systems processing and include general controls and application controls. General controls and application controls are not likely to be effective due to weaknesses in the Peace Corps' Information Security Program. Security program policies and procedures apply to all, or a large segment of, the Peace Corps' information systems. The effectiveness of these procedures is a significant factor in determining the effectiveness of controls at the application level.

Application-level controls are not likely to be effective due to weaknesses in information security program controls. Weaknesses in security management can result in increased risk that application-level controls are not consistently applied, which could render accounting process controls ineffective by circumvention or modification.

Recommendation Number 3: Kearney recommends that the Peace Corps:

1. Develops and adheres to a formal project plan to assign the proper resources required to fully implement all components of its current ISCM strategy
2. In coordination with the Risk Executive, develops and implements a holistic risk management strategy that identifies, assesses, and remediates security-related risks at the entity, business process, and information system levels that is consistent with FISMA requirements and National Institute of Standards and Technology Special Publication 800-39
3. Performs a SA&A on all FISMA reportable systems in accordance with their risk management strategy.

III. Untimely De-Obligation of Unliquidated Obligations (New Condition)

Unliquidated Obligations (ULO) represent binding agreements for goods and services that have not yet been delivered or received, and will require future outlays. Agencies should maintain policies, procedures, and information systems to ensure that ULOs represent current required Federal outlays. Failure to maintain an effective ULO control environment may result in difficulties in managing funds, improper payments, inaccurate budgetary reports, and violations of Federal regulations.



The Peace Corps records obligations in its financial management system when it enters into an agreement, such as a contract or purchase order, to purchase goods or services. Once recorded, obligations remain open until they are fully reduced by disbursements or de-obligated, or the appropriation funding the obligations is canceled. As invoices are received and payments are made, obligations are liquidated by the amount of the payments. ULOs represent orders for which the goods and services have been received but payments have not yet been made.

- The Peace Corps reported 25,641 ULOs worth \$76 million as of June 30, 2014. Kearney evaluated the validity and liquidation status of 32 non-Federal ULOs greater than \$5,000 with no liquidation activity within the last nine months with a statistical sample, and judgmentally sampled the five largest Federal ULOs. The combined 37 ULOs sampled had a recorded value of \$1 million. Kearney determined the following:
 - 15 of the 32 statistically sampled non-Federal ULOs valued at \$373,254 should have been de-obligated. These errors resulted in a statistically projected error of \$446,169
 - Four out of five judgmentally sampled Federal ULOs valued at \$136,515 should have been de-obligated as of June 30, 2014. These errors comprised 70% of the recorded Federal ULO balance.

In total, Kearney identified 19 exceptions with a recorded value of \$509,769 that no longer represented future Peace Corps funding needs.

In addition, Kearney tested 40 additional open obligations during Post visits and identified two open obligations that should have been de-obligated. These two obligations that were not de-obligated had a value of \$12,400.

The 19 identified exceptions produced a projected likely error of approximately \$446,000 in the non-Federal ULO balance as of June 30, 2014. The Peace Corps' failure to maintain an effective ULO control environment in which invalid open obligations are identified and de-obligated in a timely manner may result in difficulties in managing funds, improper payments, inaccurate budgetary reports, and possible violations of Federal regulations.

Recommendation Number 4: Kearney recommends that the Peace Corps take steps to strengthen and better integrate the obligation process, including the following:

1. Review open obligations, and ensure the ultimate disposition of open obligations is formally documented, reviewed, and certified by a senior official(s) in a timely and routine manner
2. Provide annual training on related policies and procedures to ensure consistency among Posts.

* * * *



Noncompliance and Other Matters

IV. OMB Circular Number A-11, *Preparation, Submission, and Execution of the Budget* (Repeat Condition)

The Bureau of the Fiscal Service, a bureau of the United States Department of the Treasury (Treasury), maintains the Federal Government's set of accounts, and assists Federal agencies with adopting uniform accounting and reporting standards and systems by issuing Treasury's Federal Account Symbols and Titles (FAST) Book. The FAST Book lists receipt, appropriation, and other fund account symbols and titles assigned by Treasury.

OMB Circular A-11, *Preparation, Submission, and Execution of the Budget*, Appendix F, "Format of the SF-132, SF-133, Schedule P, and SBR," defines how the apportionments and budgetary resources should be reported. An agency's failure to follow this guidance can result in erroneous and misstated financials, violations of laws and regulations, and improper consolidation of Government-wide accounts.

The Peace Corps separated Treasury Account Fund Symbols (TAFS) 11X8245 into the following funds:

- Private Sector Non-Entity Funds (X82450000) are restricted donations upon volunteer initiative request
- Capitalized Donations (X82457777) account for the two property donations that the Peace Corps received in Belize and Swaziland
- Private Sector Entity Fund (X82459999) includes money donated to the Peace Corps that have general but not specific purposes.

As a result of an inconsistency in the classification of these funds within the Peace Corps' financial system, Odyssey, of the three funds listed above that make up 11X8245, only two of the funds are being reported in the consolidated financial statements.



The Peace Corps' treatment of the three TAFS is not in accordance with FMS and OMB guidance. The June 30, 2014 balances are shown below for the three Odyssey TAFS.

TAFS Title	Peace Corps' Description	Odyssey TAFS	Amount in Fund Balance with Treasury	Reported in 6/30 Financial Statements (Yes/No)
Gifts and Contributions, Peace Corps	This fund was used to record Private Sector cash donations that are used to fund the Peace Corps' volunteer projects.	X82450000	\$1,108,745	No
Gifts and Contributions, Peace Corps	This fund was used to record Private Sector non-cash donations.	X82457777	\$0.00 ¹	Yes
Gifts and Contributions, Peace Corps	This fund was used to record Private Sector cash donations that are used to fund the Peace Corps' operations.	X82459999	\$196,297	Yes
				\$1,305,042

As of September 31, 2014, the Peace Corps corrected the reporting issue noted above. All three funds are being reported in the consolidated financial statements correctly.

V. OMB Circular Number A-11, *Preparation, Submission, and Execution of the Budget (New Condition)*

Obligations are definite commitments that create a legal liability of the Government for payment. The Peace Corps should record an obligation in its financial management system when it enters into an agreement, such as a contract or purchase order, to purchase goods and services. Agencies should only record legitimate obligations, which would include a reasonable estimate of the Government's potential liability. Agencies should maintain policies, procedures, and information systems to ensure that obligations represent required Federal outlays, comply with laws and regulations, and are appropriately approved. Failure to maintain effective obligation controls may result in difficulties managing funds, improper payments, inaccurate budgetary reports, and violation of Federal regulations, including the Antideficiency Act.

Kearney tested 45 new obligations, valued at \$9,239,106, created October 1, 2013 through June 30, 2014, and noted the following issues:

- One obligation overstated the Personal Service Contract value by \$2,584
- One obligation understated the Personal Service Contract value by \$1,382

¹ This fund does not have a balance in Standard General Ledger 1010 due to the balance being represented by donated land and buildings. Standard General Ledger Accounts 1711 and 1730 reflect the balance of \$85,000.



- Eight obligations were recorded in Odyssey after the period of performance began. This delay related to data entry into the financial information system; the actual obligating documents were executed prior to the period of performance. The delay between the obligation date recorded in Odyssey and the period of performance start date ranged between one day and 90 days
- One obligation represented a \$425,748 contract that was not executed before the period of performance
- During Post visits, Kearney noted that one expense sample was obligated in Odyssey five days after the period of performance began.

The identified exceptions produced a statistically projected likely overstatement error of approximately \$307,000 in the overall balance as of June 30, 2014. In addition, obligations that are not recorded timely in the financial information system preclude the effective operation of automated controls and may increase the risk that goods or services may be acquired and/or received prior to an authorized obligation certifying the availability of funds, or prior to an authorized contract or purchase order being established. The process of authorizing the obligation and certifying fund availability ensures the completeness of the recorded obligation balances.

VI. Ethics in Government Act of 1978 (New Condition)

The Ethics in Government Act of 1978, as amended, requires senior officials in the executive, legislative, and judicial branches to file public reports of their finances, as well as other interests outside the Government. The primary purpose of this disclosure is to assist agencies in identifying potential conflicts of interest between a filer's official duties and their private financial interests and affiliations. The Peace Corps' Senior Executive Service employees are required to annually complete and file Public Financial Disclosure Reports (Office of Government Ethics [OGE]-278) to declare their financial assets and affiliations. OGE-278s are to be filed within 30 days of appointment or termination, or by May 15 of that calendar year, whichever is later.

The Designated Agency Ethics Official is responsible for reviewing all OGE-278s to determine if any actual or potential conflicts of interest exist between the filer's public responsibilities and private interests and activities within 60 days of the filing date. Timely submission of the OGE-278 allows the filer and the Peace Corps to address such conflicts when they first appear, and take appropriate actions to protect the filer and the Peace Corps.

Kearney evaluated 100% of the Peace Corps' 17 Public Financial Disclosure Forms (i.e., OGE Form 278). Kearney noted the following exceptions:

- Two employees filed their OGE-278 eight and 33 days late, respectively
- The DEAO did not start the review of three OGE-278s within 60 days of receipt of the employees OGE-278. The DEAO started these reviews 69, 79, and 97 days late, respectively.



Untimely submission and review of an OGE-278 could cause potential conflicts of interest between the filer's official Government duties and private financial interests, and cause affiliations to go undetected and unresolved for extended periods of time. The Peace Corps may be exposed to negative publicity and legal events if perceived and/or actual conflicts of interest and violations of Federal ethics laws and regulations are not disclosed and remediated in a timely manner.

VII. Federal Information Security Management Act of 2002 (Repeat Condition)

FISMA requires agencies to provide information security controls commensurate with the risk and potential harm of not having those controls in place. The heads of agencies and OIGs are required to annually report on the effectiveness of the agencies' security programs.

As noted in its Assurance Statement, the Peace Corps disclosed an instance of noncompliance with FISMA that is required to be reported under *Government Auditing Standards* and OMB Bulletin No. 14-02.

By not complying with FISMA, the Peace Corps has potentially weakened security controls, which could adversely affect the confidentiality, integrity, and availability of information and information systems.

* * * *



APPENDIX A: STATUS OF PRIOR YEAR DEFICIENCIES

Four issues were noted relating to internal control over financial reporting in the Independent Auditor's Report on Internal Control over Financial Reporting and Compliance with Applicable Provisions of Laws, Regulations, Contracts, and Grant Agreements on the Peace Corps' FY 2013 consolidated financial statements.² The table below presents a summary of the current year status of these issues.

Prior Year Internal Control Material Weakness and Significant Deficiencies

Control Deficiency	2014 Status	2013 Status
Property, Plant, and Equipment	Significant Deficiency	Significant Deficiency
Information Technology Internal Control Environment	Significant Deficiency	Significant Deficiency
Financial Management Analysis and Reporting	Closed	Material Weakness
Accounts Payable Accrual	Closed	Significant Deficiency

² *Independent Auditor's Report on the Peace Corps' 2013 and 2012 Financial Statements*

AGENCY COMMENTS TO THE AUDITOR'S REPORT

Peace Corps has reviewed the Auditor's Report and concurs with the findings in the report.

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Other Information



Inspector General's Statement on the Peace Corps' Management and Performance Challenges

Office of Inspector General

TO: Carrie Hessler-Radelet, Peace Corps Director
Daljit Bains, Chief Compliance Officer

FROM: Kathy A. Buller, Inspector General 

SUBJECT: Inspector General's Statement on the Peace Corps' Management and Performance Challenges

DATE: November 3, 2014

In accordance with the Reports Consolidation Act of 2000, the Office of Inspector General (OIG) is submitting what it has determined to be the most significant management and performance challenges facing the Peace Corps. The challenges discussed in the attachment to this memo are to be included in the agency's Performance and Accountability Report for fiscal year (FY) 2014. The challenge areas on "Programming and Volunteer Training" and "Accountability of Medical Supplies" that appeared in last year's Inspector General's statement were not included this year because management has taken corrective actions to remediate related issues discussed in OIG audit and evaluation reports. In addition, the agency has made progress in addressing Volunteer safety and security, and as a result, we have removed it as a separate challenge. Instead we have highlighted aspects of it that remain a challenge under "Business Processes."

OIG has concluded that the following four areas present significant challenges at the Peace Corps:

- IT Security Management (first reported in FY 2009)
- Business Processes (first reported in FY 2011)
- Excessive Personnel Turnover (first reported in FY 2012)
- Training Overseas Staff (new for FY 2014)

These challenges illustrate the most significant areas OIG believes need improvement for the Peace Corps to effectively manage its resources and minimize the potential for fraud, waste, and abuse occurring in its operations. Addressing the issues related to these challenge areas would enable the agency to increase operational efficiencies and improve mission effectiveness.

Attachment

Challenge Information Technology Security Management

Why This Is a Challenge

An effective information technology (IT) security program helps protect an agency's data from being misused by both internal and external sources and minimizes the potential of having its most sensitive data compromised. The federal laws and regulations governing IT security are specifically designed to strengthen an agency's management of its related programs. They also provide for significant guidance that serves to prevent serious information security incidents from occurring. A central part of an IT security program in the federal environment is the Federal Information Security Management Act (FISMA), which was passed by Congress and signed into law by the President as part of the E-Government Act of 2002.¹ Its overall goals include developing a comprehensive framework to protect the government's information, operations, and assets. Since FY 2009, OIG has reported in its management and performance challenges that the Peace Corps has not achieved full compliance with FISMA or fully implemented an effective IT security program. Some of the issues identified have been outstanding for over five years and the agency has struggled to implement corrective actions.

Further complicating this challenge, the Peace Corps plans to move a portion of its data media and information to cloud storage and transfer email services to a cloud service provider during FY 2015. In September 2014, a pilot of cloud email and collaboration tools was initiated. These efforts are a major undertaking and the need for an effective and FISMA compliant IT security program prior to fully transitioning to the cloud is critical.

Progress in Addressing Challenge

Management has made some progress in strengthening Peace Corps' IT security management programs through measures taken to improve its FISMA compliance. The agency has recently re-established a plan of action and milestones program and has begun following up on documented IT security vulnerabilities. However, there are a number of FISMA issue areas that were discussed in prior year challenge statements that have not been fully resolved. For example, although management has initiated a continuous monitoring program, including information on some of its systems, the program does not contain all the required aspects to be complete; some configuration management processes have not been fully implemented; contingency plan testing weaknesses still exist at overseas posts, headquarters, and regional recruiting offices; and systems security planning documentation has not been completely updated. Further, the Peace Corps has not fully implemented a comprehensive agency-wide risk management program that is effective in monitoring, identifying, and assessing security weaknesses, and resolving related problems at the entity or business process levels.

What Needs to be Done

Achieving full compliance with FISMA and other federal laws and regulations that apply to managing the Peace Corps' IT security infrastructure is critical to having a program that is effective in ensuring the agency's information, operations, and assets are adequately protected. The Peace Corps needs to place greater emphasis on improving its information security program, including accomplishing greater FISMA compliance, and timely remediation of IT security weaknesses that have been identified internally, and through the annual FISMA and other

¹ Pub. L. No. 107-347.

reviews and audits. The Peace Corps will need to place a sharper focus on improving its IT security program by assigning sufficient qualified personnel and prioritizing the agency time and resources necessary to become fully FISMA compliant and eliminate weaknesses.

Key OIG Resources

[Peace Corps' FY 2013 Performance and Accountability Report](#)

Peace Corps' FY 2014 Performance and Accountability Report

OIG Semiannual Report to Congress, April 1 to September 30, 2014

Challenge Business Processes

Why This Is a Challenge

Although the Peace Corps continues to improve key business processes and critical Volunteer support functions, as well as streamlining its operations, it is constrained by decentralized processes and a lack of modern systems. Specifically, the agency continues to be challenged in the areas related to Volunteer safety and security, data management, and property management.

Volunteer Safety and Security

In May 2012, the Peace Corps Director and the Department of State (DOS) signed a memorandum of understanding (MOU) to formalize the relationship and further define and clarify individual roles and responsibilities for overseas safety and security regarding Peace Corps staff and Volunteers. However, consistent implementation of the agency's responsibilities remains a challenge because the agency's safety and security program is a decentralized process with the responsible staff located within multiple offices both at headquarters and overseas.

Furthermore, the lack of consistent communications with DOS regional security officers (RSOs) has impacted the agency's implementation of the MOU. On September 1, 2013, in response to the Kate Puzey Act, the Peace Corps changed its crime reporting system to remove sensitive sexual assault details. However, the Peace Corps erroneously stopped sending RSOs details for all crime incidents, not just those classified as sexual assaults. It took over six months for RSOs to receive any official explanation from the Peace Corps about the change.

Data Management

Although the Peace Corps is working on modernizing some of its businesses processes, OIG audits and evaluations continue to find that several essential business functions remain largely paper-based, such as processes for travel, medical supply management, payment vouchers, and several human resource functions (leave approval, performance appraisals, training records, and travel compensation time). The Peace Corps lack of automated business processes has led to inefficiencies and duplication of efforts, as well as data being more prone to human error.

Property Management

As of the third quarter of FY 2014, the Peace Corps reported having a total property net value of \$29.6 million. OIG and Peace Corps external audits continue to find issues with property system reliability. In FY 2012, the agency implemented a new property accountability system to better manage its assets; however, there have been significant problems with data accuracy.

Progress in Addressing the Challenge

The agency's safety and security program has begun to mature in recent years, with the development of more vigorous roles and responsibilities for the safety and security manager position, updated guidance materials, and more formal involvement of security experts in the hiring of overseas security personnel. The agency is proposing an amendment to the MOU to address reporting of sexual assaults.

The Peace Corps has implemented, or is working to implement, several systems to better manage agency records. Specifically, Volunteer Recruitment and Selection implemented the Database of Volunteer Experience to manage volunteer applicant data, and in August 2012, Office of Health Services implemented a medical applicant exchange system. Currently, the agency is piloting an electronic medical records system and plans to fully implement the system during FY 2015.

Furthermore, progress is being made to address property management deficiencies. The Office of the Chief Financial Officer plans to replace the existing property management system beginning in the second quarter of FY 2015 and anticipates full implementation by mid-FY 2016.

According to management the replacement system has greater capability and they are confident that it will significantly improve property inventory accuracy.

What Needs To Be Done

The agency needs to continue to assess its operations to modernize its business processes. Furthermore, agency business processes must also support effective internal control and provide for access to reliable data. For the safety and security program, in addition to providing training, the agency should put in place formal guidance to ensure roles and responsibilities are defined and the MOU requirements are understood by all involved parties. Additionally, the Peace Corps needs to continue its focus on developing or acquiring more modern and automated systems to replace business processes that are manual or rely on inadequate systems.

Key OIG Resources

[Follow-up Evaluation of the Volunteer Delivery System](#)

[Final Audit Report: Training Peace Corps' Overseas Staff](#)

[Final Audit Report: Peace Corps Applicant Screening Process](#)

[Review of the Peace Corps' Implementation of Guidelines Related to Volunteer Victims of Rape and Sexual Assault](#)

[Final Audit Report: Peace Corps' Volunteer Safety and Security Program](#)

[OIG's FY 2015 Annual Plan](#)

[Management Advisory Report: Certification of Volunteer Payments](#)

[Recurring Issues: OIG Post Audits and Evaluations FYs 2009-2011](#)

Challenge Excessive Personnel Turnover

Why This Is a Challenge

In June 2012, OIG issued its final report on the impacts of the “five-year rule” (FYR) on operations of the Peace Corps. Peace Corps management concurred with the report’s five recommendations. The FYR became law in 1965 and limited employment of Peace Corps’ U.S.

direct hire personnel to five consecutive years worked over two separate ‘tours’ of 2.5 years each. OIG’s evaluation found that the FYR, as intended, enabled the agency to create a constant flow of new employees including returned Peace Corps Volunteers; avoid the inflexibility associated with the civil service system; and prevent employees from working their entire career at the Peace Corps. However, the FYR accelerated the annual pace of employee turnover to between 25 percent and 38 percent, quadruple the average turnover rate in the federal government. The average tenure of agency employees over the past 10 years was just under three years. Excessive personnel turnover at Peace Corps exacerbated a range of common management challenges. Excessive turnover has undermined the agency’s ability to retain employees on the basis of performance; conduct succession planning; manage the continuity and transfer of essential knowledge, skills, and abilities; provide training and professional development to staff; and deploy its workforce efficiently.

In addition, the FYR weakened the agency’s ability to attract and retain highly qualified professionals in the areas of contracting, financial management, information technology, human resources management, and medical support. It led to frequent staffing gaps in mission-critical positions overseas. Further, the practice of employing staff on 30-month tours compromised performance management and allowed supervisors to avoid actively managing underperforming employees. OPM recently characterized this unintended effect of the FYR as “a threat to effective performance management and mission accomplishment, and a risk to effective [human capital] management in accordance with the merit system principles and in compliance with Federal laws, rules, and regulations.” OIG estimated that over the five-year period from 2005-09, excessive turnover driven by the FYR accounted for approximately 60 percent of \$20.7 million in total turnover management costs.²

Problems in recruiting and maintaining qualified staff at Peace Corps posts and minimizing lapses following departures exacerbates the impact of excessive staff turnover on the agency. In 2013, OIG reported on challenges related to hiring overseas staff in its *Final Audit Report: Peace Corps Overseas Staffing*. OIG reported that the agency struggled to maintain a robust pool of qualified applicants and ensure positions are filled in a timely manner. Some of the underlying issues contributing to this challenge include managing timelines for positions that will be open, effective communications between the involved headquarters and field offices, consistency in the interview and hiring process, and adequately planning for transfers and unexpected vacancies.

Progress in Addressing the Challenge

The agency has made some progress in addressing the challenge. In response to the final report on the impacts of the FYR, the Peace Corps concurred with the five recommendations OIG made to reduce the negative effects the FYR has had on agency operations. As highlighted in the FY2013 Management and Performance Challenges, the agency has revised certain policies or practices related to the administration of its personnel system for instance it has: as of March 1, 2013, started to make initial appointments of 60 months for new staff and converted the staff members that were on 30-month tours to 60-month appointments; worked to maximize the allowable percentage, 15 percent, for additional 30-month tours; and exercised the authority for

² This estimate only included direct costs and did not take into account costs that were more difficult to quantify, including: the loss of expertise when high-performing staff appointments ended; reductions in productivity; or gaps in institutional memory and knowledge.

greater retention of employees through the 12-month extension appointment for “special circumstances.” Additionally, the agency implemented an exit survey in November 2013 to better understand the reasons for employee departures. However, the agency has not provided documentation to OIG that would allow for a review and response to the steps it has taken to address the larger systemic issues that our recommendations are intended to address.

As of September 2014, all five recommendations remain open. They are to reduce the rate of employee turnover and increase direct hire employees’ length of employment; identify which functions should be subject to periodic turnover, and implement a process to manage turnover; identify the core business functions and positions that suffer from frequent staff turnover, and determine and implement a process for acquiring and retaining qualified personnel; raise expectations among supervisors to address employee performance issues and provide supervisors with the training and support; gather and analyze data on the causes of unwanted, early employee resignations, and develop data-driven solutions to curb the pace at which employees resign early. Further, the seven audit recommendations OIG made in its report on the Peace Corps overseas staffing to improve how the agency hires certain overseas staff remain open.

What Needs To Be Done

The agency needs to address each of the five recommendations from the final report on the impacts of the FYR and the seven relevant recommendations from the final report on Peace Corps overseas staffing.

Key OIG Resources

[Final Evaluation Report: Impacts of the Five Year Rule on Agency Operations](#)

[Final Audit Report: Peace Corps Overseas Staffing](#)

Challenge Training Overseas Staff

Why This Is a Challenge

The Peace Corps relies on its overseas staff to ensure the success of its programs around the world. Overseas staff members have many responsibilities; including identifying jobs where Volunteers can be productive and contribute to host country development needs, managing financial and administrative operations, and ensuring the health and safety of Volunteers. Even though they work outside of the United States, overseas staff often has to abide by the rules of the federal government, including those related to ethics, contracting, and whistleblower protection. Ensuring overseas staff has the skills and information they need for their jobs requires training.

In September 2014, OIG issued its final report on the training Peace Corps provides to its overseas staff. During this evaluation, OIG reviewed the training provided on a number of different topics, including cashier functions, classified materials handling, continuing medical education, medical overseas staff training, confidential handling of Volunteer allegations, contracting functions, equal opportunity employment, ethics, information security, purchase card, sexual assault policy, supervisory training, and travel card training. Although there are

many areas where the agency is putting a lot of resources into training, OIG work uncovered a number of challenges.

An underlying problem is that the agency does not have a central office to develop, manage, and coordinate the training of overseas staff. The responsibility for managing training is largely decentralized, with different headquarters offices and posts responsible for identifying training needs, developing and delivering training, and using their own methods and systems to track training participation. There is no senior official who can develop a learning strategy for the entire agency and then ensure the Peace Corps has the financial and human resources needed to implement the strategy.

Another significant challenge is that the agency does not have a training coordinator for host country nationals (HCNs), who make up over 90 percent of Peace Corps' overseas workforce. Although some of the overseas positions are filled by U.S. direct hire positions, the majority of the staff is HCNs. Even though HCNs make up the majority of Peace Corps' overseas workforce, the agency has not always extended the same training opportunities to them.

The agency's primary training and orientation for overseas staff members, called overseas staff training (OST), is not available to every staff member. According to OIG data, only 18 percent of current overseas staff (and nine percent of HCNs) hired between 2008 and 2013 attended OST. The agency lacks an alternate mechanism for orienting new post staff members. Without a comprehensive, standardized orientation and training program for all overseas staff, each post decides what information will be provided to new staff. This creates variability in the quality of staff training, and there is no assurance that new staff is properly trained on important policies and procedures.

OIG also reported that the agency lacks training records and a robust learning management system. Without these, it is very difficult, and sometimes impossible, to identify everyone who needs to take certain trainings and track training completion. This makes it challenging to ensure that employees have received training on mandatory and job-essential topics.

Additionally, as OIG reports in the management challenge related to excessive staff turnover, time-limited staff appointments under the five-year rule creates an accelerated rate of turnover and underscores the need for a comprehensive staff training program to fully prepare new hires to perform their jobs.

Progress in Addressing the Challenge

Because minimal time has elapsed since OIG released the staff training report, the agency has not had time to implement the recommendations. However, during fieldwork, OIG uncovered areas where the agency has made progress. For example, the agency hired a training manager, a position that had been vacant since 2010. The agency also continued to develop and implement trainings needed to comply with federal laws, such as a training program for sexual assault response liaisons, a sexual assault policy training for all overseas staff, and supervisory training. In its response to the 2014 OIG report on training overseas staff, the agency committed to take further action to improve its training program.

What Needs To Be Done

OIG issued 25 recommendations in its 2014 report. Some of these related to ensuring that specific trainings, such as supervisory training, purchase and travel card training, and sexual assault policy training, are provided in accordance with federal laws and agency policy. Others were aimed at addressing the systemic issues uncovered during the evaluation. The report included recommendations to designate responsibility for the oversight of the agency's staff training program, implement a training needs assessment process, create a standardized training program for new overseas staff, and implement an improved learning management system.

Key OIG Resources

[Final Program Evaluation: The Peace Corps' Training of Overseas Staff](#)

[Final Evaluation Report: Impacts of the Five Year Rule on Agency Operations](#)

[Recurring Issues: OIG Post Audits and Evaluations FY 2009-2011](#)

Summary of Financial Statement Audit and Management Assurances

Table 1. Summary of Financial Statement Audit					
Audit Opinion	Unmodified				
Restatement	No				
Material Weaknesses	Beginning Balance	New	Resolved	Consolidated	Ending Balance
Financial Management Analysis and Reporting	1	0	1	0	0
<i>Total Material Weaknesses</i>	1	0	1	0	0

Table 2. Summary of Management Assurances						
Effectiveness of Internal Control over Financial Reporting (FMFIA § 2)						
Statement of Assurance	Unmodified					
Material Weaknesses	Beginning Balance	New	Resolved	Consolidated	Reassessed	Ending Balance
Financial Management Analysis and Reporting	1	0	1	0	0	0
<i>Total Material Weaknesses</i>	1	0	1	0	0	0
Effectiveness of Internal Control over Operations (FMFIA § 2)						
Statement of Assurance	Unmodified					
Material Weaknesses	Beginning Balance	New	Resolved	Consolidated	Reassessed	Ending Balance
FISMA	1	0	1	0	0	0
<i>Total Material Weaknesses</i>	1	0	1	0	0	0
Conformance with Financial Management System Requirements (FMFIA § 4)						
Statement of Assurance	Systems conform, except for the below nonconformance, to financial management system requirements					
Non-Conformances	Beginning Balance	New	Resolved	Consolidated	Reassessed	Ending Balance
FISMA	0	1	0	0	0	1
<i>Total Non-Conformances</i>	0	1	0	0	0	1

Appendices



Appendix 1

Status of Significant Deficiencies, Noncompliances, and Nonconformance

Kearney & Company, external independent auditor, issued the FY 2014 financial statement audit report which begins on page 118 transmitted through the Inspector General. The report identified three significant deficiencies, three instances of noncompliance with laws and regulations, and one nonconformance with the financial management system requirements.

The status of the three significant deficiencies (Property, Plant, and Equipment – Repeat Condition; Information Technology Security – Repeat Condition; and Untimely De-Obligation of Unliquidated Obligations – New Condition) is shown below in Part I Significant Deficiencies. The three noncompliances (Usage of Treasury Account Fund Symbols – Repeat Condition; Obligation Controls – New Condition; Filing of Public Reports – New Condition) are shown below in Part II Noncompliances. The one nonconformance with financial management system requirements for the Federal Information Security Management Act of 2002 (FISMA) (Repeat Condition) is in Part III. Each part identifies the FY 2014 Completed Corrective Actions, if performed, and the FY 2015 and Out Planned Corrective Actions to resolve the deficiencies, noncompliances, and the nonconformance.

Part I Significant Deficiencies	Status at End of FY 2014	Anticipated Resolution Date
Property, Plant and Equipment (PP&E)	Open	Mar 2016
Information Technology Security	Open	Sep 2017
Untimely De-Obligation of Unliquidated Obligations	Open	Jun 2015
<u>PP&E</u>		
FY 2014 Completed Corrective Actions		
1. Procured new asset management system		
2. Identified and removed items in inventory that were no longer physically present		
FY 2015 and Out Planned Corrective Actions		
1. Integrate new asset management system software		
2. Validate systems' internal controls		
3. Conduct data verification and clean-up		
4. Initiate employee training in PP&E policies, procedures, and software operation		
5. Conduct pilot testing in U.S. and in the regions to ensure compliance		
6. Perform employee training and system roll-out		
<u>Information Technology Security</u>		
FY 2014 Completed Corrective Actions		
1. Secured usage of the U.S. Department of Justice Cyber Security Assessment and Management repository to create, track, and mitigate Plan of Action and Milestones in a centrally located federal repository		
2. Purchased 40 AlienVault Security Information and Event Management (SIEMs) products to initiate continuous diagnostic monitoring of all posts		
3. Configured 25 SIEMs which are actively monitoring posts in the EMA Region		

4. Satisfied the vulnerability assessment procedures report mechanism and the Plan of Action and Milestones audit findings

FY 2015 and Out Planned Corrective Actions

1. Complete deployment of the remaining 15 AlienVault SIEMs to actively perform continuous diagnostic monitoring of all posts
2. Create new executive and privilege level role based training
3. Complete a Gap Analysis for the Risk Management agency strategy

Untimely De-Obligation of Unliquidated Obligations

FY 2015 Planned Corrective Actions

1. Enhance the tri-annual open obligation exercise to include a greater number of recently created obligations
2. Implement an audit process to sample open obligations to ensure timely de-obligation

Part II Noncompliances	Status at End of FY 2014	Anticipated Resolution Date
Usage of Treasury Account Fund Symbols	Open	Dec 2014
Obligation Control	Open	Jun 2015
Filing of Public Reports	Open	Jun 2015

Usage of Treasury Account Fund Symbols

FY 2014 Completed Corrective Actions

1. Updated classification of all trust funds in the agency's financial system
2. Reported all trust funds activity in the FY 2014 financial statements

FY 2015 Planned Corrective Actions

1. Update agency policy on the fund classification and reporting
2. Periodic review of Treasury's Federal Account Symbols and Titles Book and other federal financial authorities and guidelines for proper accounting treatment

Obligation Control

FY 2015 Planned Corrective Actions

1. Present enhanced trainings to overseas financial management control officers and headquarters staff concerning obligations

Filing of Public Reports

FY 2015 Planned Corrective Actions

1. Active engagement between White House Liaison and General Counsel Ethics Officer to ensure timely start of disclosure forms

Part III Nonconformance FISMA	Status End of FY 2014 Open	Anticipated Resolution Date Sep 2017
<u>FISMA</u>		
FY 2014 Completed Corrective Actions		
1. Identified all FISMA systems inventory boundaries 2. Current efforts are in progress for the identification and analysis of all external connections		
FY 2015 and Out Planned Corrective Actions		
1. Complete the identification and analysis of all external connections 2. Create the remaining four FISMA systems packages to include system security plans, standards for security categorization, and minimum security requirements 3. Replace all existing ColdFusion applications		

Appendix 2

Verification and Validation of Performance Data

Annual Volunteer Survey

The Annual Volunteer Survey (AVS) is an anonymous, voluntary online survey of all currently serving Volunteers. This comprehensive survey provides Volunteers' assessments of the effectiveness of Peace Corps training, in-country staff support, their personal health and safety, and their overall service experience.

The 2014 AVS was fielded from June 9 to August 15, 2014, and 91 percent of Volunteers completed the survey. The high response rate from Volunteers minimizes total survey error at the global level. The survey is not, however, administered to a random sample of Volunteers. As with other non-randomized surveys, the AVS is subject to non-response bias.

The demographic profile of the survey respondents is representative of the Volunteer population on key characteristics: age, gender, length of stay in country, project sector, and status as a Volunteer. Responses to all AVS questions were directly provided by the Volunteers and housed in an external, electronic survey database. To ensure data quality, rigorous data cleaning procedures were applied to the dataset prior to analysis. Analyzed data were used to inform agency leadership about the Volunteers' perspectives on key issues. The high response rate from Volunteers and the data verification and validation measures utilized ensure the high level of AVS data accuracy needed for its intended use.

The AVS reflects the experiences and opinions of Volunteers at a fixed point in time and can be influenced by various factors, such as major external events or the ability to recall information. The agency takes into consideration both statistical and practical significance to account for variation in AVS results from year-to-year. Thus, nominal percentage point movements may not be practically meaningful or significant. In using AVS results, the agency reviews longer-term trends to account for normal, expected variations in responses.

The AVS questionnaire underwent a significant redesign in 2014 to improve data quality and strengthen respondent confidentiality.

The questionnaire length was significantly reduced—from 105 questions in 2013 to 55 questions in 2014—in order to improve data quality and the survey-taking experience. A detailed analysis of previous years' data, matched with best practices from the survey research field, guided the redesign decisions. Questions that were highly correlated, that posed respondent confidentiality concerns, and questions that typical respondents would not have adequate knowledge to answer were excluded from this year's survey.

To reduce measurement error and follow best survey research practices, adjectival scales (unbalanced unipolar), which had been intended to measure attributes that are bipolar in nature, were changed to more accurate Likert scales (balanced bipolar) in 2014. Adjectival scales were first introduced in the Annual Volunteer Survey questionnaire in 2010; prior to that, survey questionnaires primarily consisted of visual analog scales with only the end points labeled. The change from unbalanced to balanced scales affected 18 questions of the 55-question instrument.

To strengthen respondent confidentiality, all demographic questions were moved to the end of the survey. This change allowed respondents to make an informed decision about disclosing their optional demographic data after having answered all of the substantive questions on the survey. Consequently, the data quality of survey responses to non-demographic questions was expected to improve.

Due to these improvements to the AVS, results from prior years may not be directly comparable to results in FY 2014 and future years. Changing from unbalanced to balanced scales has the effect of drawing respondents from an unbalanced center point into well-defined scale points on either side. While the agency is not able to quantify the effect of this change on the survey results, it is clear that FY 2014 results are consistently more positive than previous year results, likely due to the 2014 redesign, including the reduction of the length of the questionnaire, the modification of the response scales, and improvements to respondent confidentiality.

Peace Corps database systems

The agency maintains several database systems to collect Volunteer and program information. In order to maintain data integrity and ensure that the appropriate data entry methodology is followed, only authorized staff who have been properly trained can access key systems. Regular reconciliation processes among agency units enable users to verify and test performance data to isolate and correct data entry or transfer errors. Internal, automated system processes also ensure data is appropriately transferred among different applications. The required level of accuracy to provide current and historical information about programs and Volunteers is met through database rules and business processes. Where data limitations do exist, largely due to data entry compliance in isolated systems, they are noted in the appropriate performance goal section.

Peace Corps administrative records

The agency collects data annually from headquarters offices and overseas posts that do not exist in a centrally managed database through an online data call (survey). Responses are housed in an external, electronic database. Data cleaning procedures are applied to the dataset prior to analysis. Leadership from all overseas posts and headquarters offices are required to complete the survey. The survey is designed with clear logic and data validation rules to minimize data entry error. The data are independently reviewed by the Office of Strategic Information, Research, and Planning and anomalies are addressed to improve data quality. Other data are collected from specific headquarters offices individually.

While these administrative records do not have the benefit of the verification and validation standards executed in Peace Corps database systems, the agency is able to ensure a high level of accuracy by working with individual offices and posts to develop reliable data collection and analysis procedures.

Employee Viewpoint Survey

The Employee Viewpoint Survey is administered to all U.S. direct hire staff annually. The survey measures employees' perceptions about how effectively the agency is managing the workforce. The agency utilizes the survey results to compare working conditions at the Peace Corps with other federal government agencies and to identify opportunities to improve workforce management.

The demographic profile of survey respondents is consistently representative of the U.S. direct hire staff. In 2014, 93 percent of employees completed the survey. The survey is administered electronically, and questions are modeled on the Federal Employee Viewpoint Survey fielded each year across the federal government by the Office of Personnel Management.

The survey is not administered to a random sample of Peace Corps employees; as a result, the survey is subject to non-response bias. Additionally, the survey represents the views of employees at a fixed point in time and can be influenced by external factors. The agency accounts for these data limitations by drawing conclusions from multiyear trends and comparisons to results from other federal agencies.

Volunteer Reporting Tool

Volunteers report on their work and the progress they are making toward their project outcomes through the Volunteer Reporting Tool (VRT). The VRT is also utilized to report on Volunteers' contributions to the agency's strategic partners, such as the President's Emergency Plan for AIDS Relief and Feed the Future.

Since the development of the first version of the VRT in 2008, the agency has made numerous enhancements to the tool to improve the user experience, reduce data entry errors, and improve reporting. Volunteer reports are submitted to overseas post staff through the VRT on a quarterly or semiannual basis. Staff review all reports and work with Volunteers to verify data and correct anomalies prior to end-of-year analysis. The agency provides in-depth VRT training and support to Volunteers and staff to ensure data are collected, analyzed, and reported properly. The agency has also developed data collection tools for the project indicators related to Performance Goal 3.1 to standardize the methods that Volunteers use to collect data prior to entry into the VRT. The primary data quality challenge that remains is how to ensure an adequate percentage of Volunteers report on the project indicators related to Performance Goal 3.1. The agency is addressing this challenge by working with overseas posts to encourage higher reporting rates and by appropriately documenting and considering reporting rates in analyses.

Global Counterpart Survey

The first Global Counterpart Survey was launched in FY 2014 and is a short interview of Volunteers' primary work partners administered by overseas staff. The 20-question survey is designed to provide information on the impact of Volunteers on local communities from the perspectives of the individuals with whom Volunteers work most closely. The survey is administered continuously throughout the year by overseas staff during regularly scheduled site visits.

Data quality challenges include potential interviewer error and ambiguity in the total survey population. The interviews are conducted by staff experienced in project fieldwork and counterpart communication but who may not have extensive survey interviewing and data collection experience. Issues of translation, variation in interview styles, and accuracy of coding may have an unpredictable influence on the results. The agency is addressing this challenge by providing tools, training, and support to staff and by closely monitoring survey results to identify inconsistencies.

Determining the survey population is a challenge. There are multiple utilizations and interpretations of the title "counterpart" across the agency which will influence the survey population. To address this, the agency has defined counterpart as the Volunteer's primary work partner for his or her primary project. For the purposes of

performance goals 3.2 and 4.1, it is assumed that each Volunteer will have one official counterpart. The agency will track survey responses and explore instances where a post reports more counterparts than Volunteers who served during that time period.

Host Country Staff Survey

The first systematic, global survey of Peace Corps host country staff was launched in FY 2014. The Host Country Staff Survey is a short, confidential voluntary survey designed to gather input from host country staff for two performance goals in the agency's strategic plan. The survey was administered online from August 1 to August 31, 2014, and 58 percent of the host country staff surveyed responded. The survey included eight questions covering topics related to building an agency more inclusive of diversity and understanding staff training needs. In future years, the agency expects to expand the survey to include additional questions to more fully capture the perspectives of host country staff on a range of topics related to post operations and support.

The primary data quality challenge with the survey in FY 2014 was the development of the sampling frame. Identifying and contacting all host country staff proved difficult; some staff members in administrative or support positions did not have official email addresses. Due to this challenge, the sampling frame only consisted of the host country staff who could be reached via email (approximately 1,870 out of 2,800 staff). Additionally, lack of computer access, differing levels of familiarity with online survey tools, and limited English ability for some staff may have contributed to non-response bias. Moving forward, the agency will explore additional methods of survey administration, such as supplementing online surveying with the use of paper surveys and developing questionnaires in additional languages, to facilitate the participation of more host country staff.

Appendix 3

Glossary of Acronyms

AVS	Annual Volunteer Survey
CARS	Central Accounting and Reporting System
CIP	Construction in Progress
DEAO	Designated Agency Ethics Official
DOL	Department of Labor
DOS	Department of State
EMA	Europe, Mediterranean, and Asia Region
ERG	Employee Resource Group
FASAB	Federal Accounting Standards Advisory Board
FAST	Federal Account Symbols and Titles
FECA	Federal Employees Compensation Act
FISMA	Federal Information Security Management Act
FMFIA	Federal Managers' Financial Integrity Act
FSN	Foreign Service National
FYR	Five-Year Rule
GAGAS	Generally Accepted Government Auditing Standards
GSA	General Services Administration
HSN	Host Country National
IAP	Inter-America and the Pacific Region
ISCM	Information Security Continuous Monitoring
IT	Information Technology
MOU	Memorandum of Understanding
MRE	Monitoring, Reporting, and Evaluation
OAA	Ongoing Assessment and Authorization
OCIO	Office of the Chief Information Officer
OGE	Office of Government Ethics
OIG	Office of Inspector General
OMB	Office of Management and Budget
OPM	Office of Personnel Management
OSIRP	Office of Strategic Information, Research, and Planning
OST	Overseas Staff Training
PCMO	Peace Corps Medical Officer
PEPFAR	President's Emergency Plan for AIDS Relief

Appendices

PP&E	Property, Plant, and Equipment
PSC	Personal Services Contractor
RPCV	Returned Peace Corps Volunteer
RSO	Regional Security Officer
SARRR	Sexual Assault Risk Reduction and Response
SA&A	Security Assessment and Authorization
SIEM	Security Information and Event Management
TAFS	Treasury Account Fund Symbols
TEFL	Teaching English as a Foreign Language
ULO	Unliquidated Obligations
VMIS	Vehicle Management Information System
VRT	Volunteer Reporting Tool



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Peace Corps
Congressional Budget
Justification Fiscal Year 2014





Peace Corps Congressional Budget Justification Fiscal Year 2014

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F I S C A L Y E A R 2 0 1 4

BUDGET

OF THE U.S. GOVERNMENT

PEACE CORPS FY 2014 BUDGET REQUEST

The Peace Corps' budget request for FY 2014 is \$378,800,000, an increase of just over 1 percent from the FY 2013 request of \$374,500,000. The FY 2014 request will enable the Peace Corps to provide support to Americans serving as Volunteers in approximately 70 countries worldwide in FY 2014, while continuing the comprehensive reforms and improvements that have been put in place over the past few years.

THE DIRECTOR OF THE PEACE CORPS
WASHINGTON, DC

Dear Member of Congress:

I am pleased to submit the Peace Corps fiscal year 2014 budget request of \$378.8 million. This fiscally responsible funding level will allow the Peace Corps to continue its vital work at home and abroad and to build on the comprehensive reforms and improvements that the agency has put in place over the past few years.

The work that Peace Corps Volunteers do every day of the year is remarkable—from the leadership camp Volunteers organized for 80 youth in the Kyrgyz Republic, to the Volunteer in Togo who helped provide clean water for more than 20,000 community members. Volunteers empower local people to take charge of their own futures and achieve sustainable development, while strengthening the bonds of friendship and understanding between the people of other cultures and ordinary Americans. The agency's unique, people-to-people approach to development has never been more important.

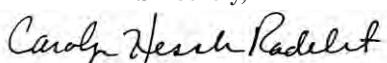
I am committed to ensuring that the Peace Corps and the outstanding Americans who serve as Volunteers around the globe continue to prosper far into the future. That is why the Peace Corps is engaged in a comprehensive reform effort unlike any since the founding of the agency. We have made tremendous strides in the last few years in improving the way the Peace Corps operates and the support Volunteers receive, but there is still much more to be done.

Thanks to the annual Country Portfolio Review process, the Peace Corps has an objective, data-driven method for reviewing and making decisions about where and how we operate globally. Thanks to the Focus In/Train Up strategy, we are increasing the agency's effectiveness—and our ability to measure that effectiveness—by focusing our work on the projects that have the greatest development impact. And, thanks to newly instituted safeguards and training, we have enhanced the safety and security of Volunteers and improved the support they receive.

By increasing our partnerships with other federal programs and the private/nonprofit sectors, the Peace Corps is establishing itself as a key player in major development initiatives. Whether it is the work we are doing with the U.S. President's Emergency Plan for AIDS Relief (PEPFAR) to fight HIV/AIDS, our collaboration with the President's Malaria Initiative to combat malaria, or our Feed the Future partnership with the U.S. Agency for International Development (USAID), Peace Corps Volunteers are on the front lines of vital whole-of-government and interagency efforts. In FY 2013, the Peace Corps will place health professionals at medical and nursing schools as part of a new public-private partnership called the Global Health Service Partnership.

I recognize the considerable challenges that you and your Congressional colleagues confront in determining the federal budget for FY 2014. I appreciate your consideration of the Peace Corps' budget request, which will sustain the important work of our Volunteers. I am continually grateful for the bipartisan support that the Peace Corps receives from Congress, and I look forward to working with you throughout the FY 2014 budget and appropriations process.

Sincerely,



Carrie Hessler-Radelet

Acting Director

Returned Peace Corps Volunteer, Western Samoa, 1981–1983



Congressional Budget Justification | Fiscal Year 2014

Overview of Peace Corps Operations and Key Initiatives

Mission and Goals

The Peace Corps was established in 1961 by then-President John F. Kennedy with a mission to promote world peace and friendship. Since that time, more than 210,000 Americans have served as Peace Corps Volunteers (“Volunteers”) in 139 countries across the world, working to advance the agency’s three goals:

1. To help the people of interested countries in meeting their need for trained men and women.
2. To help promote a better understanding of Americans on the part of the peoples served.
3. To help promote a better understanding of other peoples on the part of Americans.

The Work of Peace Corps Volunteers

The Peace Corps has a unique approach to development. Instead of providing monetary assistance to countries, the agency trains and sends Volunteers to build capacity at the grassroots level. Volunteers generally serve for 27 months, integrating into local communities and sharing their skills and experience directly with host country nationals and organizations. The Peace Corps also offers shorter-term assignments for seasoned professionals through Peace Corps Response. Volunteer activities are designed to be targeted and sustainable, so that communities are empowered to solve their development challenges long after the Volunteers have returned home.

At the end of FY 2012, 8,073 Volunteers were serving in 76 countries. Each country program consists of specific projects in one or more of six technical sectors:

- Agriculture
- Community Economic Development
- Education
- Environment
- Health
- Youth in Development

A country program may consist of anywhere from one to six projects, with multiple Volunteers assigned to each project.

In addition to their important development work, Peace Corps Volunteers serve as America’s most effective grassroots ambassadors. By building person-to-person relationships, they help to create positive perceptions of the United States and share our values with those who might otherwise have little direct exposure to Americans.

Volunteers’ service to the United States continues long after they have left the Peace Corps. As President Obama said, “Returned Volunteers, enriched by their experiences overseas, bring a deeper understanding of other cultures and traditions back to their home communities in the United States.” Many returned Volunteers use their training and experience to become leaders in society, in areas ranging from private industry to development work, and from community service to Congress. The skills they acquire while serving—whether fluency in a foreign language, experience in complex problem-solving, or familiarity with a foreign culture—are invaluable to the United States. No less invaluable is the commitment to public service that the Peace Corps instills. Recent research conducted by Civic Enterprises showed that returned Peace Corps Volunteers volunteer in their communities at more than twice the national rate. Ultimately, the investment the Peace Corps makes in Volunteers is returned many times over, at home and abroad.

Key Initiatives

The Peace Corps FY 2014 budget request will support key initiatives that build on the Comprehensive Agency Assessment completed in 2010. Those initiatives include the following:

Protecting and Supporting Volunteers

The highest priority of the agency remains the health, safety, and security of Volunteers. Since 2009, the Peace Corps has put in place a number of reforms to better protect Volunteers and ensure that Volunteers who are victims of crime receive the support they need. These reforms include updated training for staff and Volunteers, the establishment of an external panel of national experts on sexual assault to provide advice and monitor agency progress, the hiring of a nationally recognized victim advocate, and new protections to ensure that allegations made by Volunteers are handled confidentially and appropriately. A number of those reforms were codified in the Kate Puzey Peace Corps Volunteer Protection Act of 2011 (“Kate Puzey Act”), P.L. 112-57, which was signed into law on November 21, 2011. The Kate Puzey Act also imposed new mandates and gave the agency new authorities. The Peace Corps has made considerable progress in implementing the new law, and has designed a comprehensive sexual assault risk reduction and response program that not only meets, but goes well beyond, the requirements of the Kate Puzey Act.

Concerns about Volunteer safety and security resulted in changes to Peace Corps programs in Central America and West Africa in FY 2012. The Peace Corps suspended operations in Honduras and reconfigured operations in El Salvador and Guatemala to better ensure the safety and security of Volunteers there. The Peace Corps also suspended operations in Mali in the wake of a government coup. The agency will continue to carefully monitor and assess potential threats to Volunteer safety and security.

Country Portfolio Review

As a result of the Comprehensive Agency Assessment, the Peace Corps has instituted an objective, data-driven process to guide strategic decisions regarding potential new country entries, phase-outs, and allocations of Volunteers and other resources. Through this process, called Country Portfolio Review, the agency conducts a comprehensive review of active Peace Corps posts based on external and internal data. The third annual Country Portfolio Review was conducted in 2012, and the agency has commenced work on the 2013 review.

Through the reviews completed to date, the agency has identified opportunities to graduate programs in countries that had reached a higher state of development than other countries in its overall portfolio. The reviews informed agency decisions to close programs in Antigua/Barbuda, Bulgaria, Romania, and St. Kitts/Nevis, which will end in FY 2013. The reviews also informed agency decisions to close programs in Cape Verde, Kazakhstan, Suriname, and Turkmenistan. These decisions allow the agency to focus more resources on areas of the world with greater need and where Volunteers can have the greatest impact.

In FY 2012, the Peace Corps announced its decision to re-open programs in Nepal and Tunisia. Further new country entries are under consideration for FY 2014.

Focus In/Train Up

The Comprehensive Agency Assessment also recommended that the Peace Corps focus on a smaller number of highly effective projects that are most needed by host countries. Through the Focus In/Train Up strategy, the Peace Corps has concentrated its training and programmatic support for Volunteers on those projects that have proven through evidence to have the greatest development impact and that maximize what Volunteers do best.

To improve monitoring and evaluation of projects, the Peace Corps has developed standard indicators for each of the six sectors in which Volunteers work, and is developing data collection tools to support high-quality reporting. The Peace Corps has also prepared online training modules for new field staff and will launch an agencywide knowledge management website to promote global grassroots communities of practice and information-sharing.

Improved Monitoring and Evaluation

In order to ensure that the agency is advancing performance improvement and achieving results, the Peace Corps continues to incorporate emerging innovations into its program monitoring and evaluation systems. Beginning in FY 2013, the agency will track progress in achieving the new standard sector indicators. These indicators permit the Peace Corps to more accurately gauge its performance and monitor progress in achieving U.S. and host country results. The results will be aggregated across all country programs, allowing the Peace Corps to report on its impact worldwide. The Peace Corps is also incorporating new technology to improve Volunteer performance, along with new training for staff and Volunteers on monitoring and evaluation.

Periodically, as funding permits, the agency conducts targeted impact evaluations to determine and measure the results and impact of the Peace Corps' work. Twenty-four host country impact studies have been completed over the last four years. These studies gather information directly from the host country nationals who live and work with the Volunteers, and they provide critical insight into tangible changes in Volunteers' communities. The three host country impact studies completed in FY 2012 indicated that Peace Corps Volunteers are successfully transferring skills and promoting positive views of Americans. In those studies, 93 percent of host country national participants stated that the training provided by Volunteers enhanced their skills, and 87 percent of participants reported more positive opinions of Americans as a result of their interactions with Volunteers.

Host country impact studies are playing a significant role in advancing evidence-based decision making in the agency and are an important complement to the Focus In/Train Up strategy described above. For example, based in part on the findings of a host country impact study, Peace Corps/Morocco refocused its program. The study results directly informed the decision to phase out the existing health program in Morocco and to instead incorporate health topics into a program focused on youth development.

Strategic Partnerships

With its unique ability to bring about lasting change in hard-to-reach communities, the Peace Corps is an important partner in a number of whole-of-government and interagency development initiatives. Examples of this include the following:

- Under the U.S. government's global health initiative, the Peace Corps works closely with the U.S. President's Emergency Plan for AIDS Relief (PEPFAR), and is contributing to PEPFAR's global target of training additional health-care workers by launching the Global Health Service Partnership (see description below). The Peace Corps also supports Saving Mothers, Giving Life, an effort to reduce maternal mortality.
- Through the agency's Stomping Out Malaria in Africa initiative, more than 3,000 Volunteers in 24 countries in Africa will be working to eliminate malaria and advance the President's Malaria Initiative (PMI) by the end of FY 2013.
- Volunteers are promoting sustainable methods for small-scale farmers to increase agricultural productivity, address water shortages, and feed their families. In support of the President's Feed the Future initiative and in partnership with the U.S. Agency for International Development (USAID), the Peace Corps will prepare more than 1,000 Volunteers to address food security needs across the world by 2016 and properly support, monitor, and evaluate their contributions to this initiative.

Through these partnerships, Volunteers are able to maximize the impact of U.S. government development assistance and to ensure that those projects are implemented effectively, owned by the community, and sustained over time. In FY 2014, the Peace Corps will continue and deepen these partnerships and will also seek further strategic partnerships with public and private sector entities that leverage training and programmatic resources and maximize development impact without compromising the agency's independence or mission.

Global Health Service Partnership

In FY 2012, the Peace Corps, in conjunction with PEPFAR and the Global Health Service Corps, launched the Global Health Service Partnership (GHSP), a public-private partnership to place nurses, physicians, and other health professionals as adjunct faculty in medical and nursing schools overseas.

The GHSP will build capacity and improve quality in host country medical and nursing education programs to address the severe human resource gap in health. Under the GHSP, American medical professionals will serve one-year terms as Peace Corps Response Volunteers. These Volunteers will serve as medical or nursing educators, working alongside local faculty counterparts to teach and transfer clinical skills to local students and practitioners. The first Volunteers will begin service at the start of the 2013 academic year in Malawi, Tanzania, and Uganda.

Improved Application Process

The new online Peace Corps application system, which debuted in August 2012, represents a major milestone in the ongoing Volunteer Delivery System redesign project. The redesign project was initiated in 2009 to modernize the business processes and technology utilized by the agency to request, recruit, and select Volunteers for Peace Corps service. As a result, the Peace Corps is able to invite candidates electronically, and applicants are able to log in to the application portal and check their status in the process at any time. The system also allows the agency to communicate with applicants about the medical clearance process rapidly, electronically, and securely.

The implementation of the new application system will reduce paperwork, shorten the application process, improve transparency with applicants, facilitate information exchange between posts and headquarters staff, and improve communication between the Peace Corps and applicants. The medical review and invitation processes have also been improved—reducing medical review costs for the majority of applicants and making it possible to extend invitations to applicants earlier in the process. With the new process, only applicants who have been invited to serve with the Peace Corps are asked to complete the medical clearance process.

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For necessary expenses to carry out the provisions of the Peace Corps Act (22 U.S.C. 2501–2523), including the purchase of not to exceed five passenger motor vehicles for administrative purposes for use outside of the United States, \$378,800,000, of which \$5,000,000 is for the Office of Inspector General, to remain available until September 30, 2015: Provided, That the Director of the Peace Corps may transfer to the Foreign Currency Fluctuations Account, as authorized by 22 U.S.C. 2515, an amount not to exceed \$5,000,000: Provided further, That funds transferred pursuant to the previous proviso may not be derived from amounts made available for Peace Corps overseas operations: Provided further, That of the funds appropriated under this heading, not to exceed \$4,000 may be available for entertainment expenses: Provided further, That none of the funds appropriated under this heading shall be used to pay for abortions: Provided further, That notwithstanding the previous proviso, section 614 of division C of Public Law 112-74 shall apply to funds appropriated under this heading.

BUDGET OF THE UNITED STATES GOVERNMENT, FISCAL YEAR 2014



Peace Corps Budget Request by Program Operations

(in thousands of dollars)

	FY 2012 Actual	FY 2013 Estimate	FY 2014 Request
DIRECT VOLUNTEER OPERATIONS			
Overseas Operational Management			
Office of Global Operations	1,000	1,100	1,200
Africa	80,400	86,200	85,900
Europe, Mediterranean, and Asia	54,800	59,200	63,900
Inter-America and Pacific	63,800	66,500	69,900
Peace Corps Response	2,600	4,000	5,700
Overseas Program and Training Support	4,800	6,400	7,700
Office of Global Health and HIV	500	900	900
Subtotal, Overseas Operational Management	207,900	224,300	235,200
 Overseas Operational Support			
Office of Volunteer Recruitment and Selection	16,200	18,400	18,500
Office of Health Services	9,100	13,000	13,100
Office of Victim Advocacy	100	500	500
Medical Services Centrally Shared Resources	13,600	13,300	13,400
Centrally Processed Overseas Equipment and Supplies	3,400	2,800	5,300
Office of Strategic Partnerships	1,000	1,500	1,500
Volunteer Readjustment Allowance	27,800	27,000	27,000
Federal Employees' Compensation Act	13,500	14,100	14,200
Reimbursements to Department of State	8,700	14,000	14,000
Subtotal, Overseas Operational Support	93,400	104,600	107,500
SUBTOTAL, DIRECT VOLUNTEER OPERATIONS	301,300	328,900	342,700
 VOLUNTEER OPERATIONS SUPPORT SERVICES			
Third Goal Programs	1,500	1,800	1,800
Agency Administration			
Acquisitions and Contracts	1,400	2,000	2,100
Communications	2,300	2,600	2,600
Congressional Relations	400	500	500
Director's Office	4,000	4,200	4,400
General Counsel	1,900	2,000	2,100
Office of the Chief Financial Officer	11,000	12,400	12,500
Office of the Chief Financial Officer Centrally Managed Resources	8,800	9,700	10,000

(continued)

Peace Corps Budget Request by Program Operations

(in thousands of dollars)

Office of the Chief Information Officer	11,200	12,500	12,600
Office of the Chief Information Officer Centrally Managed Resources	5,300	8,600	8,600
Office of Management	5,800	6,400	6,500
Office of Management Centrally Managed Resources	12,900	13,100	13,500
Office of Strategic Information, Research, and Planning	1,300	1,500	1,500
Safety and Security	2,100	3,500	3,600
Safety and Security Centrally Managed Resources	1,400	1,900	2,000
Subtotal, Agency Administration	69,800	80,900	82,500
SUBTOTAL, VOLUNTEER OPERATIONS SUPPORT SERVICES	71,300	82,700	84,300
SUBTOTAL, TOTAL AGENCY EXCLUDING INSPECTOR GENERAL	372,600	411,600	427,000
Inspector General ^{/1}	4,400	5,000	5,000
GRAND TOTAL, AGENCY	377,000	416,600	432,000

^{/1}Pursuant to the requirements of Section 6(f)(1) of the Inspector General Act of 1978, the FY 2014 request for Office of Inspector General (OIG) is \$5,000,000 in the aggregate for OIG operations; of which \$58,100 is for training and \$14,000 (.28 percent of \$5,000,000) is to support the Council of the Inspectors General on Integrity and Efficiency.

Peace Corps Resource Summary

(in millions of dollars)

	FY 2012 Actual	FY 2013 Estimate	FY 2014 Request
AVAILABLE RESOURCES			
Unobligated balance carried forward, start of year	47	58	36
New budget authority (gross)	375	377	379
Recoveries of prior year unpaid obligations	8	8	8
Spending Authority from offsetting collections	14	18	18
Total budgetary resources available for obligation	444	461	441
 RESOURCES USED			
Total Direct Obligations	377	416	432
Reimbursable program activity	9	9	9
Total New Obligations	386	425	441
Unobligated balance carried forward, end of year	58	36	0

Peace Corps Authorizations and Appropriations | FY 1962–FY 2014
(in thousands of dollars)

Fiscal Year	Authorized	Budget Request ^{a/}	Appropriated ^{a/}	Trainee Input	Volunteers and Trainees On Board ^{b/}
1962	\$40,000	\$40,000	\$30,000	3,699	N/A
1963	63,750	63,750	59,000 ^{c/}	4,969	N/A
1964	102,000	108,000	95,964 ^{c/}	7,720	N/A
1965	115,000	115,000	104,100 ^{c/}	7,876	N/A
1966	115,000	125,200	114,000	9,216	N/A
1967	110,000	110,500	110,000	7,565	N/A
1968	115,700	124,400	107,500	7,391	N/A
1969	112,800	112,800	102,000	6,243	N/A
1970	98,450	109,800	98,450	4,637	N/A
1971	94,500	98,800	90,000	4,686	N/A
1972	77,200	71,200	72,500	3,997	6,632
1973	88,027	88,027	81,000	4,821	6,194
1974	77,000	77,000	77,000	4,886	6,489
1975	82,256	82,256	77,687	3,296	6,652
1976	88,468	80,826	81,266	3,291	5,825
Transition Qtr	27,887	25,729	24,190	—	—
1977	81,000	67,155	80,000	4,180 ^{d/}	5,590
1978	87,544	74,800	86,234	3,715	6,017
1979	112,424	95,135	99,179	3,327	5,723
1980	105,000	105,404	99,924	3,108	5,097
1981	118,531	118,800	105,531	2,729	4,863
1982	105,000	121,900	105,000	2,862	4,559
1983	105,000	97,500	109,000	2,988	4,668
1984	115,000	108,500	115,000	2,781	4,779
1984/5 Supp	2,000	2,000	2,000	—	—
1985	128,600	115,000	128,600	3,430	4,828
1986	130,000	124,400	124,410 ^{e/}	2,597	5,162
1987	137,200	126,200	130,760	2,774	4,771
1987/8 Supp	7,200	—	7,200	—	—
1988	146,200	130,682	146,200	3,360	4,611
1989	153,500	150,000	153,500	3,218	5,214
1990	165,649	163,614	165,649 ^{f/}	3,092	5,241
1991	186,000	181,061	186,000	3,076	4,691
1992	—	200,000	197,044	3,309	4,927
1993	218,146	218,146	218,146	3,590	5,414
1994	219,745 ^{g/}	219,745	219,745 ^{h/}	3,541	5,644
1995	234,000	226,000	219,745 ^{i/}	3,954	5,884
1996	—	234,000	205,000 ^{k/m/}	3,280	6,086
1997	—	220,000 ^{l/}	208,000 ^{n/}	3,607	5,858
1998	—	222,000	222,000 ^{o/}	3,551	5,757
1999	—	270,335	240,000 ^{p/}	3,835	5,729

Peace Corps Authorizations and Appropriations | FY 1962–FY 2014
 (in thousands of dollars)

Fiscal Year	Authorized	Budget Request ^{a/}	Appropriated ^{a/}	Trainee Input	Volunteers and Trainees On Board ^{b/}
2000	270,000 ^{a/}	270,000	245,000 ^{r/}	3,919	7,164
2001	298,000	275,000	267,007 ^{s/t/}	3,191	6,643
2002	327,000	275,000	278,700 ^{u/v/}	4,047 ^{w/}	6,636
2003	365,000	317,000	297,000 ^{x/}	4,411	7,533
2004	—	359,000	310,000 ^{y/}	3,812	7,733
2005	—	401,000	320,000 ^{z/}	4,006	7,810
2006	—	345,000	322,000 ^{aa/ab}	4,015	7,628
2007	—	336,642	319,700 ^{ac/}	3,964	7,875
2008	—	333,500	333,500 ^{ad/}	3,821	7,622
2009	—	343,500	340,000	3,496	7,332
2010	—	373,440	400,000	4,429	8,256
2011	—	446,150	375,000 ^{ae/}	3,813	8,460
2012	—	439,600	375,000	3,177	7,315
2013	—	374,500	—	3,200 ^{est}	6,970 ^{est}
2014	—	378,800	—	3,600 ^{est}	7,310 ^{est}

Notes:

- a/ Starting in FY 1992, funds to remain available for two years.
- b/ For FY 1972 through FY 1999, this is the average number of Volunteers through the year. For FY 2000 through the fiscal year of the President's budget, this is the number of trainees and Volunteers on board on September 30 of the fiscal year, including Peace Corps Response, funded through Peace Corps' appropriation.
- c/ Includes reappropriated funds in 1963 (\$3.864 million), 1964 (\$17 million) and 1965 (\$12.1 million).
- d/ Includes Trainee Input from Transition Quarter.
- e/ Excludes \$5.59 million sequestered under the Balanced Budget and Emergency Deficit Control Act of 1985 (P.L. 99-177).
- f/ Excludes \$2.24 million sequestered under the Balanced Budget and Emergency Deficit Control Act of 1985 (P.L. 99-177) and a \$725,000 reduction related to the Drug Initiative (P.L. 101-167).
- g/ Authorization included report language of a \$15 million transfer to the Peace Corps from assistance funds for the Newly Independent States (NIS).
- h/ In addition, the Peace Corps received a transfer of \$12.5 million for assistance to the NIS.
- i/ In addition, the Peace Corps received a transfer of \$11.6 million for assistance to the NIS.
- j/ Appropriation of \$219,745,000 was later reduced by a rescission of \$721,000.
- k/ In addition, the Peace Corps received a transfer of \$13 million for assistance to the NIS. An additional \$1 million of NIS funds, intended for FY 1996, was received in FY 1997.
- l/ In addition, the President requested a transfer of \$5 million for assistance to the NIS.
- m/ Appropriation of \$205 million was later reduced by a rescission of \$296,000.
- n/ In addition, the Peace Corps received a transfer of \$12 million for assistance to the NIS. An additional \$1 million of NIS funds, originally intended for FY 1996 in addition to the \$13 million received that year, was received in FY 1997.
- o/ In addition, the Peace Corps received a base transfer of \$3,581,000 from the U.S. Department of State for the Peace Corps' participation in International Cooperative Administrative Support Services.
- p/ Appropriation of \$240 million was later reduced by a rescission of \$594,000. In addition, the Peace Corps received a transfer of \$1,269,000 from Economic Support Funds for security; \$7.5 million from the FY 1999 Emergency Appropriations Act (\$7 million for security and \$500,000 related to the Kosovo conflict); \$6 million from the Central American and Caribbean Disaster Recovery Fund; and \$1,554,000 from the Business Continuity and Contingency Planning Fund for Y2K preparedness.
- q/ Four-year authorization bill by Congress, FY 2000 of \$270 million, FY 2001 of \$298 million, FY 2002 of \$327 million and FY 2003 of \$365 million.
- r/ Appropriation of \$245 million was reduced by a rescission of \$931,000.
- s/ Appropriation of \$265 million was reduced by a rescission of \$583,000.
- t/ The Peace Corps received a transfer of \$2.59 million of Emergency Response Fund monies in support of program evacuations in four countries and the relocation of the New York City regional recruiting office.
- u/ The Peace Corps received a transfer of \$3.9 million of Emergency Response Fund monies in support of potential future evacuations.
- v/ Appropriation of \$275 million was reduced by a rescission of \$200,000.
- w/ Due to the September 11th events, the departure of 417 trainees was delayed from late FY 2001 to early FY 2002.
- x/ Appropriation of \$297 million was reduced by a rescission of \$1,930,500. OMB later reallocated \$1.2 million in Emergency Response Fund monies from the Peace Corps to another U.S. government agency.
- y/ Appropriation of \$310 million was reduced by a rescission of \$1,829,000.
- z/ Appropriation of \$320 million was reduced by a rescission of \$2.56 million.
- aa/ Appropriation of \$322 million was reduced by a rescission of \$3.22 million.
- ab/ In addition, Peace Corps received \$1.1 million supplemental for Avian Flu Preparedness.
- ac/ Revised Continuing Appropriations Resolution, 2007 (H.J. Res. 20).
- ad/ Appropriation of \$333.5 million was reduced by a rescission of \$2,701,000.
- ae/ Appropriation of \$375 million was reduced by a rescission of \$750,000.

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OPERATIONAL AREAS



Direct Volunteer Operations

Direct Volunteer Operations include offices that manage and oversee the recruitment and placement of applicants and provide Volunteer training and support. Direct Volunteer Operations also include components related to overseas post management.

Overseas Operational Management

Office of Global Operations

The Office of Global Operations (OGO) provides overarching strategic support and management for the agency's direct Volunteer operations. OGO provides leadership, staffing, and resources to foster alignment, manage development, coordinate programming and training initiatives, and track both the progress and impact of Peace Corps overseas operations. In addition to the Peace Corps' three geographic regions (see below), OGO also includes the Office of Overseas Programming and Training Support, the Office of Global Health and HIV, and Peace Corps Response.

Africa; Europe, Mediterranean, and Asia; and Inter-America and Pacific

Overseas operations are organized and administered through three regional offices: Africa; Europe, Mediterranean, and Asia; and Inter-America and Pacific. These accounts fund staff overseas who work directly with Peace Corps Volunteers, as well as staff at Peace Corps headquarters who provide general oversight and direction to Peace Corps country programs. These accounts also fund Peace Corps trainees' travel expenses from the United States to their countries of service, training for Volunteers, in-country travel for Volunteers and staff, and return travel for Volunteers after they have completed their service. Additionally, these accounts provide Volunteers with a monthly allowance to cover housing, utilities, household supplies, food, clothing, and transportation.

Office of Global Health and HIV

The Office of Global Health and HIV (OGHH) provides leadership and direction for all programmatic work by Volunteers in the health sector, including HIV/AIDS prevention. For information on the number of Peace Corps Volunteers working in HIV/AIDS, see Appendix C.

OGHH also coordinates the agency's participation in PEPFAR and the Global Health Initiative (GHI). These efforts include the Global Health Service Partnership, discussed on Page ix, and the assignment of Volunteers to the GHI Saving Mothers, Giving Life effort.

Office of Overseas Programming and Training Support

The Office of Overseas Programming and Training Support (OPATS) ensures that overseas staff have the training, resources, and guidance needed to prepare Volunteers to meet the three goals of the Peace Corps. OPATS develops global programming and training guidance, standardized training sessions and assessment tools, a knowledge-sharing platform to facilitate information exchange, and standard sector indicators and tools for monitoring, evaluating, and reporting Volunteers' work.

These resources direct and support the work of field staff and Volunteers across five sectors: Agriculture, Community Economic Development, Education, Environment, and Youth in Development. OPATS also supports the agency's six cross-cutting sector programming priorities: Gender Equality and Women's Empowerment, Youth as Resources, Technology for Development, HIV/AIDS, V² Volunteerism, and People with Disabilities. A discussion of technical area objectives and examples of Volunteer activities appear in Appendix B.

Peace Corps Response

Since 1996, Peace Corps Response has recruited and placed nearly 2,000 seasoned professionals in short-term, high-impact assignments in more than 50 countries. Peace Corps Response Volunteers are expected to accomplish concrete deliverables during their assignments, which range from three to 12 months. The program anticipates placing 356 Volunteers in 55 countries in FY 2013.

Peace Corps Response was previously available only to returned Peace Corps Volunteers. However, beginning in January 2012, the Peace Corps expanded the program to offer assignments to highly skilled professionals who have not previously served with the Peace Corps, but who have at least 10 years of relevant experience and the required language and technical skills.

Overseas Operational Support

Office of Volunteer Recruitment and Selection

The Office of Volunteer Recruitment and Selection (VRS) manages every step of the Volunteer recruitment process, from prospect inquiry to pre-departure orientation. VRS includes the Office of Diversity Recruitment and National Outreach, which seeks to attract and retain diverse applicants; the Peace Corps' regional recruitment offices, which promote public interest in the agency and assist candidates during the initial stages of the application process; and the Placement Office, which assesses applicants' skill level, eligibility, and suitability for Peace Corps service.

Immediately before departing for Peace Corps service, all trainees participate in a U.S.-based pre-departure orientation coordinated by the Staging Unit, also located in VRS. For more information on the Peace Corps application process and phases of Volunteer service, see Appendix E.

Office of Health Services

The Office of Health Services (OHS, formerly the Office of Volunteer Support) provides medical support for Volunteers, medical screening and clearance of applicants, and assistance for returned Volunteers with continuing and service-related medical or mental

health problems. Additionally, OHS provides initial and ongoing training for overseas medical staff and contractors. Sub-offices of OHS include the Office of Medical Services (OMS) and the Counseling and Outreach Unit (COU).

OMS supports medical care for Volunteers through the services of dedicated headquarters and overseas staff. To achieve this mission, OMS supports a comprehensive, accountable, and high-quality Volunteer health-care program. OMS includes the Pre-Service Unit, which provides medical screening of applicants; the In-Service Unit, which provides medical care to currently serving Volunteers; and the Post-Service Unit, which provides support to returned Volunteers. OMS is also responsible for agency medical quality assurance and improvement activities, the selection and management of all Peace Corps medical officers assigned to overseas posts, and the supervision of regional medical officers and regional medical hubs.

COU assists posts in the management of Volunteer mental health and adjustment issues, provides consultation and support to posts related to staff and peer support training, and provides support to Volunteers and their families during crises or emergencies.

Office of Victim Advocacy

The Peace Corps is committed to providing all Volunteers who have been the victim of a crime with a compassionate, coordinated, and supportive response. The Office of Victim Advocacy ensures that each Volunteer is made aware of and receives access to services provided by the Peace Corps in cases of sexual assault, stalking, and other crimes. The office also helps to develop and update the Peace Corps sexual assault policy and the sexual assault risk reduction and response training program.

Medical Services Centrally Shared Resources

These are direct Volunteer medical expenses outside of those accrued in each post's health unit. These costs include travel and care during medical evacuation to regional centers or to the United States, as well as contracts for services related to the care of Volunteers. They also include one month of after-service health insurance for returned Volunteers, as well as support

to Volunteers who must travel to their home of record for family emergencies.

Centrally Processed Overseas Equipment and Supplies

Overseen by the Office of Management, this account funds the purchase of supplies (medical kits, eyeglasses, mosquito nets, etc.) for Volunteers and vehicles to support Volunteers.

Office of Strategic Partnerships

The Office of Strategic Partnerships comprises three sub-offices:

The Office of Intergovernmental Affairs and Global Partnerships (IGAP) builds and maintains relationships and partnerships with other U.S. government agencies, nongovernmental organizations (NGOs), corporations, and multilateral organizations. Currently, IGAP coordinates and supports 22 global partnerships.

The Office of Gifts and Grants Management (GGM) builds and supports a donor base for the Peace Corps Partnership Program. The partnership program allows Peace Corps Volunteers and their host communities to obtain private support for small-scale development projects. In FY 2012, the partnership program received donations from 13,615 donors, totaling \$2,473,622. These funds were applied to 969 community-initiated projects in 62 countries. GGM also manages the solicitation and acceptance of monetary gifts to support the Peace Corps mission.

The Office of University and Domestic Partnerships (UDP) establishes and maintains relationships

with human service organizations and higher education institutions in the United States. For a list of the Peace Corps' university partners, see Appendix G. UDP also supports the agency's partnerships with 19 domestic organizations, including the Corporation for National and Community Service and Teach for America.

Volunteer Readjustment Allowance

An allowance of \$275 per month of service (\$375 per month for a Volunteer's third year of service and for Peace Corps Response Volunteers) is provided to Volunteers upon termination of service to assist them when they return to the United States.

Federal Employees' Compensation Act

Under the Federal Employees' Compensation Act, the Peace Corps reimburses the Department of Labor for disability payments and medical costs for returned Volunteers and staff who experience service-related injuries or sickness. The vast majority of these costs relate to Volunteers' claims; staff claims are minimal.

Reimbursements to the U.S. Department of State

These are payments the Peace Corps makes to the U.S. Department of State through International Cooperative Administrative Support Services (ICASS) for administrative support. Some financial management support is also included through these payments, although the Peace Corps has directly provided financial management support to its overseas posts since the end of FY 1998.



Volunteer Operations Support Services

Volunteer operations support services include standard components found in the administration of most federal agencies, such as administration and human resources, public outreach, and budgeting and acquisition. In addition to typical functions, such offices at the Peace Corps have the goal of supporting Volunteers in the field in order to achieve the Peace Corps mission and its three goals.

Office of Third Goal and Returned Volunteer Services

The Office of Third Goal and Returned Volunteer Services supports initiatives that help achieve the Peace Corps' Third Goal: to help promote a better understanding of other peoples on the part of Americans.

The Returned Volunteer Services program develops and implements career and transition support services that help returned Peace Corps Volunteers transition back to the United States, including job bulletins and regional, national, and online career conferences and events.

The Office of Third Goal and Returned Volunteer Services also supports the Paul D. Coverdell World Wise Schools program (WWS), which helps U.S. schoolchildren better understand the people and culture of other countries. The WWS website offers educators and students free, online curriculum materials and multimedia resources that highlight Volunteer experiences and projects. Returned Peace Corps Volunteers can also share their Peace Corps experiences through the WWS Speakers Match program by visiting and speaking in elementary, secondary, and post-secondary schools in their communities. In FY 2012, more than 585 returned Volunteers visited schools across the United States to share their experiences.

Office of Acquisitions and Contract Management

The Office of Acquisitions and Contract Management

(OACM) is responsible for all forms of procurement and assistance, including contracting, simplified acquisitions, contract administration, interagency agreements, personal services contracts, leases, strategic sourcing, and cooperative agreements/grants. The office also provides policy and procurement support to Peace Corps staff and Volunteers. OACM staff members are primarily contract specialists, policy analysts, and overseas support specialists who are responsible for a variety of operational and support contracting activities, including acquisition planning; contract review, award, administration, and closeout; and policies and procedures development. The office is also responsible for contractor performance monitoring and suspension and debarment determinations.

Office of Communications

The Office of Communications manages all official agency communications, including press relations and social media, marketing, video production and photography, publications, design, printing, editorial support, and the website (peacecorps.gov). The office's primary responsibilities are to communicate internally and to the public the agency's priorities, to inform the public about the Peace Corps and the work of Volunteers, and to support recruitment. The office advises internal departments and produces many of the tools used to reach key external audiences, including applicants and their families, returned Peace Corps Volunteers, partner organizations, and other stakeholders.

Office of Congressional Relations

The Office of Congressional Relations develops the Peace Corps' legislative strategy, coordinates activities related to all legislative issues and interests, and serves as the official liaison between the Director of the Peace Corps and members of Congress and congressional staff.

Director's Office and Associated Offices

The Office of the Director provides executive-level direction to the Peace Corps, overseeing its programs and activities and establishing agency policy in accordance with the three goals of the Peace Corps, in addition to ensuring compliance with the Peace Corps Act. The Director's Office includes the Office of Civil Rights and Diversity, the Office of Innovation, and the Office of the Chief Compliance Officer.

Office of the General Counsel

The Office of the General Counsel provides legal and policy advice and services to the Director and overseas and domestic staff.

Office of the Chief Financial Officer

The Office of the Chief Financial Officer oversees all financial management activities relating to the programs and operations of the agency, maintains an integrated budget accounting and financial management system, provides financial management policy guidance and oversight, and monitors the financial formulation of the agency budget and the financial execution of the budget in relation to actual expenditures.

Office of the Chief Financial Officer

Centrally Managed Resources

These resources are primarily for staff costs, such as unemployment compensation, severance pay, terminal leave payments, and overseas staff medical evacuation, and also include foreign currency fluctuation.

Office of Management

The Office of Management provides administrative, logistics, human resources management, and general operations support to all headquarters offices, regional recruiting offices, and the agency's field posts.

The Office of Management includes a number of sub-offices. The Office of Human Resources Management carries out the range of personnel support functions, including staff recruitment and hiring, position classification, performance management, pay and compensation, and employee and labor

relations. The Office of Administrative Services handles facilities management, mail distribution, travel, transportation, and shipping, medical supplies acquisition and distribution, overseas vehicle procurement, and domestic vehicle fleet procurement and management. The Freedom of Information Act/Privacy Act/Records Management Office ensures agency compliance with the law and applicable guidelines in these specific areas.

Office of Management Centrally Managed Resources

These funds are used to pay the cost of Peace Corps' leases for the headquarters building and the regional recruiting offices, mailroom service, warehousing, and bulk medical equipment.

Office of the Chief Information Officer

The Office of the Chief Information Officer (OCIO) is responsible for enterprise technology architecture, the development of agency information technology policies and practices, agency applications, communications, and network connectivity technology. OCIO also works to continually modernize the agency's global IT infrastructure necessary to connect headquarters, domestic recruiting operations, and overseas posts. OCIO acquires and manages technology assets, delivers IT customer support using customer relationship managers and service desks, trains and supports overseas post IT specialists, and builds and operates application systems solutions.

Office of the Chief Information Officer Centrally Managed Resources

These funds include the costs of domestic and overseas equipment and contracted services for telecommunications, data center operations, computing environments, network operations, software licensing, and Peace Corps' disaster recovery site.

Office of Strategic Information, Research, and Planning

The mission of the Office of Strategic Information, Research, and Planning (OSIRP) is to advance evidence-based management of the Peace Corps by guiding agency strategic planning, enhancing

the stewardship and governance of agency data, strengthening measurement and evaluation of agency performance and programs, and helping shape agency engagement on certain high-level, governmentwide initiatives. Through these efforts, OSIRP seeks to improve performance and to link performance to strategic planning and allocation of agency resources.

Office of Safety and Security

The mission of the Office of Safety and Security (SS) is to ensure a safe and secure operating environment for Peace Corps Volunteers and staff, both in the United States and overseas.

The Overseas Operations division oversees the overall safety and security programs at posts, which includes ensuring the physical security of Peace Corps offices and U.S. staff residences, threat analysis, and managing the agency's incident reporting system. SS also coordinates with host country law enforcement and other federal agencies, as appropriate, to support the investigation and prosecution of crimes against Volunteers. The office coordinates closely with the Office of Global Operations to ensure the proper management of security programs.

Much of the direct support to posts overseas is provided by the 10 regionally based Peace Corps safety and security officers. The officers act as security advisors for country directors and provide training; threat assessment; physical security guidance; and crisis management, response, and support to Volunteers who have been victims of crime. SS

also provides technical oversight and professional development for safety and security staff assigned to posts and the regions.

The Domestic Operations division coordinates security for the Peace Corps headquarters building and the regional recruiting offices, leads the agency's Continuity of Operations program and Occupant Emergency Plan, and manages the Personnel and Information Security programs.

Safety and Security Centrally Managed Resources

These resources are primarily for domestic security guard contracts with the Department of Homeland Security and for personnel security expenses such as federal suitability reviews and background investigations. Crime response funds, which can be directed to any part of the world where crimes against Volunteers require a swift response, are also managed within this account.

Office of Inspector General

The Office of the Inspector General (OIG) provides independent oversight in accordance with the Inspector General Act of 1978, as amended. Through audits, evaluations, and investigations, the OIG prevents and detects waste, fraud, abuse, and mismanagement; provides advice and assistance to agency management; and promotes efficiency, effectiveness, and economy in agency programs and operations. Please see Appendix O for the Office of the Inspector General's budget request.

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OVERSEAS OPERATIONS

Peace Corps 2014 Congressional Budget Justification Volunteers and Program Funds

Regions	<i>Volunteers and Trainees on Board on September 30 *</i>		<i>Program Funds (\$000)</i>	
	<i>FY 2013</i>	<i>FY 2014</i>	<i>FY 2013</i>	<i>FY 2014</i>
Africa	2,730	2,720	86,200	85,900
Europe, Mediterranean, and Asia	2,070	2,230	59,200	63,900
Inter-America and Pacific	1,960	2,060	66,500	69,900
SUBTOTAL, COUNTRY PROGRAMS	6,760	7,010	211,900	219,700
Peace Corps Response	210	300	4,000	5,700
GRAND TOTAL	6,970	7,310	215,900	225,400

Volunteers and Program Funds by Post

Country	<i>Volunteers and Trainees on Board on September 30 *</i>		<i>Program Funds (\$000)</i>	
	<i>FY 2013</i>	<i>FY 2014</i>	<i>FY 2013</i>	<i>FY 2014</i>
Albania	80	80	2,300	2,500
Armenia	90	80	2,400	2,400
Azerbaijan	130	160	2,900	3,800
Belize	20	40	1,900	2,700
Benin	120	110	4,400	4,100
Botswana	50	40	2,200	1,800
Bulgaria	0	0	1,600	0
Burkina Faso	120	140	4,400	5,200
Cambodia	110	110	2,400	2,600
Cameroon	210	200	5,000	4,800
Cape Verde	0	0	900	0
China	150	170	3,200	3,900
Colombia	80	80	2,700	2,700
Costa Rica	130	120	3,500	3,200
Dominican Republic	160	180	4,400	5,100
Eastern Caribbean	50	50	2,900	3,000

* See Note b, Page 7

Peace Corps 2014 Congressional Budget Justification
Volunteers and Program Funds

Country	<i>Volunteers and Trainees on Board on September 30 *</i>		<i>Program Funds (\$'000)</i>	
	FY 2013	FY 2014	FY 2013	FY 2014
Ecuador	120	120	4,100	4,000
El Salvador	40	60	2,300	3,500
Ethiopia	170	170	3,500	3,600
Fiji	50	70	2,000	2,800
Gambia, The	90	80	2,200	2,000
Georgia	80	90	2,500	3,100
Ghana	140	140	3,600	3,700
Guatemala	80	110	3,900	4,800
Guinea	100	110	2,900	3,200
Guyana	60	60	2,500	2,500
Honduras	0	0	1,600	1,500
Indonesia	100	110	3,300	3,800
Jamaica	50	50	3,100	3,100
Jordan	50	40	2,400	2,200
Kenya	80	90	3,200	3,600
Kyrgyz Republic	80	100	2,100	2,900
Lesotho	60	60	2,600	2,700
Liberia	80	90	2,600	3,000
Macedonia	110	120	2,600	3,100
Madagascar	130	130	3,200	3,300
Malawi	80	80	3,100	3,100
Mali	0	50	3,800	4,500
Mexico	80	90	2,500	3,000
Micronesia	40	40	1,800	1,700
Moldova	120	130	3,000	3,500
Mongolia	140	160	3,600	4,400
Morocco	220	190	5,000	4,800
Mozambique	160	160	3,200	3,300
Namibia	100	80	3,100	2,600

* See Note b, Page 7

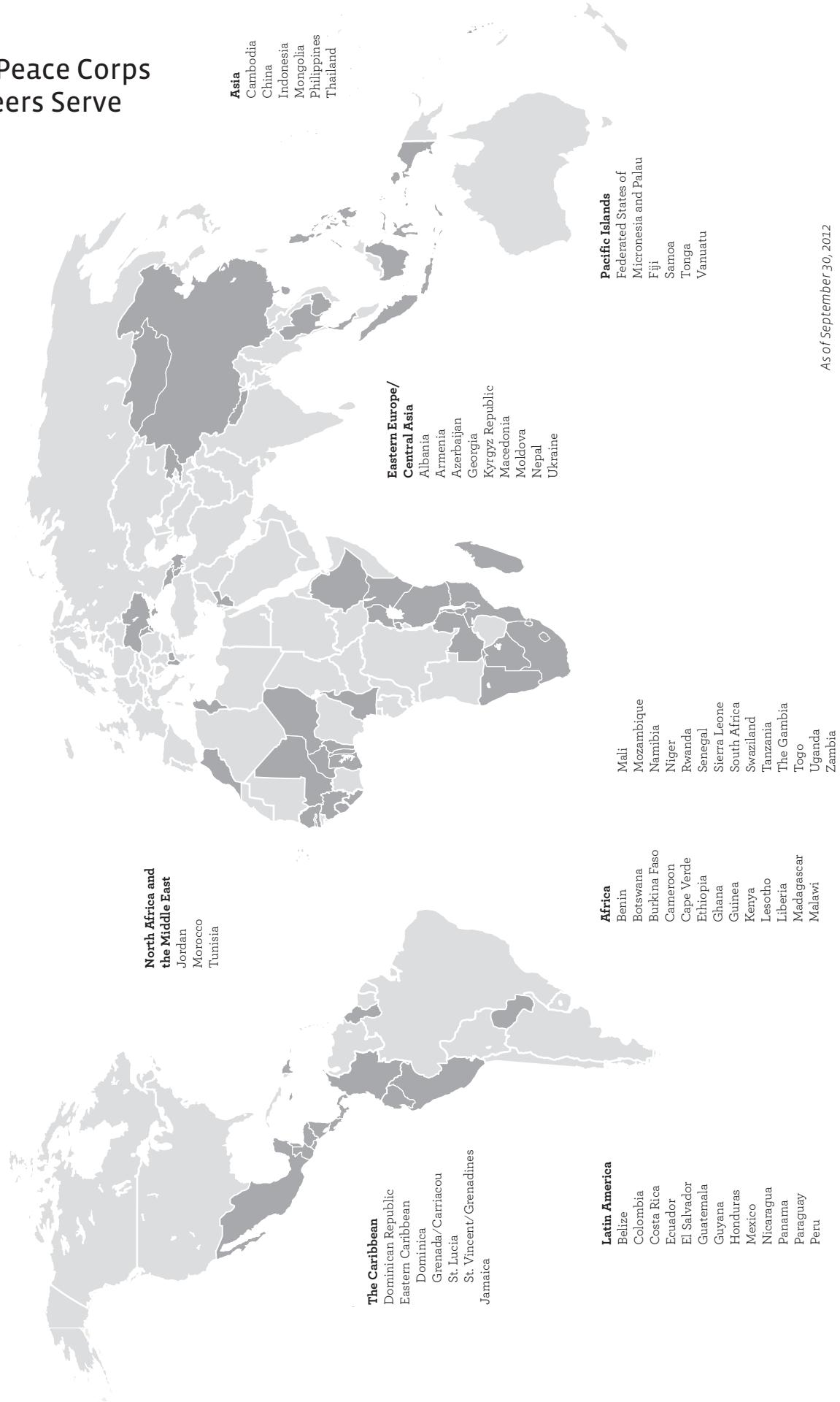
Peace Corps 2014 Congressional Budget Justification
Volunteers and Program Funds

Country	<i>Volunteers and Trainees on Board on September 30*</i>		<i>Program Funds (\$000)</i>	
	FY 2013	FY 2014	FY 2013	FY 2014
Nepal	50	100	2,200	3,700
Nicaragua	180	180	4,200	4,200
Panama	210	190	4,700	4,300
Paraguay	230	240	5,100	5,300
Peru	260	250	5,800	5,500
Philippines	150	180	4,200	5,400
Romania	0	0	1,600	0
Rwanda	70	90	2,400	3,200
Samoa	20	30	1,400	2,200
Senegal	290	280	5,800	5,700
Sierra Leone	90	100	2,900	3,300
South Africa	110	90	4,900	4,100
Suriname	0	0	1,400	0
Swaziland	50	40	2,300	1,900
Tanzania	120	110	3,200	3,000
Thailand	90	100	3,100	3,700
Togo	100	80	3,000	2,500
Tonga	30	40	1,700	2,300
Tunisia	30	60	2,600	3,000
Turkmenistan	0	0	800	0
Uganda	60	80	2,600	3,500
Ukraine	290	250	5,400	5,100
Vanuatu	70	60	3,000	2,500
Zambia	150	120	5,200	4,200
TOTAL	6,760	7,010	211,900	219,700

* See Note b, Page 7

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Where Peace Corps Volunteers Serve



Sahel

The Gambia, Mali, Senegal

Coastal West and Central Africa

Benin, Burkina Faso, Cameroon, Ghana, Guinea, Liberia, Sierra Leone, Togo

Eastern Africa

Ethiopia, Kenya, Madagascar, Malawi, Mozambique, Rwanda, Tanzania, Uganda

Southern Africa

Botswana, Lesotho, Namibia, South Africa, Swaziland, Zambia



AFRICA REGION

Africa Region

Since 1961, more than 73,000 Peace Corps Volunteers have served throughout Africa. At the end of FY 2012, 3,471 Volunteers were working in 27 countries in the region, which includes some of the poorest countries in the world. In West Africa, half the population lives on \$1.25 per day, while in East and Southern Africa, about 40 percent of the population is classified as poor. Because of the value attached to the work of Volunteers, the Peace Corps receives strong support from African host countries, including cash contributions from governments and in-kind contributions from communities and local partners, which provide almost 100 percent of Volunteer housing.

Programs in Africa cover all six of the agency's program sectors: Agriculture, Community Economic Development, Education, Environment, Health, and Youth in Development. Because Volunteers serve primarily in rural areas and are able to reach "the last mile," they work on several critical global development challenges, including the following:

- HIV/AIDS: Over 23 million people in Sub-Saharan Africa live with HIV/AIDS. About 60 percent of them are women, and there are almost 1.5 million new cases annually. About 15 million African children have lost parents due to AIDS.
- Malaria: A child in Africa dies every minute and over 600,000 Africans die annually from this preventable and treatable disease.
- Food Security: Over 200 million people in sub-Saharan Africa are chronically hungry, and the Sahel and Horn of Africa regions in West and East Africa are experiencing their worst food crises in years.

The Peace Corps works closely with other agencies in a whole-of-government manner to tackle these problems: with the PEPFAR country teams on HIV/AIDS, with the President's Malaria Initiative on malaria, and with USAID on Feed the Future/food security.

The Peace Corps is also advancing the Global Health Initiative's Saving Mothers, Giving Life effort, which aims to reduce maternal deaths by 50 percent in targeted countries in 12 months, in order to save at least 250,000 mothers' lives over five years. In Zambia, in partnership with the Centers for Disease Control and Prevention (CDC) and USAID, Peace Corps Volun-

teers serve as maternal and neo-natal health advisers for universities and NGOs helping communities to address maternal mortality. In Uganda, Volunteers work with village support groups focusing on improving the health of mothers.

In addition to French and Portuguese, the Peace Corps teaches Volunteers in Africa more than 120 local languages, plus sign language in Kenya (see Appendix D for details).

Examples of Peace Corps Volunteers' accomplishments in Africa:

Ghana—Transferring skills and promoting positive views of Americans

A host country impact study completed in FY 2012 indicated that Peace Corps Volunteers in Ghana are successfully transferring skills and promoting positive views of Americans. Eighty-eight percent of Ghanaian participants stated that the training provided by Volunteers enhanced their skills, and 95 percent of participants reported more positive opinions of Americans as a result of their interactions with Volunteers.

Senegal—Enhancing food production

In Senegal, the Peace Corps Feed the Future collaboration with USAID has provided tangible results for farmers and families. Peace Corps/Senegal has established a network of 35 private demonstration farms across the country, run by respected local farmers who receive technical advice from Peace Corps Volunteers and share what they have learned with their neighbors. These farmers help to spread simple, sustainable, and cost-effective techniques that have doubled cowpea production and increased corn yields by 400 percent over the national average.

Together with more than 4,000 Senegalese counterparts, Peace Corps Volunteers planted 344,000 trees in Senegal in 2012, including fruit trees for nutrition and income, trees to provide live fencing to keep animals out of fields, nitrogen-fixing trees to improve crop yields, and trees to provide windbreaks and shade against the severe Sahelian climate. The 35 demonstration farms also provide a source for high-quality, grafted fruit trees that can provide fruit with double or triple the value of local species. Volunteers trained 495

Stomping Out Malaria in Africa

As trusted partners in their communities, Peace Corps Volunteers are able to introduce the local development and behavior changes that are key to combatting malaria in Africa. Several new technologies for malaria prevention, testing, and treatment have made it easier to prevent illness and deaths.

- Long-lasting insecticide-treated bed nets can prevent mosquitoes from biting sleeping children, but only if they are distributed to every family, are consistently used, and are repaired when necessary.
- New and inexpensive rapid diagnostic tests can determine if a fever is malaria, but this information is only useful if people are tested soon after falling ill.
- Medicine to treat malaria is highly effective, curing almost all malaria cases, but only if the treatment is given on time.

In promoting access to and effective use of each of these improved technologies, Peace Corps Volunteers are helping to save lives across the African continent.

In April 2011, the Peace Corps, with support from the President's Malaria Initiative (PMI), launched the Stomping Out Malaria in Africa program. The program builds on the success of the Peace Corps/Senegal malaria prevention program, which helped reduce Senegal's child mortality rate more than that of any other African country in the last five years. Malaria prevalence dropped by nearly 50 percent in the region of Senegal where the Peace Corps has been most active in malaria prevention, which played a significant role in

reducing the overall child mortality rate.

As part of Stomping Out Malaria in Africa, over the past year and a half, the Peace Corps has created a Malaria Team made up of staff and select Volunteers from 24 Peace Corps posts in Africa. Many of the team members are current Volunteers who have extended their Peace Corps service or returned Peace Corps Volunteers serving through Peace Corps Response.

All of the Malaria Team members have participated in a 10-day Malaria Boot Camp at the Peace Corps training center in Senegal. The Boot Camp leverages Internet-based communication technologies to bring participants into the global malaria prevention community with online teachers from institutions such as The Johns Hopkins University and the Centers for Disease Control and Prevention. This world-class expertise is combined with practical, hands-on field experiences to deliver an interactive curriculum in malaria prevention strategies.

Boot Camp graduates become a part of the extended Malaria Team, linked by regular communication, support, and learning through online discussion forums and electronic knowledge-sharing. Malaria Team members partner with PMI staff, national malaria control agencies, and malaria-focused nonprofits, linking them to Volunteers in the field who can help carry out malaria prevention, diagnosis, and treatment-seeking education campaigns at the community level. By the end of FY 2013, all 3,000-plus Volunteers in the 24 target African posts will have been trained in and will be contributing to malaria prevention activities.

tree farmers in 2012 in how to use advanced grafting techniques to help spread these high-value varieties to fields in every community in Senegal.

Zambia—Generating income through fish farming

In collaboration with three NGOs and six ministry offices, a Volunteer worked with farmers in Zambia

to raise revenue through fish farming, overseeing the construction of 60 fish ponds totaling over 18,000 square meters, in a local area that had no prior experience with aquaculture. More than 800 kilograms of fish have been sold at a market value of \$2,400.

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EUROPE, MEDITERRANEAN, AND ASIA REGION

Balkans and North Africa Albania, Republic of Macedonia, Morocco, Tunisia

Central and Eastern Europe Moldova, Ukraine

Middle East and the Caucasus Armenia, Azerbaijan, Georgia, Jordan

Central Asia Kyrgyz Republic

Asia Cambodia, China, Indonesia, Mongolia, Nepal, Philippines, Thailand



Europe, Mediterranean, and Asia

Since the Peace Corps was established in 1961, more than 56,000 Volunteers have served in the Europe, Mediterranean, and Asia (EMA) Region. At the end of FY 2012, EMA had 2,352 Volunteers working in 21 countries.

Volunteers in EMA serve in all six of the agency's six program sectors: Agriculture, Community Economic Development, Education, Environment, Health, and Youth in Development. In addition, many Volunteers incorporate cross-cutting sector programming priorities such as Gender Equality and Women's Empowerment, HIV/AIDS, and Technology for Development into their work with communities, schools, clinics, businesses, local NGOs, municipal governments, and universities.

Education remains the largest sector in the EMA region, with classroom-based Teaching English as a Foreign Language (TEFL) the primary activity. Volunteers are part of national and local efforts to strengthen capacities in primary, secondary, and university education through classroom instruction, professional development for teachers, and school and community resource development.

Through a new Feed the Future project and cross-cutting work in other sectors, the EMA region contributes to whole-of-government efforts to improve food security for the most vulnerable populations in targeted communities. Volunteers work to help communities to improve agricultural productivity as well as nutrition, hygiene, and sanitation practices.

Volunteers in EMA were trained in more than 20 languages during FY 2012 (see Appendix D for details). Volunteers receive intensive language, cross-cultural, and technical training, which enables them to integrate successfully into the communities where they live and work.

Examples of Peace Corps Volunteers' accomplishments in EMA:

Armenia—Developing a mobile phone health service

Health Volunteers in Armenia helped the Red Cross to develop and implement a mobile phone service using SMS (short message service) to answer anonymous questions about HIV and access to services. Within six months of its launch as a core Red Cross service, it responded to more than 26,000 queries.

Republic of Georgia—Preparing local teachers for certification exams

Peace Corps Response Volunteers were successful in helping to prepare their teacher partners for national teacher certification exams in the Republic of Georgia. Notably, 90 percent of the teachers trained by Volunteers passed their exams compared to 55 percent countrywide.

The Philippines—Generating income through recycling

A Youth in Development Volunteer in the Philippines worked with 20 women in her community to produce wallets and handbags made out of recycled material. The Volunteer coordinated a training program for the women, which took place every Saturday for five weeks. By the end of the training, every woman had produced a small item such as a wallet or purse and was capable of producing bigger bags. Since the training, the women have sold their products at larger craft fairs and in tourist locations throughout the Philippines. The women also meet monthly to compare and showcase new products and discuss ideas.



Central America

Belize, Costa Rica, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama

Caribbean

Dominican Republic, Eastern Caribbean (Dominica, Grenada and Carriacou, St. Lucia, St. Vincent and Grenadines), Jamaica

South America

Colombia, Ecuador, Guyana, Paraguay, Peru

Pacific

Federated States of Micronesia and Palau, Fiji, Samoa, Tonga, Vanuatu

INTER-AMERICA AND THE PACIFIC REGION

Inter-America and Pacific Region

More than 82,000 Volunteers have served in the Inter-America and Pacific (IAP) Region since the founding of the Peace Corps in 1961. At the end of FY 2012, 2,250 Volunteers were working in 22 posts in 28 nations (some Peace Corps posts cover more than one country).

Volunteers in IAP work in all six agency programmatic sectors: Agriculture, Community Economic Development, Education, Environment, Health, and Youth in Development. Across the sectors, Volunteers incorporate information and communication technology, energy and climate change, food security, gender perspectives, host country volunteerism, and HIV/AIDS education into their work. Regardless of assignment, the majority of Volunteers in IAP engage youth in their activities.

Access to basic health care and sanitation systems remains a serious problem for many communities in the IAP region. Volunteers work to improve the health of individuals, families, and schoolchildren by training service providers on basic hygiene, nutrition, disease prevention, and improving access water and sanitation systems. Additionally, they help communities address HIV/AIDS health challenges by integrating HIV/AIDS awareness and prevention messages into their work.

Environmental degradation impacts air and water quality in communities where IAP Volunteers serve. Volunteers engage national and local partners in environmental education and conservation activities and integrate economic development interests with environmental sustainability through ecotourism and eco-business projects.

Youth under age 25 account for over half of the population in most IAP countries. Peace Corps projects target youth in order to develop life and leadership skills and to help them prepare for the world of work. In many countries, Volunteers organize and facilitate leadership camps for boys and girls, presenting sessions on self-esteem, healthy life skills, HIV/AIDS awareness and prevention, leadership, and personal development.

In partnership with the U.S. Department of State, the Peace Corps is extending the reach and impact of the Energy and Climate Partnership of the Americas initiative. Communities in which Peace Corps Volunteers work are receiving small grants to promote increased access to cleaner energy in low-income communities in 10 countries in the Americas: Costa Rica, Dominican Republic, Ecuador, El Salvador, Guatemala, Nicaragua, Panama, Paraguay, and Peru. The Peace Corps is working with host governments and international, national, and local partners to help communities address rural energy poverty through capacity-building, financing options, and small projects. The small-scale projects that Volunteers are working on include improved-efficiency cookstoves, biodigestors, and photovoltaics. Since signing the agreement in August 2010, Peace Corps Volunteers and host country partners have completed 56 workshops and 87 small grant projects.

In addition to Spanish, the Peace Corps provides training in more than 15 languages, enabling Volunteers in the IAP region to effectively live and work at the grassroots level (see Appendix D for details).

Examples of Peace Corps Volunteers' accomplishments in IAP:

Guyana—Developing a literacy instruction and classroom management guide

Volunteers worked with their counterparts at the regional education district office to develop a step-by-step guide for literacy instruction and classroom management. This collaborative activity was so well received by the Ministry of Education that the government is now distributing the manual to all district-level literacy coordinators and primary-school teachers throughout the country.

Paraguay—Transferring skills and promoting positive views of Americans

A host country impact study completed in FY 2012 indicated that Peace Corps Volunteers in Paraguay are successfully transferring skills and promoting

positive views of Americans. Ninety-nine percent of Paraguayan participants stated that the training provided by Volunteers enhanced their skills, and 90 percent of participants reported more positive opinions of Americans as a result of their interactions with Volunteers.

Peru—Promoting healthy homes

A Health Peace Corps Volunteer in Peru and her counterparts implemented a Healthy Homes project and provided latrines for 69 families and four educational institutions, thanks to substantial local and provincial government contributions. She also coordinated with local health posts and primary and secondary institutions to execute four community cleanups in which more than 350 community members collected and properly disposed of more than 900 kilograms of waste.



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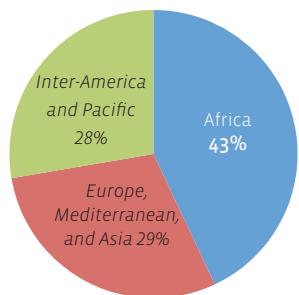


APPENDICES

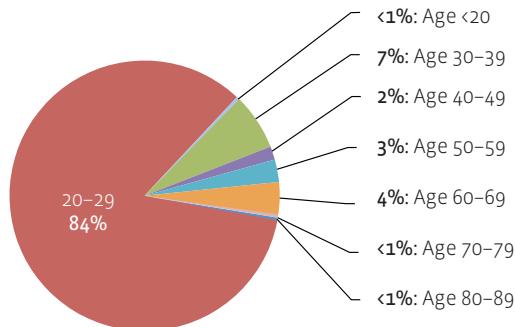
APPENDIX A: FY 2012 VOLUNTEER STATISTICS

Volunteer Statistics

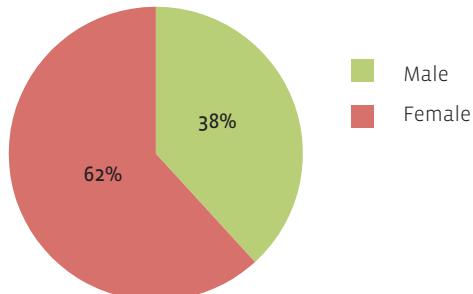
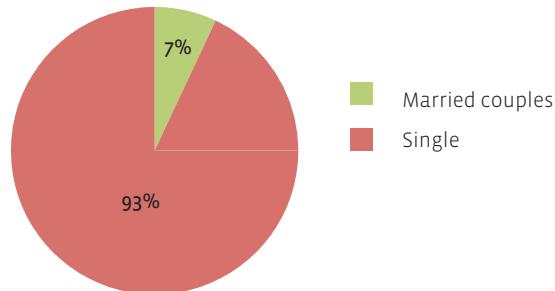
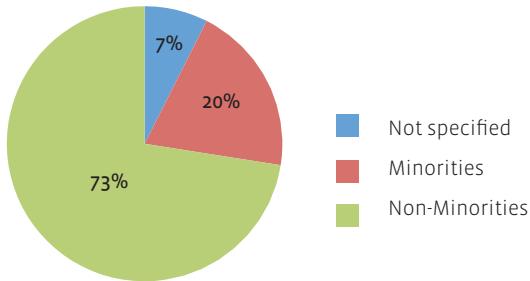
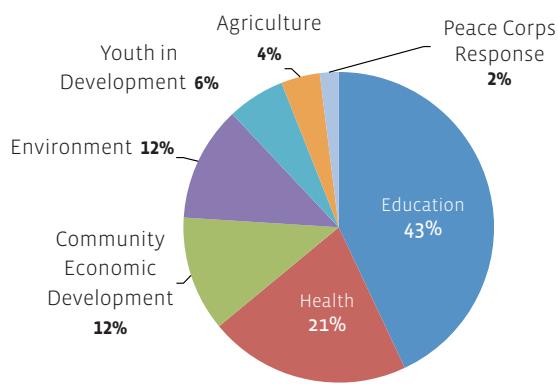
Percentage of Volunteers by Peace Corps Region



Volunteer Profile



Percentage of Volunteers by Sector



All data current as of September 30, 2012.

APPENDIX B: VOLUNTEER WORK BY SECTOR

Agriculture

Agriculture Peace Corps Volunteers help host country communities develop their agriculture sectors in order to improve local livelihoods and promote better nutrition. Agriculture projects are designed to promote environmentally sustainable, small-holder farming practices focused on increasing productivity, improving business practices and profitability, and sustaining the natural resource base, including effective soil and water conservation practices.

Agriculture Volunteers provide support and training to local individuals and groups in the use of intensive farming practices and techniques, such as integrated pest management, improved post-harvest management and storage, optimized use of agricultural inputs such as improved seed varieties and organic fertilizer, adoption of improved soil management methods such as no-till cultivation, and the use of more efficient water capture and delivery technologies such as micro-irrigation. Volunteers contribute to climate change preparedness by educating community members, promoting the use of permaculture, and creating sustainable and self-sufficient agricultural systems.

Using the local language, Agriculture Volunteers provide direct assistance to individual farmers and producer groups and use non-formal education and extension methodologies, such as the “lead” farmer approach and the Farmer Field School model promoted extensively by the United Nations Food and Agriculture Organization. Volunteers also support farmers’ business practices and conduct training in basic business and organizational skills, marketing, and value chain analysis. Volunteers systematically include women and youth in their agriculture outreach activities.

At the end of FY 2012, there were 345 Agriculture Peace Corps Volunteers worldwide.

Examples of Agriculture Volunteer work:

- Improving traditional crop systems by introducing farmers to better practices and technologies, such as soil conservation techniques, crop diversification, and agroforestry strategies
- Expanding the availability of nontraditional crops by promoting vegetable gardening and fruit tree production while raising awareness about their nutritional value

- Increasing knowledge and skills needed for small animal husbandry, including poultry, rabbits, fish, and honey production
- Helping producers increase the value of their agricultural earnings by developing new products, improving storage and packaging, expanding distribution, improving product quality, and implementing effective management and marketing strategies
- Collaborating with farmers to generate income through fish farming
- Developing farmers’ skill in dry-season gardening, a method that enhances food security and provides income to local communities outside of the growing season, for staple crops

Community Economic Development

Community Economic Development (CED) Peace Corps Volunteers build the capacity of local residents to take control of their own economic futures. Peace Corps CED projects fall into three areas: organizational development, business development, and personal money management. These areas are adapted to local conditions and priorities and depend on host country development strategies.

In order to enhance organizational development, Volunteers help community-based organizations and national NGOs develop mission statements and bylaws; improve board governance, internal management, and project management; and create strategic plans. Volunteers also work with these organizations to improve their marketing and advocacy campaigns, raise funds and resources, network, improve client services, and put technology to better use.

Additionally, Volunteers train and advise individual entrepreneurs and business managers in business planning, marketing, financial management, product design, distribution, and customer service. They counsel cooperatives; teach business and entrepreneurship workshops, courses, and camps; and coordinate business plan competitions for youth. Volunteers may also work with entire communities to improve market linkages for local businesses, start community-run businesses, and coordinate overall community economic development.

Volunteers engage with their local community to promote personal money management strategies as well.

Volunteers help microfinance institutions improve their outreach to potential clients and provide would-be entrepreneurs access to microfinance services. In communities with few formal banking services, Volunteers work with community members to set up and manage their own savings and loan associations and provide financial literacy training to youth and adults regarding budgeting, savings, financial negotiations, and the safe use of credit.

At the end of FY 2012, there were 985 Community Economic Development Peace Corps Volunteers worldwide.

Examples of CED Volunteer work:

- Building the capacity of business owners to use computer technology and the Internet to market products and services
- Organizing youth business plan competitions at the local, regional, and national levels
- Helping artisan cooperatives find new markets for their handmade goods and improve quality control
- Advising women's groups about the value of saving and the smart use of credit
- Fostering the creation of sustainable, independent community-managed savings and loan associations
- Working with local civil society groups to improve their outreach and implement awareness campaigns
- Creating leadership development opportunities for community members, especially women and youth

Education

Education has been the Peace Corps' largest sector since the agency's inception more than 50 years ago. Education projects typically include a wide range of activities related to teachers, students, and communities and are linked to national priorities. Volunteers work with local teachers to teach math, science, and information and communication technologies (ICT); English; literacy/numeracy; and girls' empowerment.

The math, science, and ICT projects focus on middle school or secondary students and include training on how to work in low-resource settings and how to engage students, particularly girls, by using real-life applications of these subjects. Projects promote communities of practice, particularly with other math, science, and ICT teachers, to share teaching and assessment techniques.

The Teaching English as a Foreign Language (TEFL) project focuses on helping host country counterparts

improve their English proficiency, teaching skills, and participation in professional development, which in turn leads to improved English language instruction and increased English proficiency for students. In addition to formal classroom instruction, TEFL Volunteers also participate in various informal activities, such as English camps and clubs, and adult TEFL education.

Education Peace Corps Volunteers focusing on literacy promote improvement of students' basic literacy and numeracy skills and help teachers develop remedial literacy strategies for students at risk of failing. This work takes place principally in the early primary grades, but also targets students in secondary school, as well as out-of-school youth. Projects emphasize communities of practice, which include students, community members, and parents, addressing how they can support reading and literacy development at home and in community settings.

Volunteers working in girls' education and empowerment promote gender empowerment and equitable teaching practices. Volunteers start after-school clubs, work with teachers to integrate gender-equitable practices, and provide other support networks through youth programs that include boys.

At the end of FY 2012, there were 3,483 Education Peace Corps Volunteers worldwide.

Examples of Education Volunteer work:

- Advising communities in the development of curricula and teaching materials
- Engaging in mutual peer observation with counterparts to build trust and develop strategies for teacher improvement
- Developing hands-on projects in science and math classes and demonstrating real-world application of classroom concepts
- Creating community and school-based resource centers and libraries
- Advising school-community organizations, parent-teacher groups, and community development projects
- Facilitating camps or clubs related to the Volunteer's teaching focus
- Organizing spelling bees, Model United Nations, math and science fairs, essay contests, field trips, and other extracurricular activities that promote community involvement in student learning

- Starting after-school literacy tutoring opportunities, pairing older youth with primary school children
- Demonstrating and integrating gender-equitable teaching practices in schools
- Developing classroom assessments to measure student achievement
- Supporting special-needs classes, such as deaf education, and promoting general awareness in the community of children and youth with disabilities

Environment

Volunteers in the Environment sector collaborate with host country partners to protect the local environment. They respond to deteriorating local conditions by promoting environmental education and awareness, natural resource planning and management, and environmentally sustainable income-generation activities.

Environment Volunteers encourage sustainable natural resource planning and management by teaching others healthy conservation practices, including the production and cultivation of trees to improve soils, conserve water, and protect fields from erosion. Effective management of resources requires the cooperation of local governments, organizations, communities, and individuals. Volunteers work to build the organizational capacity of partners to plan, manage, lead, and advocate for the protection of the local environment. Volunteers help develop income-generation activities that create incentives for conservation of natural resources, such as ecotourism and crafts. They also address the rising pace of deforestation by introducing more fuel-efficient cookstoves in the local communities they serve.

Volunteers are increasingly engaged in environmental education to build awareness and initiate action on environmental issues. Volunteers train local teachers to integrate more interactive, environment-focused teaching methods into their curricula. They also collaborate with schools to promote environmental education through extracurricular activities, including clubs, camps, and awareness campaigns.

At the end of FY 2012, there were 974 Environment Peace Corps Volunteers worldwide.

Examples of Environment Volunteer work:

- Fostering environmental awareness and education through community-based eco-clubs

- Combating soil erosion and climate change by planting gardens and establishing tree nurseries in collaboration with local counterparts
- Implementing school recycling programs in conjunction with classes in environmental education
- Helping to run environmental camps and excursions and sponsoring special events such as Earth Day
- Providing technical assistance to farmers in employing natural resource management methods in agro-pastoral systems
- Introducing innovative soil fertility and water conservation methods to adapt to an increasingly arid climate
- Promoting income-generating activities, such as sustainable ecotourism
- Slowing rates of deforestation and mitigating the effects of climate change through the introduction of fuel-efficient cookstoves

Health

More than one-fifth of all Peace Corps Volunteers work as Health Volunteers, making it the second largest sector. Volunteers work with local partners to improve health outcomes in communities where individuals tend to have the least access to health information and services. Volunteers help introduce innovation and technology while also using appropriate resources to address health needs.

The Peace Corps is a fully integrated partner in the implementation of the U.S. President's Emergency Plan for AIDS Relief (PEPFAR). As a result, a growing number of Peace Corps Volunteers work on HIV/AIDS. Volunteers' HIV/AIDS work includes prevention, care, treatment, and support services for people living with HIV and those affected. Additionally, Volunteers support programs targeting orphans and vulnerable children and other at-risk youth. Volunteers also work to support the President's Malaria Initiative (PMI), combating malaria by distributing bed nets and providing education on prevention, diagnosis, and treatment. Volunteers are frequently assigned to health-related NGOs to help increase their technical, managerial, and administrative capacities.

At the end of FY 2012, there were 1,688 Health Volunteers.

Examples of Health Volunteer work:

- Facilitating health education on nutrition and nutritional rehabilitation

- Promoting hygiene education and pandemic preparedness in communities and schools
- Expanding peer education to urge youth and others to reduce risky behavior
- Disseminating educational information on infectious diseases, including malaria and HIV
- Assisting in promoting maternal and child health services
- Strengthening NGO health-delivery systems through timely vaccination campaigns
- Building the capacity of health and water sanitation committees

Youth in Development

Youth in Development Peace Corps Volunteers prepare and engage young people regarding their family and professional lives. At the heart of all youth development activities, Volunteers and their partners support life skills and leadership development. Youth in Development Volunteers focus on four areas: healthy lifestyles and preparing for family life, youth professional development, active citizenship, and supporting parents and communities.

Volunteers work to develop life skills by promoting self-esteem and positive personal identity; communication, decision-making, and goal-setting skills; and healthy emotional practices. Volunteers help young people prepare for the world of work through employment, entrepreneurship, and financial literacy trainings. Activities include résumé development workshops, career planning sessions, the establishment of savings groups, English and technology trainings, and micro-enterprise development.

Volunteers work to help the next generation become active citizens by mobilizing them to improve their communities through service learning activities. Volunteers

also work with youth service providers and youth-serving organizations to help them implement high-quality youth programs. Volunteers and their partners also encourage parents and other community adults to play essential supporting roles for youth.

Volunteers and their partners help young people lead healthy lifestyles and prepare for family life by providing training on sexual and reproductive health, as well as by providing HIV/AIDS prevention information. They also promote extracurricular clubs and activities, including sports and exercise, health, wellness, and nutrition activities, and work to improve emotional well-being and resiliency in young people.

At the end of FY 2012, there were 435 Youth in Development Peace Corps Volunteers worldwide.

Examples of Youth in Development Volunteer work:

- Training youth in life skills to promote self-esteem and positive identity, positive communication, goal-setting and action planning, and healthy emotional practices
- Promoting healthy lifestyles skills, such as nutrition and fitness, HIV/AIDS prevention, and sexual and reproductive health
- Conducting workshops in career planning, personal and family financial literacy, résumé writing, entrepreneurship, computer and Internet usage, and English language
- Developing service learning projects
- Training parents and other community adults who support youth in principles and practices of positive youth development
- Strengthening youth-serving organizations in areas of strategic planning, financial management, and project design and management

APPENDIX C: VOLUNTEERS WORKING IN HIV/AIDS ACTIVITIES DURING FY 2012

Africa		Europe, Mediterranean, and Asia		Inter-America and Pacific	
<i>Country</i>	<i>Volunteers</i>	<i>Country</i>	<i>Volunteers</i>	<i>Country</i>	<i>Volunteers</i>
Benin	69	Albania	25	Belize	18
Botswana	148	Armenia	17	Colombia	20
Burkina Faso	136	Azerbaijan	9	Costa Rica	26
Cameroon	93	Bulgaria	27	Dominican Republic	67
Cape Verde	22	Cambodia	28	Eastern Caribbean*	49
Ethiopia	80	China	17	Ecuador	34
Ghana	125	Georgia	41	El Salvador	44
Guinea	9	Indonesia	3	Fiji	15
Kenya	98	Kyrgyz Republic	53	Guatemala	40
Lesotho	61	Macedonia	4	Guyana	44
Liberia	12	Moldova	27	Jamaica	30
Madagascar	32	Mongolia	38	Mexico	3
Malawi	84	Morocco	55	Micronesia and Palau	3
Mali	12	Philippines	69	Nicaragua	96
Mozambique	95	Romania	11	Panama	56
Namibia	71	Thailand	30	Paraguay	79
Rwanda	14	Turkmenistan	7	Peru	131
Senegal	41	Ukraine	121	Samoa	3
Sierra Leone	28	TOTAL	582	Suriname	21
South Africa	92			Tonga	7
Swaziland	60			Vanuatu	26
Tanzania	117			TOTAL	812
The Gambia	26				
Togo	34				
Uganda	94				
Zambia	226				
TOTAL	1,879				

Grand Total: 3,273

* Eastern Caribbean includes Dominica, Grenada, Carriacou, St. Lucia, St. Vincent, and the Grenadines

APPENDIX D: LANGUAGES TAUGHT TO VOLUNTEERS IN FY 2012

Africa

BENIN	Adja, Bariba, Fon, French, Fulfulde, Goun, Ife, Kotafon, Kotokoli, Yoruba	MOZAMBIQUE	Ajawa, Cichangana, Cicopi, Cimakonde, Cimanika, Cindau, Cinyanja, Cisena, Citswa, Echuabo, Elomuwe, Emakwa, Gitonga, Portuguese
BOTSWANA	Ikalonga, Sekgalagadi, Setswana	NAMIBIA	Afrikaans, Damara/Nama/Khoekhoeogowab, Oshikwanyama/Kwanyama, Oshindonga/Ndonga, Otijherero/Herero, Rukwangali, Silozi, Thimbukushu
BURKINA FASO	Bwamu, Dagara, Dioula, French, Gulmancema, Lobiri, Lyele, Moore	RWANDA	Kinyarwanda
CAMEROON	French, Fulfuldé, Pidgin (Cameroon)	SENEGAL	Bambara, French, Fulakunda, Jaxanke, Malinke, Mandinka, Pulaar du Nord, Pulafuta, Seereer, Wolof
ETHIOPIA	Amharic, Oromo/Afan Oromo, Tigrigna	SIERRA LEONE	Kono, Krio, Loko, Mende, Susu, Temne
THE GAMBIA	Mandinka, Pulaar, Soninke, Wolof	SOUTH AFRICA	IsiZulu, Ndebele, Sepedi, Siswati/IsiSwati, Venda/Tshivenda, XiTsonga
GHANA	Dagaare, Dagbani, Dangme, Ewe, Gurune, Kasem, Sissali, Twi	SWAZILAND	Siswati/IsiSwati
GUINEA	French, Malinke, Pulaar, Soussou	TANZANIA	Swahili/Kiswahili
KENYA	Kenyan Sign Language, Swahili/Kiswahili	TOGO	Adja, Anoufo, Bassar, Ewe, French, Ife, Kabiye, Konkomba, Kotokoli, Lamba, Moba, Nawdum, Tchamba
LESOTHO	Sesotho/Suthu, Xhosa	UGANDA	Ateso, Luganda, Lusoga, Runyankore/Rukiga, Runyoro/Rutooro
LIBERIA	Basa, Gio, Kissi, Kpelle, Krahn, Mano, Vai	ZAMBIA	Bemba, Chitonga, Kaonde, Lunda, Mambwe, Nyanja, Tumbuka/Chitumbuka
MADAGASCAR	Antandroy, Antanosy, Antesaka, Betsileo, Betsimisaraka, French, Malagasy, Sakalava, Tsimihety		
MALAWI	Chichewa, Chilambya, Chisena, Chitumbuka		
MALI	Bambara, Malinke		

Europe, Mediterranean, and Asia

ALBANIA	Albanian
ARMENIA	Armenian
AZERBAIJAN	Azerbaijani
CAMBODIA	Khmer
CHINA	Chinese/Mandarin
GEORGIA	Armenian, Georgian
INDONESIA	Indonesian, Javanese, Madurese
JORDAN	Arabic (Jordan)
KYRGYZ REPUBLIC	Kazakh, Russian
MACEDONIA	Albanian, Macedonian
MOLDOVA	Romanian, Russian
MONGOLIA	Kazakh, Mongolian
MOROCCO	Arabic (Morocco)
PHILIPPINES	Tagalog
THAILAND	Thai
UKRAINE	Russian, Ukrainian

APPENDIX D: LANGUAGES TAUGHT TO VOLUNTEERS IN FY 2012, cont.

Inter-America and Pacific

COLOMBIA	Spanish
COSTA RICA	Spanish
DOMINICAN REPUBLIC	Spanish
EASTERN CARIBBEAN	Kwelyol
ECUADOR	Kichwa, Spanish
FIJI	Fijian
GUATEMALA	Kaqchikel, K'iche, Mam, Q'eqchi, Spanish
JAMAICA	Jamaican Patois
MEXICO	Spanish
MICRONESIA AND PALAU	Chuukese, Kosraean, Mortlockese, Palauan, Pohnpeian
NICARAGUA	Spanish
PANAMA	Ngabe, Spanish
PARAGUAY	Guaraní, Spanish
PERU	Quechua, Spanish
TONGA	Tongan
VANUATU	Bislama

APPENDIX E: PEACE CORPS APPLICATION PROCESS AND PHASES OF VOLUNTEER SERVICE

Peace Corps Application Process

The Peace Corps application process usually lasts six to 12 months, but may take longer in certain cases. The length of this process is based on a number of factors, including turnaround time for reference checks, a medical evaluation, determining applicant suitability for assignments, the availability of assignments, and whether an applicant needs additional time to obtain experience in order to be a more competitive candidate. After receiving an invitation, most applicants depart for their country assignment within four to six months.

Step One: Application

Interested applicants first provide preliminary information by filling out the online application. A completed application includes two essays, three references, employment history, a résumé, community and volunteer activities, and educational background. Applicants must also provide a copy of their college transcripts (unless they have 10 years of applicable professional experience), information about outstanding financial and legal obligations, and a complete health history.

Step Two: Interview

Potentially qualified applicants are contacted for an interview once they have submitted all of their application materials. During the interview, applicants discuss with a recruiter their skills and interests, available Volunteer job opportunities, and any potential issues such as flexibility, adaptability, social and cultural awareness, motivation, and commitment to Peace Corps service.

Step Three: Nomination

A nomination is a recommendation that an applicant move forward to the next stage of consideration, which includes the medical, legal, suitability, and competitive reviews. After an interview is completed and all requested documents are received, the recruiter evaluates an applicant's candidacy. If the recruiter determines an applicant is qualified for Peace Corps service, the applicant is nominated to serve in a general work area and region of the world with an approximate departure date.

Step Four: Medical, Legal, Suitability, and Competitive Reviews

Once an applicant has been nominated, he or she is reviewed for medical pre-clearance. If additional medical information is needed, applicants are sent follow-up requests to be returned within 30 days. While the majority of applicants are deemed medically pre-cleared for Peace Corps service, some applicants may need a site-specific arrangement for a medical accommodation, or they may not be medically cleared at the time of their application.

After the medical review, applications are reviewed for eligibility based on the Peace Corps' legal guidelines. This step includes a review of documentation related to marital status, financial obligations, previous arrests and convictions, and dependents.

Medically pre-cleared and legally cleared applicants then undergo a suitability and skill review by a Peace Corps placement and assessment specialist. The applicant's skills are also compared with those of other candidates. Competitive and suitable candidates are then matched to openings in the field.

Step Five: Invitation

Placement and assessment specialists extend invitations via email to all competitive and qualified applicants. The invitation is to a specific country and provides a detailed Volunteer assignment description, as well as information related to the country of service. Invitations are sent a minimum of 120 days in advance of the program departure date. Once the invitation has been accepted, a background investigation is conducted. It is important to note that if an applicant declines his or her first assignment, second invitations are rarely issued.

Step Six: Preparation for Departure

The Staging Unit provides invitees with information regarding their pre-departure orientation (also known as staging) 30 days before departure. This information also includes access to a pre-departure online training module that focuses on safety and security overseas. The Peace Corps travel office will issue an electronic ticket for travel to the staging site in the United States. Once the staging is complete, all trainees—as the invitees are now called—will fly together to their country of service to begin in-country training.

Phases of Volunteer Service

Pre-Service Training and Swearing-In

Staff prepares trainees for service by conducting two to three months of in-country training in language, technical skills, and cross-cultural, health, and personal safety and security issues. After successful completion of training and testing, trainees are sworn in as Volunteers.

Volunteer Assignment

The Volunteer is assigned to a project, designed by Peace Corps and host country staff, that meets the development needs of the host country.

Site Selection

Peace Corps in-country staff ensures that Volunteers have suitable assignments and adequate and safe living arrangements.

In-Service Training

Post staff conducts periodic training to improve Volunteers' technical and language skills and to address changing health and safety issues.

Service Extension

A limited number of Volunteers who have unique skills and outstanding records of service may extend for an additional year.



APPENDIX F: HOME STATES OF PEACE CORPS VOLUNTEERS*

State	Currently Serving	Total Since 1961	State	Currently Serving	Total Since 1961
Alabama	59	1,062	Montana	48	1,349
Alaska	21	944	Nebraska	57	1,317
Arizona	125	3,377	Nevada	38	942
Arkansas	27	926	New Hampshire	74	1,628
California	1,084	28,422	New Jersey	185	4,773
Colorado	273	6,772	New Mexico	60	2,097
Connecticut	136	3,204	New York	448	12,863
Delaware	20	485	North Carolina	204	3,984
District of Columbia	49	2,206	North Dakota	14	561
Florida	351	7,338	Ohio	291	6,875
Georgia	209	3,171	Oklahoma	47	1,270
Guam	1	74	Oregon	247	5,898
Hawaii	30	1,374	Pennsylvania	330	7,618
Idaho	62	1,268	Puerto Rico	15	385
Illinois	352	8,157	Rhode Island	33	979
Indiana	121	3,121	South Carolina	79	1,457
Iowa	95	2,251	South Dakota	23	618
Kansas	69	1,668	Tennessee	79	1,650
Kentucky	56	1,449	Texas	381	6,992
Louisiana	40	1,068	Utah	2	77
Maine	59	1,794	Vermont	31	1,042
Maryland	225	5,623	U.S. Virgin Islands	45	1,453
Massachusetts	247	7,932	Virginia	303	7,116
Michigan	316	6,866	Washington	378	8,843
Minnesota	233	6,287	West Virginia	25	643
Mississippi	17	467	Wisconsin	212	5,740
Missouri	124	3,140	Wyoming	15	500

* Includes the District of Columbia, as well as the territories of Guam, Puerto Rico, and the U.S. Virgin Islands.
 All data current as of September 30, 2012.

APPENDIX G: THE PEACE CORPS' EDUCATIONAL PARTNERSHIPS IN THE UNITED STATES

Master's International graduate programs provide credit for Peace Corps service and, at times, additional financial assistance to Peace Corps Volunteers who earn a master's degree as an integrated part of their Peace Corps service. The Paul D. Coverdell Fellows graduate school programs provide financial assistance to returned Peace Corps Volunteers who work in underserved American communities while they pursue their graduate degrees.

States	Master's International Colleges/Universities	Paul D. Coverdell Fellows Program Colleges/Universities
Alabama	University of Alabama at Birmingham	University of Alabama at Birmingham
Alaska	University of Alaska—Fairbanks	University of Alaska—Fairbanks
Arizona	Arizona State University Northern Arizona University Thunderbird School of Global Management	Northern Arizona University University of Arizona
California	California State University at Chico California State University at Fresno California State University at Northridge California State University at Sacramento Humboldt State University Loma Linda University Monterey Institute of International Studies University of California—Davis University of the Pacific	Loma Linda University University of La Verne University of Southern California
Colorado	Colorado State University University of Colorado—Boulder University of Denver	University of Colorado—Denver University of Denver
Connecticut		Yale University
Florida	Florida International University Florida State University University of Miami University of South Florida	Florida Institute of Technology University of Central Florida
Georgia	Emory University Georgia State University University of Georgia	Emory University Georgia College and State University Kennesaw State University
Illinois	Illinois State University University of Illinois—Chicago	Illinois State University Western Illinois University De Paul University
Indiana	Indiana University—Bloomington Valparaiso University	Indiana University—Bloomington University of Notre Dame
Kentucky	Western Kentucky University	
Louisiana	Tulane University	University of New Orleans Xavier University of Louisiana
Maryland	Johns Hopkins University University of Maryland—College Park University of Maryland—Baltimore University of Maryland—Baltimore County	Johns Hopkins University University of Maryland—Baltimore University of Maryland—Baltimore County University of Maryland—College Park
Massachusetts	Boston University Wheelock University	Andover Newton Theological School Babson College Brandeis University Clark University Mount Holyoke College

States	Master's International Colleges/Universities	Paul D. Coverdell Fellows Program Colleges/Universities
Michigan	Eastern Michigan University Michigan State University Michigan Technological University University of Michigan—Ann Arbor Western Michigan University	University of Michigan—Ann Arbor Michigan Technological University
Minnesota	University of Minnesota	St. Catherine University University of Minnesota
Missouri	Lincoln University of Missouri	University of Missouri—Columbia University of Missouri—Kansas City
Montana	University of Montana	
Nevada	University of Nevada—Las Vegas	
New Hampshire		University of New Hampshire Antioch University New England Southern New Hampshire University
New Jersey	Rutgers, The State University of New Jersey—Camden	Drew University Monmouth University Rutgers, The State University of New Jersey—Camden
New Mexico	New Mexico State University—Las Cruces	New Mexico State University Western New Mexico University
New York	Adelphi University Bard College Cornell University State University of New York at Oswego SUNY College of Environmental Science and Forestry (Syracuse) University at Albany—State University of New York	Bard College Columbia University Teachers College Cornell University Fordham University The New School University of Rochester Yeshiva University
North Carolina	Appalachian State University North Carolina A&T State University North Carolina Central University North Carolina State University	Duke University Wake Forest University
Ohio	University of Cincinnati	Bowling Green State University University of Cincinnati
Oklahoma	Oklahoma State University	
Oregon	Oregon State University Portland State University	University of Oregon Willamette University
Pennsylvania	University of Pittsburgh	University of Pittsburgh Carnegie Mellon University Duquesne University Seton Hill University University of Pennsylvania Villanova University
South Carolina	Clemson University College of Charleston South Carolina State University University of South Carolina—Columbia	University of South Carolina—Columbia

States	Master's International Colleges/Universities	Paul D. Coverdell Fellows Program Colleges/Universities
Tennessee	Tennessee State University	
Texas	Texas A&M University—College Station Texas A&M University—Corpus Christi Texas Tech University University of Texas—Austin	
Utah	Utah State University	
Vermont	SIT Graduate Institute St. Michael's College	SIT Graduate Institute University of Vermont
Virginia	George Mason University University of Virginia Virginia Polytechnic Institute and State University	George Mason University Virginia Commonwealth University
Washington	Gonzaga University University of Washington Washington State University	University of Washington
West Virginia	West Virginia University	Future Generations Graduate School
Wisconsin	University of Wisconsin—Stevens Point	Marquette University University of Wisconsin—Milwaukee University of Wisconsin—Stevens Point
Wyoming	University of Wyoming	University of Wyoming
District of Columbia	American University George Washington University	George Washington University

APPENDIX H: AFRICA REGION COUNTRY PROFILES

Sahel	The Gambia, Mali, Senegal
Coastal West and Central Africa	Benin, Burkina Faso, Cameroon, Ghana, Guinea, Liberia, Sierra Leone, Togo
Eastern Africa	Ethiopia, Kenya, Madagascar, Malawi, Mozambique, Rwanda, Tanzania, Uganda
Southern Africa	Botswana, Lesotho, Namibia, South Africa, Swaziland, Zambia

The statistical data in the following country profiles come primarily from The World Bank's World Development Indicators.



Benin

CAPITAL	Porto-Novo
POPULATION	9.10 million
GROSS NATIONAL INCOME PER CAPITA	\$780
PROGRAM DATES	1968–present
PROGRAM SECTORS	Community Economic Development Education Environment Health

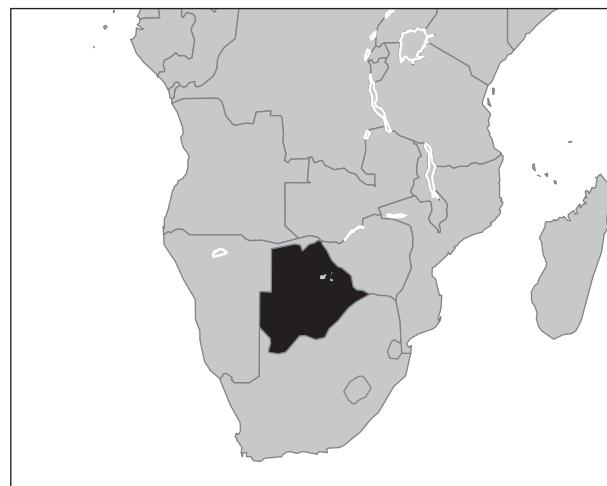


ANTICIPATED NUMBER OF VOLUNTEERS

Calculated September 30 each year

	FY 2013	FY 2014
Volunteers	120	110
Program funds (\$000)	4,400	4,100

Botswana



CAPITAL	Gaborone
POPULATION	2.0 million
GROSS NATIONAL INCOME PER CAPITA	\$13,710
PROGRAM DATES	1966–97 2003–present
PROGRAM SECTORS	Health

ANTICIPATED NUMBER OF VOLUNTEERS

Calculated September 30 each year

	FY 2013	FY 2014
Volunteers	50	40
Program funds (\$000)	2,200	1,800

Burkina Faso

CAPITAL	Ouagadougou
POPULATION	16.5 million
GROSS NATIONAL INCOME PER CAPITA	\$1,250
PROGRAM DATES	1967–87 1995–present
PROGRAM SECTORS	Community Economic Development Education Health



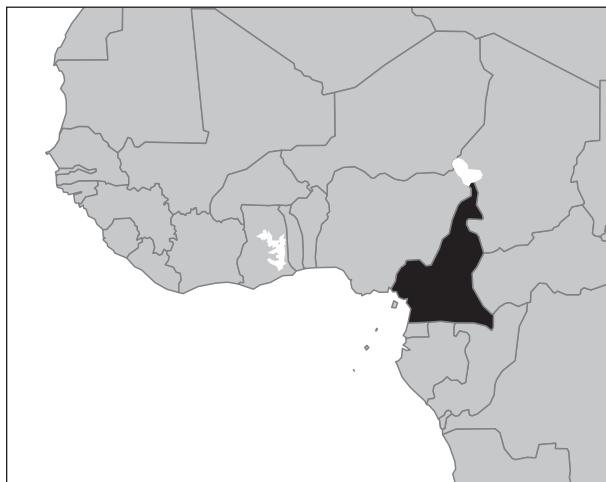
ANTICIPATED NUMBER OF VOLUNTEERS

Calculated September 30 each year

	FY 2013	FY 2014
Volunteers	120	140
Program funds (\$000)	4,400	5,200

Cameroon

CAPITAL	Yaounde
POPULATION	19.6 million
GROSS NATIONAL INCOME PER CAPITA	\$2,230
PROGRAM DATES	1962–present
PROGRAM SECTORS	Agriculture Community Economic Development Education, Health Youth Development



ANTICIPATED NUMBER OF VOLUNTEERS

Calculated September 30 each year

	FY 2013	FY 2014
Volunteers	210	200
Program funds (\$000)	5,000	4,800

Ethiopia



CAPITAL	Addis-Ababa
POPULATION	82.9 million
GROSS NATIONAL INCOME PER CAPITA	\$1,030
PROGRAM DATES	1962–97, 1995–99 2007–present
PROGRAM SECTORS	Education Environment Health and HIV/AIDS

ANTICIPATED NUMBER OF VOLUNTEERS

Calculated September 30 each year

	FY 2013	FY 2014
Volunteers	170	170
Program funds (\$000)	3,500	3,600

The Gambia

CAPITAL	Banjul
POPULATION	1.7 million
GROSS NATIONAL INCOME PER CAPITA	\$1,290
PROGRAM DATES	1967–present
PROGRAM SECTORS	Education Environment Health



ANTICIPATED NUMBER OF VOLUNTEERS

Calculated September 30 each year

	FY 2013	FY 2014
Volunteers	90	80
Program funds (\$000)	2,200	2,000

Ghana

CAPITAL	Accra
POPULATION	24.4 million
GROSS NATIONAL INCOME PER CAPITA	\$1,600
PROGRAM DATES	1961–present
PROGRAM SECTORS	Education Environment Health

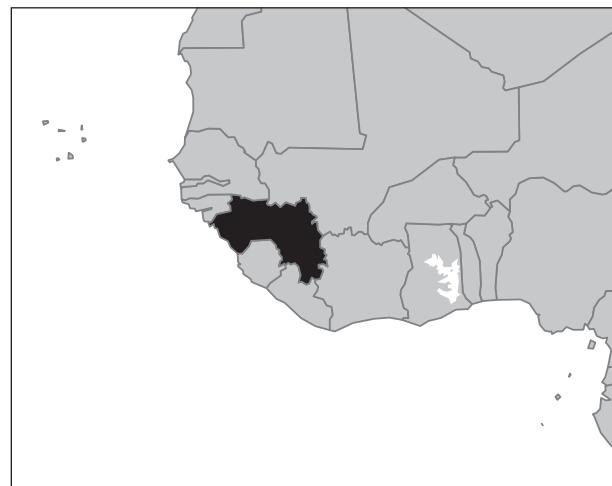


ANTICIPATED NUMBER OF VOLUNTEERS

Calculated September 30 each year

	FY 2013	FY 2014
Volunteers	140	140
Program funds (\$000)	3,600	3,700

Guinea



CAPITAL	Conakry
POPULATION	10 million
GROSS NATIONAL INCOME PER CAPITA	\$1,020
PROGRAM DATES	1963–66, 1969–71 1985–present
PROGRAM SECTORS	Community Economic Development Education, Environment Health

ANTICIPATED NUMBER OF VOLUNTEERS

Calculated September 30 each year

	FY 2013	FY 2014
Volunteers	100	110
Program funds (\$000)	2,900	3,200

Kenya

CAPITAL	Nairobi
POPULATION	40.5 million
GROSS NATIONAL INCOME PER CAPITA	\$1,630
PROGRAM DATES	1964–present
PROGRAM SECTORS	Community Economic Development Education Health



ANTICIPATED NUMBER OF VOLUNTEERS

Calculated September 30 each year

	FY 2013	FY 2014
Volunteers	80	90
Program funds (\$000)	3,200	3,600

Lesotho

CAPITAL	Maseru
POPULATION	2.2 million
GROSS NATIONAL INCOME PER CAPITA	\$1,840
PROGRAM DATES	1967–present
PROGRAM SECTORS	Education Health



ANTICIPATED NUMBER OF VOLUNTEERS

Calculated September 30 each year

	FY 2013	FY 2014
Volunteers	60	60
Program funds (\$000)	2,600	2,700

Liberia



CAPITAL	Monrovia
POPULATION	4 million
GROSS NATIONAL INCOME PER CAPITA	\$340
PROGRAM DATES	1962–90 2008–present
PROGRAM SECTORS	Education

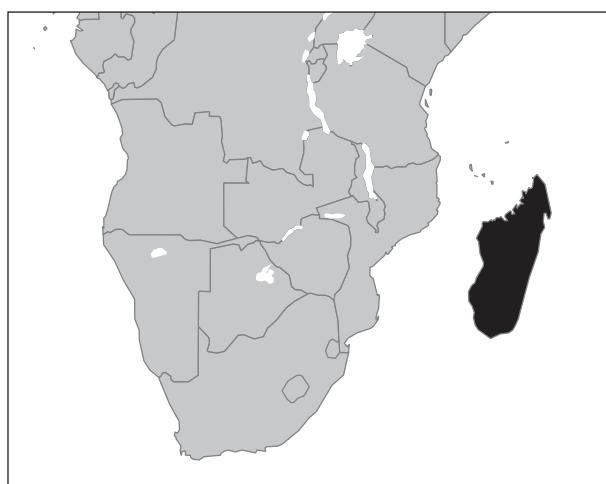
ANTICIPATED NUMBER OF VOLUNTEERS

Calculated September 30 each year

	FY 2013	FY 2014
Volunteers	80	90
Program funds (\$000)	2,600	3,000

Madagascar

CAPITAL	Antananarivo
POPULATION	20.7 million
GROSS NATIONAL INCOME PER CAPITA	\$950
PROGRAM DATES	1993–present
PROGRAM SECTORS	Community Economic Development Education Environment Health



ANTICIPATED NUMBER OF VOLUNTEERS

Calculated September 30 each year

	FY 2013	FY 2014
Volunteers	130	130
Program funds (\$000)	3,200	3,300

Malawi

CAPITAL	Lilongwe
POPULATION	14.9 million
GROSS NATIONAL INCOME PER CAPITA	\$850
PROGRAM DATES	1963–1976 1978–present
PROGRAM SECTORS	Education Environment Health

ANTICIPATED NUMBER OF VOLUNTEERS

Calculated September 30 each year

	FY 2013	FY 2014
Volunteers	80	80
Program funds (\$000)	3,100	3,100



Mali



CAPITAL	Bamako
POPULATION	15.4 million
GROSS NATIONAL INCOME PER CAPITA	\$1,020
PROGRAM DATES	1971–present
PROGRAM SECTORS	<i>This program is currently suspended</i>

ANTICIPATED NUMBER OF VOLUNTEERS

Calculated September 30 each year

	FY 2013	FY 2014
Volunteers	0	50
Program funds (\$000)	3,800	4,500

Mozambique

CAPITAL	Maputo
POPULATION	23.4 million
GROSS NATIONAL INCOME PER CAPITA	\$920
PROGRAM DATES	1998–present
PROGRAM SECTORS	Education Health

ANTICIPATED NUMBER OF VOLUNTEERS

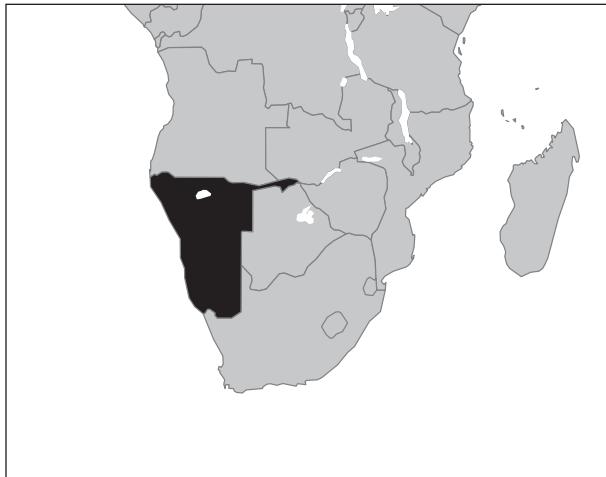
Calculated September 30 each year

	FY 2013	FY 2014
Volunteers	160	160
Program funds (\$000)	3,200	3,300



Namibia

CAPITAL	Windhoek
POPULATION	2.3 million
GROSS NATIONAL INCOME PER CAPITA	\$6,380
PROGRAM DATES	1990–present
PROGRAM SECTORS	Community Economic Development Environment Health



ANTICIPATED NUMBER OF VOLUNTEERS

Calculated September 30 each year

	FY 2013	FY 2014
Volunteers	100	80
Program funds (\$000)	3,100	2,600

Rwanda



CAPITAL	Kigali
POPULATION	10.6 million
GROSS NATIONAL INCOME PER CAPITA	\$1,150
PROGRAM DATES	1975–93 2008–present
PROGRAM SECTORS	Education Health

ANTICIPATED NUMBER OF VOLUNTEERS

Calculated September 30 each year

	FY 2013	FY 2014
Volunteers	70	90
Program funds (\$000)	2,400	3,200

Senegal

CAPITAL	Dakar
POPULATION	12.4 million
GROSS NATIONAL INCOME PER CAPITA	\$1,910
PROGRAM DATES	1962–present
PROGRAM SECTORS	Agriculture Community Economic Development Environment Health



ANTICIPATED NUMBER OF VOLUNTEERS

Calculated September 30 each year

	FY 2013	FY 2014
Volunteers	290	280
Program funds (\$000)	5,800	5,700

Sierra Leone

CAPITAL	Freetown
POPULATION	5.9 million
ANNUAL PER CAPITA INCOME	\$820
PROGRAM DATES	1962–94 2010–present
PROGRAM SECTORS	Education



ANTICIPATED NUMBER OF VOLUNTEERS

Calculated September 30 each year

	FY 2013	FY 2014
Volunteers	90	100
Program funds (\$000)	2,900	3,300

South Africa



CAPITAL	Pretoria
POPULATION	50 million
GROSS NATIONAL INCOME PER CAPITA	\$10,280
PROGRAM DATES	1997–present
PROGRAM SECTORS	Education Health

ANTICIPATED NUMBER OF VOLUNTEERS

Calculated September 30 each year

	FY 2013	FY 2014
Volunteers	110	90
Program funds (\$000)	4,900	4,100

Swaziland

CAPITAL	Mbabane
POPULATION	1.2 million
GROSS NATIONAL INCOME PER CAPITA	\$4,950
PROGRAM DATES	1968–96 2003–present
PROGRAM SECTORS	Health Youth in Development



ANTICIPATED NUMBER OF VOLUNTEERS

Calculated September 30 each year

	FY 2013	FY 2014
Volunteers	50	40
Program funds (\$000)	2,300	1,900

Tanzania

CAPITAL	Dodoma
POPULATION	44.8 million
GROSS NATIONAL INCOME PER CAPITA	\$1,420
PROGRAM DATES	1961–69 1979–present
PROGRAM SECTORS	Education Environment Health



ANTICIPATED NUMBER OF VOLUNTEERS

Calculated September 30 each year

	FY 2013	FY 2014
Volunteers	120	110
Program funds (\$000)	3,200	3,000

Togo



CAPITAL	Lome
POPULATION	6 million
GROSS NATIONAL INCOME PER CAPITA	\$890
PROGRAM DATES	1962–present
PROGRAM SECTORS	Community Economic Development Education Environment Health

ANTICIPATED NUMBER OF VOLUNTEERS

Calculated September 30 each year

	FY 2013	FY 2014
Volunteers	100	80
Program funds (\$000)	3,000	2,500

Uganda

CAPITAL	Kampala
POPULATION	33.4 million
GROSS NATIONAL INCOME PER CAPITA	\$1,240
PROGRAM DATES	1964–72, 1991–99 2001–present
PROGRAM SECTORS	Community Economic Development Education Health



ANTICIPATED NUMBER OF VOLUNTEERS

Calculated September 30 each year

	FY 2013	FY 2014
Volunteers	60	80
Program funds (\$000)	2,600	3,500

Zambia

CAPITAL	Lusaka
POPULATION	12.9 million
GROSS NATIONAL INCOME PER CAPITA	\$1,370
PROGRAM DATES	1994–present
PROGRAM SECTORS	Agriculture Education Environment Health

ANTICIPATED NUMBER OF VOLUNTEERS

Calculated September 30 each year

	FY 2013	FY 2014
Volunteers	150	120
Program funds (\$000)	5,200	4,200



APPENDIX I: Europe, Mediterranean, and Asia Region Country Profiles



Balkans and North Africa Albania, Republic of Macedonia, Morocco, Tunisia

Central and Eastern Europe Moldova, Ukraine

Middle East and the Caucasus Armenia, Azerbaijan, Georgia, Jordan

Central Asia Kyrgyz Republic

Asia Cambodia, China, Indonesia, Mongolia, Nepal, Philippines, Thailand

The statistical data in the following country profiles come primarily from The World Bank's World Development Indicators.

Albania

CAPITAL Tirana
POPULATION 3.2 million
GROSS NATIONAL INCOME PER CAPITA \$8,740
PROGRAM DATES 1992–97
2003–present

PROGRAM SECTORS Community Economic Development
Education
Health

ANTICIPATED NUMBER OF VOLUNTEERS

Calculated September 30 each year

	FY 2013	FY 2014
Volunteers	80	80
Program funds (\$000)	2,300	2,500



Armenia



CAPITAL Yerevan
POPULATION 3.1 million
GROSS NATIONAL INCOME PER CAPITA \$5,450
PROGRAM DATES 1992–present
PROGRAM SECTORS Community Economic Development
Education
Youth in Development

ANTICIPATED NUMBER OF VOLUNTEERS

Calculated September 30 each year

	FY 2013	FY 2014
Volunteers	90	80
Program funds (\$000)	2,400	2,400

Azerbaijan

CAPITAL Baku
POPULATION 9 million
GROSS NATIONAL INCOME PER CAPITA \$9,050
PROGRAM DATES 2003–present
PROGRAM SECTORS Community Economic Development
Education
Health
Youth in Development

ANTICIPATED NUMBER OF VOLUNTEERS

Calculated September 30 each year

	FY 2013	FY 2014
Volunteers	130	160
Program funds (\$000)	2,900	3,800



Cambodia

CAPITAL	Phnom Penh
POPULATION	14.1 million
GROSS NATIONAL INCOME PER CAPITA	\$2,040
PROGRAM DATES	2007–present
PROGRAM SECTORS	Education Health



ANTICIPATED NUMBER OF VOLUNTEERS

Calculated September 30 each year

	FY 2013	FY 2014
Volunteers	110	110
Program funds (\$000)	2,400	2,600

China



CAPITAL	Beijing
POPULATION	1.3 billion
GROSS NATIONAL INCOME PER CAPITA	\$7,570
PROGRAM DATES	1993–present
PROGRAM SECTORS	Education

ANTICIPATED NUMBER OF VOLUNTEERS

Calculated September 30 each year

	FY 2013	FY 2014
Volunteers	150	170
Program funds (\$000)	3,200	3,900

Georgia

CAPITAL	Tbilisi
POPULATION	4.5 million
GROSS NATIONAL INCOME PER CAPITA	\$4,960
PROGRAM DATES	2001–present
PROGRAM SECTORS	Community Economic Development Education Health



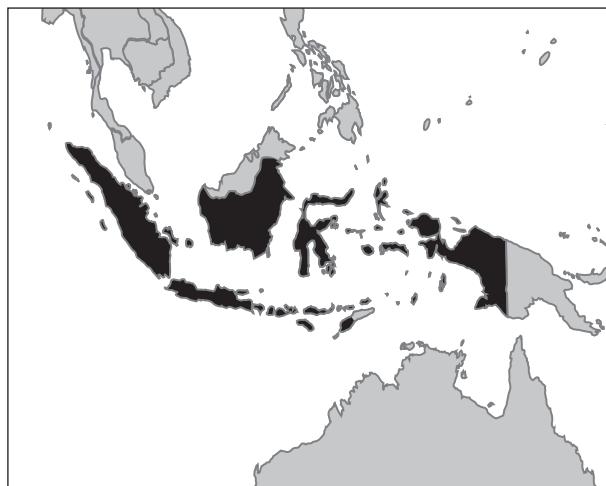
ANTICIPATED NUMBER OF VOLUNTEERS

Calculated September 30 each year

	FY 2013	FY 2014
Volunteers	80	90
Program funds (\$000)	2,500	3,100

Indonesia

CAPITAL	Jakarta
POPULATION	240 million
GROSS NATIONAL INCOME PER CAPITA	\$4,170
PROGRAM DATES	1963–65 2010–present
PROGRAM SECTORS	Education



ANTICIPATED NUMBER OF VOLUNTEERS

Calculated September 30 each year

	FY 2013	FY 2014
Volunteers	100	110
Program funds (\$000)	3,300	3,800

Jordan



CAPITAL	Amman
POPULATION	6 million
GROSS NATIONAL INCOME PER CAPITA	\$5,810
PROGRAM DATES	1997–2002 2004–present
PROGRAM SECTORS	Education Youth in Development

ANTICIPATED NUMBER OF VOLUNTEERS

Calculated September 30 each year

	FY 2013	FY 2014
Volunteers	50	40
Program funds (\$000)	2,400	2,200

Kyrgyz Republic

CAPITAL	Bishkek
POPULATION	5.4 million
GROSS NATIONAL INCOME PER CAPITA	\$2,180
PROGRAM DATES	1993–present
PROGRAM SECTORS	Community Economic Development Education Health



ANTICIPATED NUMBER OF VOLUNTEERS

Calculated September 30 each year

	FY 2013	FY 2014
Volunteers	80	100
Program funds (\$000)	2,100	2,900

Macedonia

CAPITAL	Skopje
POPULATION	2.1 million
GROSS NATIONAL INCOME PER CAPITA	\$10,830
PROGRAM DATES	1996–present
PROGRAM SECTORS	Community Economic Development Education



ANTICIPATED NUMBER OF VOLUNTEERS

Calculated September 30 each year

	FY 2013	FY 2014
Volunteers	110	120
Program funds (\$000)	2,600	3,100

Moldova



CAPITAL	Chisinau
POPULATION	3.6 million
GROSS NATIONAL INCOME PER CAPITA	\$3,340
PROGRAM DATES	1993–present
PROGRAM SECTORS	Community Economic Development Education Health

ANTICIPATED NUMBER OF VOLUNTEERS

Calculated September 30 each year

	FY 2013	FY 2014
Volunteers	120	130
Program funds (\$000)	3,000	3,500

Mongolia

CAPITAL	Ulaanbaatar
POPULATION	2.8 million
GROSS NATIONAL INCOME PER CAPITA	\$3,630
PROGRAM DATES	1991–present
PROGRAM SECTORS	Community Economic Development Education Health Youth in Development



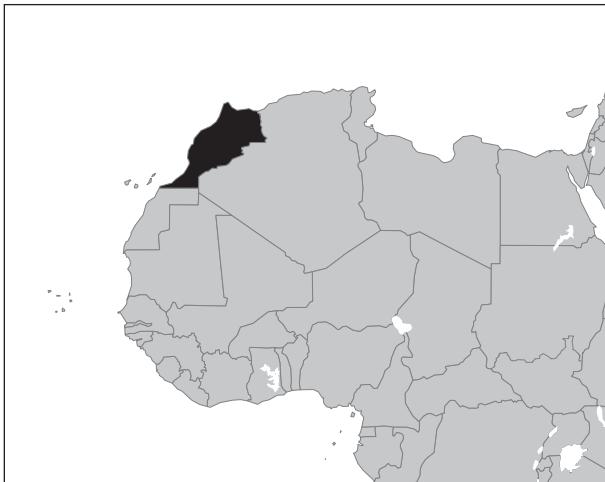
ANTICIPATED NUMBER OF VOLUNTEERS

Calculated September 30 each year

	FY 2013	FY 2014
Volunteers	140	160
Program funds (\$000)	3,600	4,400

Morocco

CAPITAL	Rabat
POPULATION	32 million
GROSS NATIONAL INCOME PER CAPITA	\$4,620
PROGRAM DATES	1963–present
PROGRAM SECTORS	Health Youth in Development



ANTICIPATED NUMBER OF VOLUNTEERS

Calculated September 30 each year

	FY 2013	FY 2014
Volunteers	220	190
Program funds (\$000)	5,000	4,800

Nepal



CAPITAL	Kathmandu
POPULATION	30 million
GROSS NATIONAL INCOME PER CAPITA	\$440
PROGRAM DATES	1962–2004, 2012–present
PROGRAM SECTORS	Agriculture Health

ANTICIPATED NUMBER OF VOLUNTEERS

Calculated September 30 each year

	FY 2013	FY 2014
Volunteers	50	100
Program funds (\$000)	2,200	3,700

Philippines

CAPITAL	Manila
POPULATION	93.3 million
GROSS NATIONAL INCOME PER CAPITA	\$3,950
PROGRAM DATES	1961–90 1992–present
PROGRAM SECTORS	Education Environment Youth in Development



ANTICIPATED NUMBER OF VOLUNTEERS

Calculated September 30 each year

	FY 2013	FY 2014
Volunteers	150	180
Program funds (\$000)	4,200	5,400

Thailand

CAPITAL	Bangkok
POPULATION	69.1 million
GROSS NATIONAL INCOME PER CAPITA	\$8,120
PROGRAM DATES	1962–present
PROGRAM SECTORS	Community Economic Development Education



ANTICIPATED NUMBER OF VOLUNTEERS

Calculated September 30 each year

	FY 2013	FY 2014
Volunteers	90	100
Program funds (\$000)	3,100	3,700

Tunisia



CAPITAL	Tunis
POPULATION	10.6 million
GROSS NATIONAL INCOME PER CAPITA	\$4,160
PROGRAM DATES	1962–96, 2012–present
PROGRAM SECTORS	<i>This program is currently on hold</i>

ANTICIPATED NUMBER OF VOLUNTEERS

Calculated September 30 each year

	FY 2013	FY 2014
Volunteers	30	60
Program funds (\$000)	2,600	3,000

Ukraine

CAPITAL	Kyiv
POPULATION	45.9 million
GROSS NATIONAL INCOME PER CAPITA	\$6,560
PROGRAM DATES	1992–present
PROGRAM SECTORS	Community Economic Development Education Health Youth in Development



ANTICIPATED NUMBER OF VOLUNTEERS

Calculated September 30 each year

	FY 2013	FY 2014
Volunteers	290	250
Program funds (\$000)	5,400	5,100

Appendix J: Inter-America and Pacific Region Country Profiles



Central America	Belize, Costa Rica, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama
Caribbean	Dominican Republic, Eastern Caribbean (Dominica, Grenada and Carriacou, St. Lucia, St. Vincent, and Grenadines), Jamaica
South America	Colombia, Ecuador, Guyana, Paraguay, Peru
Pacific	Federated States of Micronesia and Palau, Fiji, Samoa, Tonga, Vanuatu

The statistical data in the following country profiles come primarily from The World Bank's World Development Indicators.

Belize

CAPITAL	Belmopan
POPULATION	.34 million
GROSS NATIONAL INCOME PER CAPITA	\$5,970
PROGRAM DATES	1962–present
PROGRAM SECTORS	Community Economic Development Education Health Youth in Development



ANTICIPATED NUMBER OF VOLUNTEERS

Calculated September 30 each year

	FY 2013	FY 2014
Volunteers	20	40
Program funds (\$000)	1,900	2,700

Colombia



CAPITAL	Bogota
POPULATION	46.3 million
GROSS NATIONAL INCOME PER CAPITA	\$9,000
PROGRAM DATES	1961–81 2010–present
PROGRAM SECTORS	Education

ANTICIPATED NUMBER OF VOLUNTEERS

Calculated September 30 each year

	FY 2013	FY 2014
Volunteers	80	80
Program funds (\$000)	2,700	2,700

Costa Rica

CAPITAL	San Jose
POPULATION	4.7 million
GROSS NATIONAL INCOME PER CAPITA	\$10,840
PROGRAM DATES	1963–present
PROGRAM SECTORS	Community Economic Development Education Youth in Development



ANTICIPATED NUMBER OF VOLUNTEERS

Calculated September 30 each year

	FY 2013	FY 2014
Volunteers	130	120
Program funds (\$000)	3,500	3,200

Dominican Republic

CAPITAL	Santo Domingo
POPULATION	9.9 million
GROSS NATIONAL INCOME PER CAPITA	\$8,960
PROGRAM DATES	1962–present
PROGRAM SECTORS	Community Economic Development Education, Environment Health, Youth in Development

ANTICIPATED NUMBER OF VOLUNTEERS

Calculated September 30 each year

	FY 2013	FY 2014
Volunteers	160	180
Program funds (\$000)	4,400	5,100



Eastern Caribbean



CAPITALS	Roseau, Saint George's, Castries, Kingstown
POPULATION	.46 million
GROSS NATIONAL INCOME PER CAPITA	\$9,265
PROGRAM DATES	1961–present
PROGRAM SECTORS	Community Economic Development Education, Health Youth in Development

ANTICIPATED NUMBER OF VOLUNTEERS

Calculated September 30 each year

	FY 2013	FY 2014
Volunteers	50	50
Program funds (\$000)	2,900	3,000

Ecuador

CAPITAL	Quito
POPULATION	14.5 million
GROSS NATIONAL INCOME PER CAPITA	\$8,830
PROGRAM DATES	1962–present
PROGRAM SECTORS	Agriculture Education Environment, Health Youth in Development

ANTICIPATED NUMBER OF VOLUNTEERS

Calculated September 30 each year

	FY 2013	FY 2014
Volunteers	120	120
Program funds (\$000)	4,100	4,000



El Salvador

CAPITAL	San Salvador
POPULATION	6.2 million
GROSS NATIONAL INCOME PER CAPITA	\$6,390
PROGRAM DATES	1962–80 1993–present
PROGRAM SECTORS	Agriculture Community Economic Development Environment, Health, Youth in Development

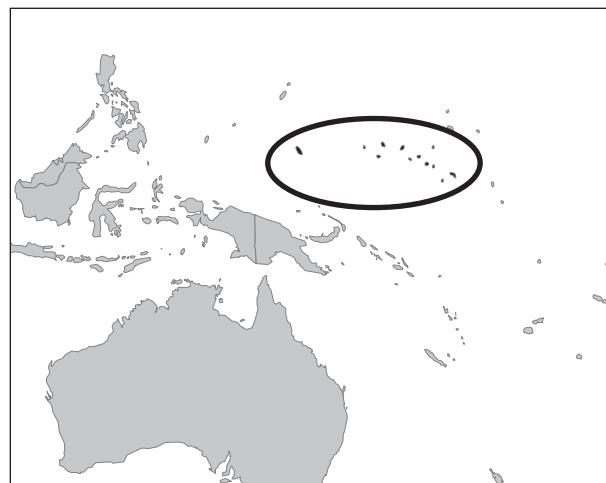
ANTICIPATED NUMBER OF VOLUNTEERS

Calculated September 30 each year

	FY 2013	FY 2014
Volunteers	40	60
Program funds (\$000)	2,300	3,500



Federated States of Micronesia and Palau



CAPITAL	Palikir, Melekeok
POPULATION	.13 million
GROSS NATIONAL INCOME PER CAPITA	\$3,420
PROGRAM DATES	1966–present
PROGRAM SECTORS	Education

ANTICIPATED NUMBER OF VOLUNTEERS

Calculated September 30 each year

	FY 2013	FY 2014
Volunteers	40	40
Program funds (\$000)	1,800	1,700

Fiji

CAPITAL	Suva
POPULATION	.86 million
GROSS NATIONAL INCOME PER CAPITA	\$4,450
PROGRAM DATES	1968–98 2003–present
PROGRAM SECTORS	Community Economic Development Environment Health

ANTICIPATED NUMBER OF VOLUNTEERS

Calculated September 30 each year

	FY 2013	FY 2014
Volunteers	50	70
Program funds (\$000)	2,000	2,800



Guatemala

CAPITAL	Guatemala City
POPULATION	14.4 million
GROSS NATIONAL INCOME PER CAPITA	\$4,600
PROGRAM DATES	1963–present
PROGRAM SECTORS	Agriculture Community Economic Development Environment, Health Youth in Development



ANTICIPATED NUMBER OF VOLUNTEERS

Calculated September 30 each year

	FY 2013	FY 2014
Volunteers	80	110
Program funds (\$000)	3,900	4,800

Guyana



CAPITAL	Georgetown
POPULATION	.75 million
GROSS NATIONAL INCOME PER CAPITA	\$3,560
PROGRAM DATES	1966–71 1995–present
PROGRAM SECTORS	Education Health

ANTICIPATED NUMBER OF VOLUNTEERS

Calculated September 30 each year

	FY 2013	FY 2014
Volunteers	60	60
Program funds (\$000)	2,500	2,500

Honduras

CAPITAL	Tegucigalpa
POPULATION	7.6 million
GROSS NATIONAL INCOME PER CAPITA	\$3,740
PROGRAM DATES	1962–present
PROGRAM SECTORS	<i>This program is currently suspended</i>



ANTICIPATED NUMBER OF VOLUNTEERS

Calculated September 30 each year

	FY 2013	FY 2014
Volunteers	0	0
Program funds (\$000)	1,600	1,500

Jamaica

CAPITAL	Kingston
POPULATION	2.7 million
GROSS NATIONAL INCOME PER CAPITA	\$7,450
PROGRAM DATES	1962–present
PROGRAM SECTORS	Education Environment Youth in Development



ANTICIPATED NUMBER OF VOLUNTEERS

Calculated September 30 each year

	FY 2013	FY 2014
Volunteers	50	50
Program funds (\$000)	3,100	3,100

Mexico



CAPITAL	Mexico City
POPULATION	113.4 million
GROSS NATIONAL INCOME PER CAPITA	\$14,360
PROGRAM DATES	2004–present
PROGRAM SECTORS	Community Economic Development Environment

ANTICIPATED NUMBER OF VOLUNTEERS

Calculated September 30 each year

	FY 2013	FY 2014
Volunteers	80	90
Program funds (\$000)	2,500	3,000

Nicaragua

CAPITAL	Managua
POPULATION	5.8 million
GROSS NATIONAL INCOME PER CAPITA	\$2,630
PROGRAM DATES	1968–79 1991–present
PROGRAM SECTORS	Agriculture Community Economic Development Education, Environment, Health



ANTICIPATED NUMBER OF VOLUNTEERS

Calculated September 30 each year

	FY 2013	FY 2014
Volunteers	180	180
Program funds (\$000)	4,200	4,200

Panama

CAPITAL	Panama City
POPULATION	3.5 million
GROSS NATIONAL INCOME PER CAPITA	\$12,910
PROGRAM DATES	1963–71 1990–present
PROGRAM SECTORS	Agriculture Education Environment, Health



ANTICIPATED NUMBER OF VOLUNTEERS

Calculated September 30 each year

	FY 2013	FY 2014
Volunteers	210	190
Program funds (\$000)	4,700	4,300

Paraguay



CAPITAL	Asuncion
POPULATION	6.5 million
ANNUAL PER CAPITA INCOME	\$5,440
PROGRAM DATES	1966–present
PROGRAM SECTORS	Agriculture Community Economic Development Education, Environment Health

ANTICIPATED NUMBER OF VOLUNTEERS

Calculated September 30 each year

	FY 2013	FY 2014
Volunteers	230	240
Program funds (\$000)	5,100	5,300

Peru

CAPITAL	Lima
POPULATION	29.1 million
ANNUAL PER CAPITA INCOME	\$9,070
PROGRAM DATES	1962–74 2002–present
PROGRAM SECTORS	Community Economic Development Environment, Health Youth in Development



ANTICIPATED NUMBER OF VOLUNTEERS

Calculated September 30 each year

	FY 2013	FY 2014
Volunteers	260	250
Program funds (\$000)	5,800	5,500

Samoa

CAPITAL	Apia
POPULATION	.18 million
ANNUAL PER CAPITA INCOME	\$4,200
PROGRAM DATES	1967–present
PROGRAM SECTORS	Education



ANTICIPATED NUMBER OF VOLUNTEERS

Calculated September 30 each year

	FY 2013	FY 2014
Volunteers	20	30
Program funds (\$000)	1,400	2,200

Tonga



CAPITAL	Nuku'alofa
POPULATION	.10 million
ANNUAL PER CAPITA INCOME	\$4,640
PROGRAM DATES	1967–present
PROGRAM SECTORS	Education

ANTICIPATED NUMBER OF VOLUNTEERS

Calculated September 30 each year

	FY 2013	FY 2014
Volunteers	30	40
Program funds (\$000)	1,700	2,300

Vanuatu

CAPITAL	Port Vila
POPULATION	.24 million
GROSS NATIONAL INCOME PER CAPITA	\$4,450
PROGRAM DATES	1990–present
PROGRAM SECTORS	Community Economic Development Education Health



ANTICIPATED NUMBER OF VOLUNTEERS

Calculated September 30 each year

	FY 2013	FY 2014
Volunteers	70	60
Program funds (\$000)	3,000	2,500

APPENDIX K: FOREIGN CURRENCY FLUCTUATIONS ACCOUNT

In FY 2012, the Peace Corps transferred a total of \$3.3 million of foreign currency fluctuation gains from its operating account into its Foreign Currency Fluctuations Account.

22 USC Sec. 2515, TITLE 22 –FOREIGN RELATIONS AND INTERCOURSE, CHAPTER 34 THE PEACE CORPS, Sec. 2515. Foreign Currency Fluctuations Account (h) Reports: Each year the Director of the Peace Corps shall submit to the Committee on Foreign Affairs and the Committee on Appropriations of the House of Representatives, and to the Committee on Foreign Relations and the Committee on Appropriations of the Senate, a report on funds transferred under this section.

APPENDIX L: THE PEACE CORPS FY 2014 ANNUAL PERFORMANCE PLAN

The Peace Corps FY 2014 Annual Performance Plan presents the agency's strategies for achieving the five strategic goals and 14 performance goals outlined in the FY 2009–2014 strategic plan (peacecorps.gov/open). The FY 2014 Annual Performance Plan serves as the agency's framework for planning, monitoring, and evaluating efforts to achieve the Peace Corps mission.

The Peace Corps is engaged in a period of comprehensive reform unlike any since the inception of the agency. The foundation of the agency's recent initiatives is the Comprehensive Agency Assessment (peacecorps.gov/open), a study completed in 2010 that outlined a new vision, six strategies, and 63 recommendations focused on quality improvements to guide the Peace Corps through the next decade. The strategies of the assessment were first integrated into the FY 2012 Annual Performance Plan and are also included in the FY 2014 plan.

Performance Improvement at the Peace Corps

The agency's leadership has fully embraced and encouraged performance improvement through evidence-based management grounded in the use of high-quality data. Performance improvement efforts at the Peace Corps involve leadership, staff, and Volunteers at all levels across the world. The acting Director of the Peace Corps recently noted at an all-hands meeting, "Our performance plan is our commitment—to Congress, the White House, our host countries, and, ultimately, the American people—to support our host countries and our Volunteers in the most strategic and cost-effective way possible. It is our blueprint for reform."

The Peace Corps deputy director serves as the chief operating officer and oversees the agency's performance management efforts. The Office of Strategic Information, Research, and Planning (OSIRP) is responsible for performance planning and reporting, and works closely with offices across the agency to collect and analyze data to improve agency operations. The director of OSIRP serves as the performance improvement officer for the agency. The agency actively participates in the federal government's Performance Improvement Council, as well as the Small Agency Council's Performance Improvement Committee, in order to remain current with governmentwide performance improvement guidelines and best practices.

The Peace Corps' human capital management goals are aligned with the agency's strategic plan. The Peace Corps is also currently exploring options for improving the linkage between the agency-level goals and indicators and employees' individual performance plans. Additionally, consistent with the GPRA Modernization Act of 2010 (P.L. 111-352) and guidance from the Performance Improvement Council, the agency is reviewing its practices for hiring employees with the competencies necessary for performance management work and providing employee training to ensure its workforce has the skills required to further the agency's evolving culture of performance improvement.

The agency ensures data are available and used by agency leadership and senior managers to inform decision making through the following processes:

- Quarterly strategic plan performance review sessions. Key officials from across the agency, including senior management, review performance data at the end of each quarter to share best practices and develop strategies to meet performance targets when areas for improvement are identified.

- Integrated Planning and Budget System (IPBS). Through the IPBS, headquarters offices and posts develop strategic and operational plans to ensure their activities are aligned with and advance the agency's strategic goals. IPBS plans are developed during the agency's budget formulation process; budgets are informed by the resource requirements of the IPBS plans.
- Country Portfolio Review. Each year, the agency conducts a comprehensive review of Peace Corps posts based on external and internal data. The Country Portfolio Review informs decisions about new country entries, country graduations (closures), and the allocation of Volunteers and other resources.

Major Management Challenges

The FY 2014 Annual Performance Plan includes strategies for responding to major management challenges identified by the Peace Corps inspector general in the FY 2012 Performance and Accountability Report (peacecorps.gov/open). The agency works to resolve these challenges to more effectively manage resources and reduce the potential for waste, fraud, and abuse. The following challenges are addressed in the FY 2014 Annual Performance Plan:

- **Safety and security.** The safety and security of Volunteers remains the agency's highest priority, and the agency has made progress in improving key safety and security processes. The Kate Puzey Peace Corps Volunteer Protection Act of 2011 (P.L. 112-57) codified a number of the reforms the Peace Corps has put into place over recent years to better protect and support Volunteers, as well as mandating new requirements and assigning the agency new authorities. The agency has made considerable progress in implementing the law. The agency established a Sexual Assault Risk Reduction and Response (SARRR) program, which includes training for Volunteers on personal security, sexual-assault awareness, reporting procedures, and bystander intervention. Challenges remain in implementing critical safety and security recommendations. Performance Indicators 5.1.1.b and 5.1.1.c establish milestones for improving the implementation of critical safety and security recommendations. Other milestones related to safety and security improvements are included in Performance Goal 5.1.1. The associate director for safety and security is responsible for addressing these challenges.
- **Site development.** Ensuring the appropriate selection and preparation of Volunteer sites has been an area of concern for a number of years. Constraints have included inadequate staffing levels, inconsistent application of site selection and preparation protocols, and host country restrictions on where Volunteers can serve. Effective site development requires identifying appropriate sites, setting appropriate expectations with Volunteers, and regular site monitoring. Performance Indicator 1.1.1.d sets milestones for improving Volunteer satisfaction with site selection and preparation. The associate director for global operations is responsible for addressing this challenge.
- **Volunteer training.** Volunteers who have been adequately trained in technical and language areas have the competencies necessary to address host country needs and live and work successfully and safely in local communities. Language and technical training are two areas commonly in need of improvement. Through the Focus In/Train Up strategy, the agency is focusing programming on proven technical interventions and standardizing training packages. Performance Goal 1.2.1 includes milestones related to improving training results and Volunteers' satisfaction with training. The associate director for global operations is responsible for addressing this challenge.
- **Host country and project partner coordination.** Engaging host country partners in the design, implementation, and evaluation of projects is an ongoing challenge. The agency has made progress in developing structures to engage host country ministries and project partners through the use of project advisory committees (PACs). The use of PACs

increased from 33 percent of all projects in FY 2011 to 69 percent of projects in FY 2012. Posts are also communicating project results through annual reports. Performance Indicator 1.1.1.a sets milestones for the use of PACs, and Performance Indicator 1.1.1.b identifies milestones for the submission of annual progress reports to project partners. The associate director for global operations is responsible for addressing this challenge.

Collaboration with Other Government Agencies and Strategic Partners

The Peace Corps collaborates with other U.S. government agencies and strategic partners to promote shared development efforts and enhance the impact of Volunteers. Notably, the agency has worked closely with the U.S. President's Emergency Plan for AIDS Relief (PEPFAR), the U.S. Agency for International Development in support of Feed the Future, and various international NGOs. Through these strategic partnerships, the Peace Corps leverages training and programmatic resources and Volunteers extend the reach of partners' development efforts to the local level. As the development community continues to engage strategic partners to address difficult development challenges, the agency will continue to seek mutually beneficial relationships with a broad range of development actors.

The FY 2014 Annual Performance Plan includes an indicator that sets milestones for participation with strategic partners (Performance Indicator 5.2.2.b). Collaboration with strategic partners in development is a key opportunity for the agency moving forward—helping to leverage taxpayer dollars to achieve the greatest impact.

The agency collaborated with the following strategic partners in FY 2012:

- CHF International
- Food and Agriculture Organization of the United Nations
- Grassroot Soccer
- International Alliance for Youth Sports
- Malaria No More
- Millennium Challenge Corporation
- Mondelēz Global LLC
- Population Services International
- Save the Children
- Special Olympics
- United Nations Volunteers
- U.S. Agency for International Development—Global Education Framework
- U.S. Agency for International Development—Global Food Security
- U.S. Agency for International Development—Small Project Assistance
- U.S. Centers for Disease Control and Prevention
- U.S. Environmental Protection Agency
- U.S. President's Emergency Plan for AIDS Relief
- U.S. Department of State—Energy and Climate Partnership of the Americas
- VSO International
- Water and Development Alliance
- World Cocoa Foundation
- World Food Programme

Research and Evaluations

The Peace Corps conducts regular studies throughout the year to evaluate the agency's progress toward its goals, ensure processes are operating efficiently, and inform resource allocation decisions. Research and evaluation activities are conducted at overseas posts and in various headquarters offices. Published agency studies can be found at peacecorps.gov/open/evaluations.

The Peace Corps completed development of a new Evaluation Policy in FY 2012 to strengthen research and evaluation in the agency. Final approval of the policy is expected in FY 2013 and, by FY 2014, the agency will have a process to identify and prioritize the critical areas for evaluation. Several key improvements will result from the implementation of the new policy:

- The agency will prepare an annual statement of the evaluations to be undertaken during the following fiscal year, as well as a report of studies completed in the current fiscal year;
- Each operating unit will identify an office/post evaluation point of contact and provide resources as required; and
- The agency will integrate evaluation findings into decisions about project design, implementation, and budgeting and will publish evaluation findings on the Open Government Initiative section of the Peace Corps website (peacecorps.gov/open).

The agency regularly conducts the following major research and evaluation activities: Annual Volunteer Survey, Country Portfolio Review, and host country impact studies.

Annual Volunteer Survey

The Annual Volunteer Survey (AVS) is the agency's primary vehicle for ensuring that the voice of the Volunteer is heard by agency leadership. The rich information provided through the AVS informs management decisions at all levels—from overseas posts to headquarters. The FY 2012 AVS recorded the highest response rate in the history of the survey, with 87 percent of Volunteers participating. The AVS asks Volunteers to assess the impact of their work, the effectiveness of their training, in-country staff support, their personal health and safety, and their overall satisfaction with their service.

The AVS results are used for multiple purposes, such as comparing experiences and views across posts and, over time, identifying trends and informing Peace Corps staff about Volunteers' perspectives on how the agency can more effectively meet host country needs. Analysis of the results from prior years revealed that Volunteers' satisfaction with the selection and preparation of their work locations had decreased. As a result, the agency has included a new performance indicator in its annual performance plan since FY 2012 to ensure a focus on improving site selection and preparation and to measure progress (Performance Indicator 1.1.1.d).

Recently, AVS data has also been used to better ensure the safety and security of Volunteers. In the FY 2011 AVS, Volunteers' perceptions of their safety and security in El Salvador, Guatemala, and Honduras were lower than those of their peers in other countries. That information, coupled with other programmatic data compiled through the Country Portfolio Review, led the agency to realign operations in those countries.

The AVS is conducted annually each summer; the FY 2013 AVS and the FY 2014 AVS are expected to be fielded from June through August in the next two years.

Country Portfolio Review

The agency completed its second annual Country Portfolio Review in the first quarter of FY 2012. The Country Portfolio Review addresses a key recommendation of the Comprehensive Agency Assessment. The assessment challenged the agency to “target the Peace Corps’ resources and country presence across countries according to specific country selection criteria to maximize grassroots development impact and strengthen relationships with the developing world.”

The Country Portfolio Review represents one of the initial stages of the annual planning and budgeting cycle and is used to inform decisions on potential new country entries and possible country phase-outs, as well as the allocation of Volunteers and resources. This review includes data from internal and external sources in areas such as country need, safety and security, medical infrastructure, host country commitment and engagement, post management, program impact, cost, and congruence with U.S. development priorities.

The Country Portfolio Review occurs through the fall and winter annually. The review in FY 2013 is currently under way; the review for FY 2014 is scheduled to occur between July and December 2014.

Host Country Impact Studies

In FY 2008, the agency initiated a series of host country impact studies. These country- and project-specific impact evaluations are designed to measure how effectively Volunteers’ activities are meeting the technical needs of host countries and promoting a better understanding of Americans. The agency has completed 24 host country impact studies since FY 2008. Most recently, three studies were conducted in FY 2012: one each in El Salvador, Ghana, and Paraguay. More than 400 beneficiaries, counterparts, and host families were interviewed in these three studies.

The studies completed in FY 2012 confirmed that Volunteers are meeting the Peace Corps goals of building local capacity and increasing the understanding of Americans on the part of local people. The results also showed that respondents felt strongly that most of the changes had been sustained after the Volunteers left their communities. A unique factor of the Peace Corps’ successful approach to local development is the day-to-day interaction between the Volunteers and the community, which respondents identified as a key catalyst for both mobilizing and sustaining community change.

Host country impact studies are the agency’s primary mechanism for demonstrating the long-term impact of Volunteers. The agency uses study results to refocus and redesign Volunteer projects, improve training programs, and communicate the Volunteers’ impact to the American public. Published studies, as well as short summaries, can be found at peacecorps.gov/evaluations. The agency plans to publish all completed studies in FY 2013.

Results from the studies inform Performance Indicator 2.1.1.c and Performance Goals 1.3.1 and 2.1.1. Because studies are completed as funding becomes available, only one study is planned for FY 2013, and no studies are planned yet for FY 2014.

Verification and Validation of Performance Data

The FY 2014 Annual Performance Plan includes 40 indicators with annual performance targets to drive achievement toward Peace Corps’ strategic, outcome, and performance goals. The annual performance targets established in the performance plan serve as the milestones for achieving the performance goals. A “goal leader” is identified for each performance goal; the goal leader is the agency official responsible for the achievement of the performance goal with agency support.

Dynamic targets are used when baseline data are not available or when planned agency process enhancements, such as the redesign of the Volunteer Delivery System, are expected to result in uncertain levels of performance. The dynamic targets utilize percentage-point directions of change. Percentage measures are also used, where possible, to account for the fluctuating Volunteer population resulting from varying funding levels.

For each strategic goal, means and strategies are offered that address the major actions the agency plans to take in order to meet the performance goals. Background is also provided on how the performance plan is integrated with strategies and recommendations from the Comprehensive Agency Assessment.

Historic performance targets and results are included to demonstrate the agency's performance improvement efforts in the context of past performance. Several indicators were revised or replaced in FY 2012; as a result, trend data is not available for all indicators. Baseline data are offered in cases where prior indicator results are not available and data from other, similar measures does exist.

The Office of Strategic Information, Research, and Planning (OSIRP) is responsible for performance planning and reporting and provides agency-level guidance and oversight of data and information quality. Data collection and reporting consistency is ensured by the use of detailed indicator data reference sheets, which include operational definitions, data sources, and a comprehensive methodology for measuring each performance indicator.

The Peace Corps is one program activity; as a result, lower-priority program activities are not identified. However, the agency utilizes processes such as the Country Portfolio Review to review agency operations, identify areas for improvement, and strategically allocate resources. The President's budget identifies the lower-priority program activities, as required under the GPRA Modernization Act, 31 U.S.C. 1115(b)(10). The public can access the volume at whitehouse.gov/omb/budget.

The agency utilizes several data sources to measure performance indicators. The agency is strongly committed to performance improvement through the use of high-quality data. The verification and validation measures for major data sources are listed below:

- **Annual Volunteer Survey.** The AVS is a voluntary survey and provides feedback directly from the Volunteers regarding agency activities. The consistently high response rate from Volunteers (87 percent in FY 2012) ensures the responses reliably represent the views of all Volunteers. The demographic profile of respondents is compared to all Volunteers in service to confirm respondents are representative of the Volunteer population as a whole. Responses to AVS questions are entered by Volunteers and housed in an external, electronic survey database. Faulty data are cleaned prior to analysis and constitute only a small percentage of overall responses. Analyzed data are used to inform management of the Volunteers' perspective on key issues. The high response rate from Volunteers, as well as the verification and validation measures in place for the AVS, ensures the high level of AVS data accuracy needed for its intended use.
- **Peace Corps database systems.** The agency maintains several database systems to collect Volunteer and program information. Only authorized staff members who have been properly trained can access key systems, thereby maintaining data integrity and ensuring data entry methodology is followed. Regular reconciliation processes between agency units enable users to verify and test performance data and isolate and correct data entry/transfer errors. Internal, automated system processes also ensure data are appropriately transferred between different applications. The required level of accuracy to provide current and historical information about programs and Volunteers is met through database rules and business processes.

- **Overseas posts.** Overseas posts submit data through an online survey at the end of the fiscal year, which collects information on post activities. The information is self-reported; validity of the data is strengthened when multiple sources are utilized by overseas staff, and when all posts respond to the survey. Overseas posts use multiple data sources when responding to the survey, including site visits, interviews with host country partners, and the Volunteer Reporting Tool, the system designed for Volunteers to report on their activities. The survey is designed with clear logic to minimize data entry errors. Data are independently reviewed and anomalies are addressed and corrected to improve data quality. When all posts respond to the survey and high data quality is established, the required level of accuracy is met.
- **Host country impact studies.** Host country impact studies evaluate the impact of Volunteers on the host country nationals with whom they live and work. The studies utilize a mixed-method approach to collect both qualitative and quantitative information, including outreach to counterparts, host families, community members, host country government agencies at the local and national levels, and other partner organizations. These studies provide information from the perspective of the people served, thereby offering a deeper understanding of the impact of the Peace Corps. Given the limited number of studies per fiscal year, the agency monitors study results instead of measuring the achievement of a defined target.

FY 2014 Annual Performance Plan

Strategic Goal 1:
**Enhance the capacity of host country individuals, organizations,
and communities to meet their skill needs**

Outcome Goals:

- 1.1 Country programs fulfill host country skill needs.
- 1.2 Volunteers have the competencies necessary to implement a country program.
- 1.3 Host country individuals, organizations, and communities demonstrate an enhanced capacity to meet their own needs.

Performance Goal 1.1.1: Ensure the effectiveness of in-country programs

Goal Leader: Associate director, Office of Global Operations

Performance Goal 1.1.1a: Percentage of project managers who meet with their host country project advisory committees

	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Result	—	33%	69%		
Target	—	—	38%	56%	5 percentage-point increase over average of FY 2012, FY 2013 results
Met/Not Met	—	—	Met		

Data source: Overseas posts

Performance Indicator 1.1.1.b: Percentage of posts that provide annual progress reports to their host country agency sponsors and partners for all of their projects

	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Baseline	70%	—	—		
Result	—	87%	83%		
Target	—	—	95%	95%	95%
Met/Not Met	—	—	Not met		

Data source: Overseas posts

Performance Indicator 1.1.1.c: Percentage of projected length of service actually served by Volunteers

	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Result	85%	84%	88%		
Target	—	—	85%	87%	1 percentage-point increase over average of FY 2011, FY 2012, FY 2013 results
Met/Not Met	—	—	Met		

Data source: Peace Corps database system

Performance Indicator 1.1.1.d: Percentage of Volunteers who report their satisfaction with site selection and preparation as adequate or better

	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Result	72%	71%	72%		
Target	—	—	76%	73%	1 percentage-point increase over average of FY 2011, FY 2012, FY 2013 results
Met/Not Met	—	—	Not met		

Data source: Annual Volunteer Survey

Performance Goal 1.2.1: Ensure the effectiveness of in-country training

Goal Leader: Associate director, Office of Global Operations

Performance Indicator 1.2.1a: Percentage of Volunteers who meet local language requirements for service per post testing standards

	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Result	87%	85%	89%		
Target	85%	85%	86%	88%	1 percentage-point increase over average of FY 2012, FY 2013 results
Met/Not Met	Met	Met	Met		

Data source: Peace Corps database system

Performance Indicator 1.2.1.b: Percentage of Volunteers who report training as adequate or better in preparing them technically for service

	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Result	80%	79%	82%		
Target	72%	75%	82%	84%	86%
Met/Not Met	Met	Met	Not met		

Data source: Annual Volunteer Survey

Performance Indicator 1.2.1.c: Percentage of Volunteers who report training as adequate or better in preparing them to work with their counterparts/community partners

	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Result	79%	78%	82%		
Target	62%	65%	80%	82%	84%
Met/Not Met	Met	Met	Met		

Data source: Annual Volunteer Survey

Performance Indicator 1.2.1.d: Percentage of posts that provide monitoring and evaluation training to their Volunteers

	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Result	83%	91%	91%		
Target	—	—	85%	90%	95%
Met/Not Met	—	—	Met		

Data source: Overseas posts

Performance Goal 1.3.1: Increase the effectiveness of skills transfer to host country individuals, organizations, and communities

Goal Leader: Associate director, Office of Global Operations

Performance Indicator 1.3.1.a: Percentage of Volunteers who report their primary project work transferred skills to host country individuals and organizations adequately or better

	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Result	85%	86%	87%		
Target	72%	75%	85%	87%	89%
Met/Not Met	—	—	Met		

Data source: Annual Volunteer Survey

Performance Indicator 1.3.1.b: Percentage of projects documenting measurable impact in building the capacity of host country nationals

	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Baseline	85%	—	—		
Result	—	97%	83%		
Target	—	—	85%	86%	87%
Met/Not Met	—	—	Not met		

Data source: Overseas posts

Performance Indicator 1.3.1.c: Percentage of partner organizations at post that report their assigned Volunteer fulfilled their requested need for technical assistance

	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Result	72%	82%	63%		
Target	60%	70%	70%	75%	80%
Met/Not Met	Met	Met	Not met		

Data source: Overseas posts

Means and Strategies

The Peace Corps will do the following:

- Develop world-class training programs and comprehensive support to prepare Volunteers for success
- Strengthen current monitoring and evaluation efforts to improve performance and better serve the communities in which Volunteers work
- Improve project development and planning collaboration between Volunteers, staff, and host country partners, including government officials, community members, and beneficiaries, through the use of project advisory committees
- Train Volunteers to build capacity by increasing knowledge, improving skills, and promoting behavior change of individuals and families in the countries where they serve
- Fully implement the Focus-In/Train-Up strategy by developing standardized training packages and measurement tools
- Provide standard guidance and training on monitoring and evaluation to Volunteers and staff
- Redesign the Volunteer Reporting Tool to improve the reporting interface, standardize reporting methods, and improve accessibility to Volunteer activity and outcome data
- Seek feedback from host country partners to continually improve projects
- Develop a standardized annual reporting template to improve how results are reported to local stakeholders at posts
- Enhance the safety and security of Volunteers by helping them integrate into their communities through more effective language training
- Improve the accessibility of early termination data through post-specific reports to assist decision makers in identifying improvement opportunities
- Enhance the safety and security of Volunteers through improvements in the processes and criteria for site selection and preparation, including implementing critical safety and security recommendations

Data Collection and Management

The Office of Overseas Programming and Training Support and posts will collect and monitor project and training data through program evaluations, including project status reviews and training status reviews. Evaluations are conducted by technical experts and verified through theory-based evaluation methods. The Volunteer Reporting Tool (VRT) allows Volunteers to directly report on their activities and the outcomes achieved; the redesigned VRT will be completed in FY 2014. Improved Volunteer training regarding monitoring and evaluation as well as the use of site visit reports and counterpart surveys will ensure the validity of the data.

The Office of Strategic Information, Research, and Planning (OSIRP) will collect and analyze data from the Annual Volunteer Survey (AVS), which provides Volunteer feedback on the effectiveness of training, their satisfaction with site selection and preparation, and their effectiveness in transferring skills.

OSIRP will collect and analyze projected length of service data through the Peace Corps Volunteer Database Management System.

Integration of the Comprehensive Agency Assessment

The Comprehensive Agency Assessment called on the Peace Corps to maximize the impact of what Volunteers do best by focusing on and scaling up a limited number of highly effective projects. The strategy, known as Focus In/Train Up, will directly enhance the Peace Corps' ability to deliver on Strategic Goal 1. As the agency sharpens its programmatic focus through evidence-based analysis, it will also make a strengthened commitment to providing world-class training and comprehensive support to prepare Volunteers for success.

Strategic Goal 2:

Promote a better understanding of Americans on the part of host country individuals, organizations, and communities served by Volunteers

Outcome Goals:

- 2.1 Host country individuals and communities learn about Americans through shared experiences with Peace Corps Volunteers.

Performance Goal 2.1.1: The work and life experiences of Volunteers in-country promote host country national learning about Americans

Goal Leader: Associate director, Office of Global Operations

Performance Goal 2.1.1a: Percentage of Volunteers who report their training prepared them to manage cultural differences during service adequately or better

	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Result	91%	90%	93%		
Target	92%	93%	90%	90%	90%
Met/Not Met	Not met	Not met	Met		

Data source: Overseas posts

Performance Indicator 2.1.1.b: Percentage of posts conducting supervisory and counterpart training on working effectively with Volunteers

	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Result	98%	99%	99%		
Target	95%	95%	95%	95%	95%
Met/Not Met	Met	Met	Met		

Data source: Overseas posts

Performance Indicator 2.1.1.c: Percentage of host country nationals who report positive opinions of Americans through their interactions with Volunteers

	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Result	77%	90%	87%		
Target	No targets established; results are monitored				
Met/Not Met	—	—	—		

Data source: Host country impact studies

Performance Indicator 2.1.1.d: Percentage of Volunteers who report their activities and interactions help promote a better understanding of Americans on the part of the peoples served

	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Baseline	68%	—	—		
Result	—	65%	68%		
Target	—	—	72%	68%	1 percentage-point increase over average of FY 2011, FY 2012, FY 2013 results
Met/Not Met	—	—	Not met		

Data source: Annual Volunteer Survey

Means and Strategies

The Peace Corps will do the following:

- Train Volunteers in the cross-cultural component of Peace Corps service to ensure that cultural differences that arise during service are managed in a culturally appropriate way, leading to increased mutual understanding and a safe environment for Volunteers
- Effectively orient counterparts and community partners to the cross-cultural component of Peace Corps service, including safety issues, to ensure a positive and collaborative work environment conducive to meeting the requested technical needs of the country
- With the assistance of local research teams, implement field evaluations to obtain feedback from host country individuals on the success, effectiveness, and sustainability of Peace Corps projects
- Develop a counterpart survey to gather additional information on Volunteer impact in building a better understanding of Americans

Data Collection and Management

The Office of Strategic Information, Research, and Planning (OSIRP) will collect and analyze data from the Annual Volunteer Survey (AVS) to provide Volunteer feedback on the effectiveness of the cross-cultural training and support they receive. OSIRP will also utilize AVS data to present an assessment from Volunteers of the extent to which their activities and interactions promote a better understanding of Americans in their countries of service.

The Office of Overseas Programming and Training Support, the regions, and OSIRP will collaboratively collect, review, and verify posts' data on counterpart trainings via the annual project status report and training status report processes.

OSIRP will manage the implementation of host country impact studies to evaluate the impact of Volunteers on the host country nationals with whom they live and work. OSIRP will also implement the counterpart survey that will be piloted in FY 2013. When operational, the counterpart survey will include a standardized set of questions to ask local partners, producing rich and comparable information on the impact of Volunteers.

Integration of the Comprehensive Agency Assessment

Strategic Goal 2 will also benefit from the successful adoption of the Focus In/Train Up strategy recommended by the Comprehensive Agency Assessment. Peace Corps' history consistently shows that Volunteers who are effective in their work assignments are also those most likely to be successful in creating a better understanding of Americans on the part of host country partners through their increased interactions with host country individuals, organizations, and communities. By enhancing the Peace Corps' ability to provide needed technical assistance, the Volunteers will create a greater appreciation for the contributions of Peace Corps Volunteers to host country development needs. The agency's host country impact studies will capture the increased understanding of Americans that stems from this work.

Strategic Goal 3:

**Foster outreach to Americans through agency programs that assist Volunteers and returned Peace Corps
Volunteers to help promote a better understanding of other peoples on the part of Americans**

Outcome Goals:

3.1 Americans have increased awareness and knowledge of other cultures and global issues.

Performance Goal 3.1.1: Volunteers share their in-country experiences with family, friends, and the American public

Goal Leader: Director, Office of Third Goal and Returned Volunteer Services

Performance Indicator 3.1.1.a: Percentage of Volunteers who report active participation in the Paul D. Coverdell World Wise Schools/Correspondence Match Program

	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Baseline	40%	—	—		
Result	—	22%	15%		
Target	—	—	40%	27%	1 percentage-point increase over average of FY 2011, FY 2012, FY 2013 results
Met/Not Met	—	—	Not met		

Data source: Annual Volunteer Survey

Performance Indicator 3.1.1.b: Number of individuals and organizations supporting the Peace Corps Partnership Program

	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Result	9,804	12,079	13,892		
Target	8,500	9,000	10,000	10,500	11,000
Met/Not Met	Met	Met	Met		

Data source: Office of Strategic Partnerships

Performance Indicator 3.1.1.c: Percentage of Volunteers who report sharing their experiences with family, friends, and/or the American public

	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Result	99%	99%	99%		
Target	—	—	98%	98%	98%
Met/Not Met	—	—	Met		

Data source: Annual Volunteer Survey

Performance Goal 3.1.2: Increase returned Peace Corps Volunteers (RPCVs) cultural outreach to the American public through Peace Corps programs

Goal Leader: Director, Office of Third Goal and Returned Volunteer Services

Performance Indicator 3.1.2.a: Number of returned Peace Corps Volunteers participating in agency-initiated activities

	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Result	9,627	18,792	10,809		
Target	8,300	8,600	10,000	10,500	11,000
Met/Not Met	Met	Met	Met		

Data source: Office of Third Goal and Returned Volunteer Services, Office of Volunteer Recruitment and Selection

Performance Indicator 3.1.2.b: Number of educational institutions where RPCVs engage in Third Goal activities

	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Result	829	920	656		
Target	600	650	760	810	865
Met/Not Met	Met	Met	Not met		

Data source: Office of Third Goal and Returned Volunteer Services, Office of Strategic Partnerships

Means and Strategies

The Peace Corps will do the following:

- Encourage Third Goal activities through the distribution of a monthly newsletter to currently serving Volunteers and returned Peace Corps Volunteers (RPCVs)
- Experiment with content-delivery alternatives that will reach learners directly, such as including more educational materials on the agency website (peacecorps.gov/wws/)
- Promote Volunteer awareness and active participation in the Peace Corps Paul D. Coverdell World Wise Schools program
- Use innovative marketing to promote awareness of the Peace Corps' educational programs and materials to U.S. educators and educational institutions
- Raise awareness of the Peace Corps Partnership Program as a vehicle through which private sector entities (RPCV groups, civic/community organizations, faith-based organizations, schools, businesses, etc.) and individuals can connect with and support Volunteer projects
- Improve communication with and provide information services to returned Volunteers, especially through the use of social media and other technology, to increase their awareness of Peace Corps activities and engagement in Third Goal initiatives such as the Paul D. Coverdell World Wise Schools Speakers Match program
- Collaborate with returned Peace Corps Volunteer groups to provide RPCVs with opportunities to share their experiences and aid in the agency's efforts to recruit skilled and diverse individuals for service

Data Collection and Management

The Office of Third Goal and Returned Volunteer Services and the Office of Volunteer Recruitment and Selection will collect and analyze data using enterprise database systems and event reports. The data will include the participation of Volunteers and returned Volunteers in formal classrooms, youth programs, and other Third Goal activities throughout the country.

The Office of Strategic Information, Research, and Planning will collect and analyze Annual Volunteer Survey responses to questions about Volunteer participation in the Paul D. Coverdell World Wise Schools program and sharing experiences with family, friends, and/or the American public. Volunteers share their experience through a variety of means, including websites and blogs, social media, hosting American visitors, posting to the Peace Corps Digital Library, and others.

The Office of Gifts and Grants Management in the Office of Strategic Partnerships will monitor and report the number of private sector individuals and organizations that support the Peace Corps Partnership Program through an enterprise database system.

Integration of the Comprehensive Agency Assessment

The Comprehensive Agency Assessment recommended that the Peace Corps "elevate the Third Goal" by engaging Volunteers, returned Volunteers, and the American public through strong partnerships with businesses, schools, civil society, and government agencies to increase understanding of other cultures and generate a commitment to public service and community development. The assessment also called on the agency to fully institutionalize the Third Goal into all portions of the Peace Corps experience, from receiving an invitation to swearing in as a Volunteer to "continuing service" as a returned Volunteer by taking full advantage of technology and communications capabilities.

Strategic Goal 4:

Provide Volunteers, who represent the diversity of Americans, to meet the evolving technical needs of host countries

Outcome Goals:

- 4.1 Volunteers provided at every post meet the evolving technical needs of host countries.
- 4.2 Trainees assigned to serve overseas represent the diversity of Americans.

Performance Goal 4.1.1: Recruit Volunteers who balance the needed manpower and technical needs at post with the available applicant pool and its skills

Goal Leader: Associate director, Office of Volunteer Recruitment and Selection

Performance Indicator 4.1.1.a: Percentage of trainees requested for generalist assignments

	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Result	63%	64%	69%		
Target	—	—	63%	66%	1 percentage-point increase over average of FY 2011, FY 2012, FY 2013 results
Met/Not Met	—	—	Met		

Data source: Peace Corps database system

Performance Indicator 4.1.1.b: Percentage of trainee requests filled by trainee inputs

	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Result	101%	97%	97%		
Target	—	—	95%	95%	95%
Met/Not Met	—	—	Met		

Data source: Peace Corps database system

Performance Goal 4.1.2: Manage Volunteer recruitment functions in an effective and efficient manner

Goal Leader: Associate director, Office of Volunteer Recruitment and Selection

Performance Indicator 4.1.2.a: Nominee attrition rate, direction of change (decreasing percentage is positive)

	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Result	28%	33%	28%		
Target	—	—	27%	26%	25%
Met/Not Met	—	—	Not Met		

Data source: Peace Corps database system

Performance Indicator 4.1.2.b: Number of days from application to invitation

	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Baseline	167	168			
Result	—	—	177		
Target	—	—	137	162	5 percent reduction from average of FY 2011, FY 2012, FY 2013 results
Met/Not Met	—	—	Not Met		

Data source: Peace Corps database system

Performance Goal 4.2.1: Recruitment and Volunteer placement efforts reflect the diversity of Americans

Goal Leader: Associate director, Office of Volunteer Recruitment and Selection

Performance Indicator 4.2.1.a: Percentage of applications from individuals age 50 and older

	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Result	7.3%	7.1%	6.6%		
Target	—	—	8.0%	8.5%	9.0%
Met/Not Met	—	—	Not Met		

Data source: Peace Corps database system

Performance Indicator 4.2.1.b: Percentage of applications from individuals of diverse ethnicities

	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Result	24%	26%	27%		
Target	—	—	25%	26%	27%
Met/Not Met	—	—	Met		

Data source: Peace Corps database system

Means and Strategies

The Peace Corps will do the following:

- Redesign Volunteer projects to leverage the skills of recent college graduates while providing training on highly effective technical interventions to meet the technical needs of host countries
- Strategically allocate trainee resources to regions and overseas posts through the Office of Global Operations, informed by the annual Country Portfolio Review
- Engage in trainee programming discussions with overseas posts, the regions, and the Office of Volunteer Recruitment and Selection early in the fiscal year with strategic guidance from the Office of Global Operations
- Align Volunteer recruitment and selection operations to recruit and retain individuals who meet the expressed needs of the overseas posts
- Develop an evidence-based nominee retention strategy to limit nominee attrition due to factors that Peace Corps can control
- Monitor the effectiveness of customer service standards recommended by the Customer Service Task Force
- Continue the implementation of the new Peace Corps application and electronic applicant processing system—a significant milestone in the ongoing Volunteer Delivery System redesign project to improve the efficiency of Volunteer lifecycle management processes and reduce applicant processing time
- Leverage new technologies to identify recruitment opportunities in specialist and niche markets
- Recruit and retain individuals of underrepresented groups to encourage a Volunteer population that accurately reflects the diversity of America

Data Collection and Management

The Office of Global Operations and the Office of Volunteer Recruitment and Selection will collect and analyze trainee request and trainee input data through the Peace Corps Volunteer Database Management System.

The Office of Global Operations will track the percentage of trainees requested for generalist assignments and the Office of Volunteer Recruitment and Selection will track trainee inputs compared to trainee requests. Together, these indicators measure the performance goal by looking at how well the agency balances the overseas posts' trainee needs with the available supply of applicants. The Focus In/Train Up strategy facilitates the achievement of this goal: Targets for generalist trainee requests encourage the development of "focused-in" projects where Volunteers in generalist assignments are "trained up" in highly effective interventions. As a result, Volunteers from the available applicant supply are provided to meet the technical needs of the host country.

The overall trainee request and input process will be monitored through the Program Advisory Group (PAG). The PAG is a resource group comprised of staff from the three overseas regions; the Office of Volunteer Recruitment and Selection; the Office of Volunteer Support; the Office of the Chief Financial Officer; the Office of Strategic Information, Research and Planning; and other headquarters offices. The group will meet regularly to manage issues related to meeting the agency's annual goals for trainees and Volunteers-on-board, as well as to develop strategies for balancing supply, demand, and strategic issues.

The Office of Volunteer Recruitment and Selection will review the effectiveness of its recruitment, retention, and process improvement efforts. The Office of Medical Services will monitor the timeliness of the key steps needed for an applicant to be medically evaluated for Peace Corps service.

Integration of the Comprehensive Agency Assessment

The Comprehensive Agency Assessment recommended the Peace Corps meet new and emerging needs of its overseas partners by better leveraging the skill sets of experienced applicants while understanding that the majority of applicants will be recent college graduates with limited skills. The Focus In/Train Up strategy offers an opportunity to leverage and augment the skills of the majority of applicants to focus on highly effective technical interventions. The assessment challenged the Peace Corps to be the service opportunity of choice for Americans with many options from which to choose. Additionally, greater Volunteer diversity in the Peace Corps, as addressed in the assessment, is dependent upon strengthening recruitment efforts and improving recruitment systems. Finally, the assessment recommended that the Peace Corps develop a new recruitment model with streamlined processes designed to attract the "best and brightest of America's diverse population."

Strategic Goal 5:

Implement the Peace Corps mission in an effective and efficient manner through the provision of high-quality Volunteer support with optimal health care, safety and security support, and effective management of resources

Outcome Goals:

- 5.1 Volunteers are safe, healthy, and well supported to ensure their focus on Peace Corps' sustainable development and cross-cultural mission.
- 5.2 The Peace Corps continually improves its staff and critical work processes and manages resources in an effective and efficient manner.

Performance Goal 5.1.1: Enhance the safety and security of Volunteers

Goal Leader: Associate director for safety and security

Performance Indicator 5.1.1.a: Percentage of Peace Corps Volunteers who report their safety and security training is effective or very effective

	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Result	69%	68%	71%		
Target	—	—	71%	73%	75%
Met/Not Met	—	—	Met		

Data source: Annual Volunteer Survey

Performance Indicator 5.1.1.b: Percentage of posts that have their safety and security systems reviewed by a Peace Corps safety and security officer

	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Result	33%	28%	32%		
Target	33%	33%	33%	33%	33%
Met/Not Met	Met	Not Met	Not Met		

Data source: Office of Safety and Security

Performance Indicator 5.1.1.C: Percentage of all critical Volunteer safety and security recommendations made by Peace Corps safety and security officers implemented by posts by the agreed upon time

	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Baseline	56%	79%	—		
Result	—	—	75%		
Target	—	—	85%	88%	91%
Met/Not Met	—	—	Not Met		

Data source: Office of Safety and Security

Performance Indicator 5.1.1.d: Percentage of Volunteers who report they feel more than adequately safe or very safe where they live and work

	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Result	89%	79%	82%		
Target	—	—	90%	91%	92%
Met/Not Met	Not Met	Not Met	Not Met		

Data source: Annual Volunteer Survey

Performance Indicator 5.1.1.e: Ratio of unreported serious crimes to reported serious crimes

No targets are established for this indicator. The Peace Corps is in the process of building its ability to measure this indicator, which is modeled on a measure from the Department of Defense. “Reported” serious crimes are those that are currently disclosed by the Volunteer to post or headquarters staff and catalogued in a secure agency database. “Unreported” serious crimes are those that are not directly disclosed by the Volunteer to post or headquarters staff.

The agency currently gathers unreported crime data from Volunteers through the Annual Volunteer Survey (AVS). While the AVS provides valid data on Volunteers’ experiences and perceptions, it has not been designed specifically as a crime victimization survey. The agency is collaborating closely with the National Institute of Justice at the Department of Justice to develop a separate crime victimization survey modeled on standards utilized by the public health and criminal justice communities. The first crime victimization survey is expected to be fielded in FY 2014; once the survey is established, the agency will monitor the results of the indicator to establish a baseline.

Data source: Office of Safety and Security

Performance Goal 5.1.2: Provide quality medical and mental health services to trainees and Volunteers

Goal Leader: Associate director, Office of Health Services

Performance Indicator 5.1.2.a: Percentage of Peace Corps Volunteers who rate their satisfaction with health care received from Peace Corps medical officers as adequate or better

	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Result	93%	93%	93%		
Target	90%	90%	93%	94%	95%
Met/Not Met	Met	Met	Met		

Data source: Annual Volunteer Survey

Performance Indicator 5.1.2.b: Percentage of Peace Corps Volunteers who report the emotional support they received from staff as adequate or better

	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Result	81%	80%	81%		
Target	75%	80%	82%	83%	84%
Met/Not Met	Met	Met	Not Met		

Data source: Annual Volunteer Survey

Performance Indicator 5.1.2.c: Percentage of Peace Corps Volunteers who report adequate or better support in coping with stress from living and working in their community

	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Baseline	74%	—	—		
Result	—	74%	72%		
Target	—	—	75%	76%	77%
Met/Not Met	—	—	Not Met		

Data source: Annual Volunteer Survey

Performance Goal 5.2.1: Provide effective and responsive financial management that accurately reflects domestic and overseas operations

Goal Leader: Chief financial officer

Performance Indicator 5.2.1.a: Percentage of posts and headquarters offices that manage resources within approved budgets and operational plans

	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Result	84%	85%	78%		
Target	95%	95%	95%	95%	95%
Met/Not Met	Not met	Not met	Not met		

Data source: Peace Corps database system

Performance Indicator 5.2.1.b: Percentage of posts and headquarters offices whose Integrated Planning and Budgeting System (IPBS) strategic goals support the agency's strategic plan goals

	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Result	—	88%	96%		
Target	—	—	95%	98%	100%
Met/Not Met	—	—	Met		

Data source: Office of Strategic Information, Research, and Planning

Performance Goal 5.2.2.: Ensure the effective management of Peace Corps resources

Goal Leader: Chief of staff

Performance Indicator 5.2.2.a: Conduct a Country Portfolio Review process to assess and formulate financial and Volunteer resource allocations at all posts

	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Result	—	Completed	Completed		
Target	—	—		Complete process annually	
Met/Not Met	—	—	Met		

Data source: Office of the Director

Performance Indicator 5.2.2.b: Percentage of posts and headquarters offices that adhere to agencywide staffing policies and procedures

	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Result	—	—	54%		
Target	—	—	85%	90%	95%
Met/Not Met	—	—	Not met		

Data source: Office of Management, overseas posts, and headquarters offices

Performance Indicator 5.2.2.C: Percentage of posts and headquarters offices that benefit from collaboration with agency strategic partners

	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Result	—	70%	85%		
Target	—	—	75%	83%	5 percentage-point increase over average of FY 2012, FY 2013 results
Met/Not Met	—	—	Met		

Data source: Overseas posts and headquarters offices

Performance Goal 5.2.3: Review and improve critical Peace Corps work processes to ensure optimal performance

Goal Leader: Chief operating officer

Performance Indicator 5.2.3.a: Identify at the beginning of the fiscal year and complete by the end of the fiscal year improvements to one mission-critical work process

	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Result	Complete	Complete	Not complete		
Target	Complete at least one mission-critical process per year				
Met/Not Met	Met	Met	Not met		

Data source: Office of the Director

Means and Strategies

The Peace Corps will do the following:

- Implement the Kate Puzey Peace Corps Volunteer Protection Act of 2011 (P.L. 112-57) to better protect and support Volunteers
- Develop and administer an anonymous crime victimization survey of Volunteers to collect data on unreported serious crimes
- Streamline Peace Corps safety and security officer reporting systems and decision-making processes regarding critical recommendations and standardize the reporting format to be used globally
- Standardize the data collection tool used by posts to report on implementation of critical recommendations made by safety and security officers
- Conduct meetings of the oversight group to determine the agreed-upon time frame for implementing critical recommendations made by Peace Corps safety and security officers
- Continue to implement the Sexual Assault Risk Reduction and Response (SARRR) program to employ comprehensive measures to reduce the risk of sexual assault against Volunteers and provide coordinated, consistent, compassionate, and highly competent support through a multidisciplinary team response
- Design and implement a monitoring and evaluation system for the SARRR program
- Implement the Coordinated Agency Response System to serve as the Peace Corps' unified effort to respond to and support Volunteers who are victims of crime
- Utilize strategic partnerships with outside experts and other federal agencies, including the Department of Justice; the Department of Defense; the Department of State's Bureau of Diplomatic Security; the Rape, Abuse, and Incest National Network; returned Volunteers; and other experts in the areas of security, risk, and sexual assault
- Develop new training and evaluation methods on safety and security for Volunteers that begin with pre-departure training and continue through the end of their service
- Maintain the Health Care Quality Assurance Council to prioritize agency initiatives to improve the quality of health care provided to Volunteers and provide oversight for quality integration to ensure optimal health outcomes
- Maintain a Credentialing Committee to improve and evaluate the Peace Corps medical officer credentialing process to ensure that staff have the necessary skills to provide quality medical care to trainees and Volunteers
- Provide standardized active listening training to peer support networks of Volunteers to assist in providing support to Volunteers dealing with stress from living and working in their communities
- Train in-country staff on how to appropriately respond to Volunteers who have been victims of serious crime
- Partner with leading development organizations to provide Volunteers with enhanced training opportunities, leverage financial and technical resources, exchange best practices, and maximize development impact and sustainability
- Implement financial resource management processes and practices that improve budget planning and execution and increase dialogue and collaboration between the Office of the Chief Financial Officer and headquarters offices and posts
- Implement strategic human resource management practices and increase dialogue and collaboration among the Office of the Director, the regions, and posts

- Develop instructions, via the annual Integrated Planning and Budget System guidance, for all headquarters offices and posts to align their office or post goal statements with the Peace Corps Strategic Plan goals
- Utilize the Strategic Plan Quarterly Performance Review sessions to identify and track progress on improvements to mission-critical work processes
- Oversee the implementation of personnel practices and standards as outlined in the Overseas Staffing Policy Handbook for posts and through the Office of Human Resources for headquarters offices
- Continue developing standard and transparent criteria for objectively allocating scarce agency resources through the Country Portfolio Review process

Data Collection and Management

The Office of Global Operations; the Office of Strategic Information, Research and Planning (OSIRP); the Office of Safety and Security; and overseas posts will work jointly to collect and analyze safety and security data through safety and security officer reports and assessments, the Crime Incident Reporting System (CIRS) database, the Annual Volunteer Survey, and a new anonymous crime victimization survey administered to Volunteers.

Safety and security officer country assessments are conducted every three years. As in-country conditions can change rapidly, the Peace Corps also partners with the Department of State's Bureau of Diplomatic Security to verify assessment data.

Data from the CIRS database originate from crime reports submitted by Volunteers and staff in-country and are limited by the underreporting of crime incidents by Volunteers. The Annual Volunteer Survey (AVS) currently captures unreported crime incidents; this data will be captured by the new crime victimization survey scheduled to be fielded in FY 2014. The AVS also provides Volunteer feedback on safety and security training and their perceptions of safety.

The Office of the Chief Financial Officer will utilize the Hyperion and Odyssey financial management systems to monitor Peace Corps' financial resource management. The accuracy and validity of these systems are established by the agency annual federal audit process.

OSIRP will review the logical framework models submitted for the annual Integrated Planning and Budget System to determine if the expressed goals of each post and headquarters office support the agency's strategic goals.

OSIRP will lead the Country Portfolio Review process to inform trainee and financial allocation decisions. As the inaugural portfolio review process was completed in FY 2011, OSIRP will monitor the completion of subsequent portfolio review processes instead of measuring the achievement of a defined target.

The Office of Human Resource Management (HRM) will collaborate with each headquarters office to ensure the adoption and implementation of new employee orientation and an employee performance review process for all headquarters staff. HRM will collect information from each office to determine compliance. The Office of Global Operations and the regions will oversee the implementation of and determine compliance with these processes at posts.

Through the Strategic Plan Quarterly Performance Review process, OSIRP will collaborate with headquarters offices to identify a work process for improvement in the first quarter of each fiscal year, establish a working group to develop and implement an improvement plan, and receive progress reports each subsequent quarter.

Integration of the Comprehensive Agency Assessment

The Comprehensive Agency Assessment called on the Peace Corps to execute decisions regarding its financial and human resources and country presence according to specific selection criteria to maximize grassroots development impact and strengthen relationships with the developing world. Through the development, implementation, and institutionalization of an annual Country Portfolio Review process, the Peace Corps can strategically allocate scarce resources using standard criteria. This practice greatly enhances the Peace Corps' ability to effectively manage resources.

The assessment also recommends that the Peace Corps strengthen management and operations through the use of updated technology, innovative approaches, and improved business processes that will enable the agency to effectively carry out Peace Corps operations and fully implement the new strategic vision outlined in the assessment. An important component of this strategy is strengthening and improving the use of the Peace Corps' monitoring and evaluation systems to better inform decision making. The cornerstone is better preparation, training, and support of agency staff, particularly the host country national staff who constitute the majority of Peace Corps' overseas staff presence.

APPENDIX M: OBLIGATIONS OF FUNDS FROM OTHER GOVERNMENT AGENCIES BY PEACE CORPS

	FY 2012	FY 2011
Total Reimbursable	\$7,196,030	\$5,107,328
Total PEPFAR	24,766,924	33,406,492

Note: The methodology for this appendix was revised from prior similar reporting to reflect obligation (rather than funding) levels and to make it comparable to the budgetary tables on Page 4.

APPENDIX N: ACTION TAKEN ON GAO REPORT (GAO-13-27) ON HEALTH CARE FOR RETURNED PEACE CORPS VOLUNTEERS

Background

During their service, Peace Corps Volunteers receive their medical care directly from the Peace Corps. Once they leave Peace Corps service, however, they are required to work through the Federal Employees' Compensation Act (FECA) system for care of service-related conditions. The FECA system is administered by the Department of Labor (DOL), and the Peace Corps' role in this process is limited by law. Only DOL has the authority to review and accept claims, to authorize payments, and to set the rules on provider participation. Over the years, a number of returned Peace Corps Volunteers (RPCVs) have expressed concerns with the FECA system, which they perceive as bureaucratic, frustrating, and time-consuming.

On November 21, 2011, President Obama signed into law the Kate Puzey Peace Corps Volunteer Protection Act of 2011, P.L.112-57. The law included a provision requiring the Comptroller General of the United States to submit "a report evaluating the quality and accessibility of health care provided through the Department of Labor to returned Volunteers upon their separation from the Peace Corps."

In November 2012, the Government Accountability Office (GAO) released a report entitled "Returned Peace Corps Volunteers: Labor and Peace Corps Need Joint Approach to Monitor Access to and Quality of Health Care Benefits," GAO-13-27. The report recommended "that the Secretary of Labor and the Director of the Peace Corps jointly develop and implement an approach for working together to use available agency information to monitor the access to and quality of FECA benefits provided to Volunteers."

Peace Corps Actions

In light of its limited authority under the FECA system, the Peace Corps has been negotiating with DOL for several years about changes the agency believes would improve the system. The Peace Corps has shared with GAO and DOL specific recommendations for reform that would assist RPCVs, including establishing a direct DOL point of contact to assist RPCVs; establishing a centralized claims processing location for RPCVs' claims, thereby allowing relevant DOL staff to specialize in the specific issues those claims entail; and easing the transition to FECA by allowing Volunteers to submit their FECA claims while still in service.

In furtherance of the recommendations made by GAO in its report, the Peace Corps has again reached out to DOL to arrange an interagency meeting at the highest levels to discuss ways in which the two agencies can work together to use agency information to monitor the access to and quality of FECA benefits provided to RPCVs, as well as to more generally improve the FECA process for RPCVs. The Peace Corps remains committed to addressing this important issue so that sick or injured RPCVs receive the help and medical care they deserve.

The Peace Corps is also continuing to explore ways in which it can further assist RPCVs with the FECA process. The agency has a Post-Service Unit that helps RPCVs to file their claims by collecting relevant agency health records and submitting the necessary paperwork to DOL. The Post-Service Unit also works to facilitate communication between RPCVs and DOL staff. In order to better assist RPCVs, the Peace Corps has expanded the position of case manager in the Post-Service Unit to include care coordination for some catastrophic illnesses and injuries during the transition from the Peace Corps to FECA. The Peace Corps is also creating two positions in the Post-Service Unit to try to further assist RPCVs with the FECA process.

APPENDIX O: OFFICE OF THE INSPECTOR GENERAL BUDGET REQUEST

Office of Inspector General Fiscal Year 2014 Budget Request

The Inspector General Reform Act (Pub. L. 110-409) was signed by the President on October 14, 2008. Section 6(f)(1) of the Inspector General Act of 1978, 5 U.S.C. app. 3, was amended to require certain specifications concerning Office of Inspector General (OIG) budget submissions each fiscal year.

Each inspector general (IG) is required to transmit a budget request to the head of the establishment or designated federal entity to which the IG reports specifying the following:

- aggregate amount of funds requested for the operations of the OIG,
- the portion of this amount that is requested for all OIG training needs, including a certification from the IG that the amount requested satisfies all OIG training requirements for that fiscal year, and
- the portion of this amount that is necessary to support the Council of the Inspectors General on Integrity and Efficiency (CIGIE).

The head of each establishment or designated federal entity, in transmitting a proposed budget to the President for approval, shall include the following:

- an aggregate request for the OIG,
- the portion of this amount for OIG training,
- the portion of this amount for support of the CIGIE, and
- any comments of the affected IG with respect to the proposal.

The President shall include in each budget of the U.S. government submitted to Congress the following:

- a separate statement of the budget estimate (aggregate funds requested) submitted by each IG,
- the amount requested by the President for each IG,
- the amount requested by the President for training of OIGs,
- the amount requested by the President for support of the CIGIE, and
- any comments of the affected IG with respect to the proposal if the IG concludes that the budget submitted by the President would substantially inhibit the IG from performance of the OIG's duties.

Following the requirements as specified above, the Office of Inspector General of the Peace Corps submits the following information relating to the OIG's requested budget for fiscal year 2014:

- the aggregate budget request for the operations of the OIG is \$5,000,000,
- the portion of this amount needed for OIG training is \$ 58,100, and
- the portion of this amount needed to support the CIGIE is \$14,000 (.28 percent of \$5,000,000).

I certify as the IG of the Peace Corps that the amount I have requested for training satisfies all OIG training needs for fiscal year 2014.



Kathy A. Buller
Inspector General
Peace Corps

Date

August 20, 2012



Peace Corps Volunteer Alison Foley and a youth group play a game in the mountains of Peru, where she has served as a Youth in Development Volunteer since 2011. The Clark University graduate is working with two youth groups, an arts and reading club, and her school's physical education teacher to encourage exercise and promote healthy lifestyles. During her service, Foley has also implemented several environmental projects and is teaching English to adults in her community.

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