



THE PEACE CORPS
Performance and Accountability Report
Fiscal Year 2013



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December 16, 2013

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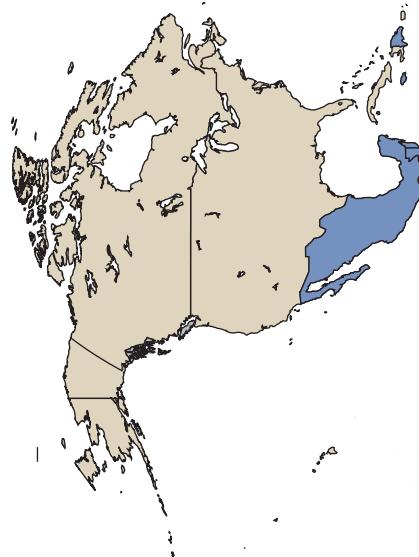
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Where Peace Corps Volunteers Serve



The Caribbean (IAP)
Dominican Republic
Eastern Caribbean:
Dominica
Grenada
St. Lucia
Jamaica

**North Africa and
The Middle East (EMA)**
Jordan
Morocco



Latin America (IAP)
Belize
Colombia
Costa Rica
Ecuador
El Salvador
Guatemala
Guyana
Mexico
Nicaragua
Panama
Paraguay
Peru

Africa
Mozambique
Namibia
Rwanda
Senegal
Sierra Leone
South Africa
Swaziland
Tanzania
The Gambia
Togo
Uganda
Zambia

**Eastern Europe/
Central Asia (EMA)**
Albania
Armenia
Azerbaijan
Georgia
Kyrgyz Republic
Macedonia
Moldova
Mongolia
Ukraine

Asia (EMA)
Cambodia
China
Indonesia
Nepal
Philippines
Thailand

Pacific Islands (IAP)
Federated States of
Micronesia, and Palau
Fiji
Samoa
Tonga
Vanuatu

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.

On behalf of the Americans serving as Peace Corps Volunteers and our supporting staff across the world, it is my pleasure to present the Peace Corps Performance and Accountability Report for fiscal year 2013. This report conveys our commitment to sound financial and performance management, demonstrates the accountability and operational effectiveness of the agency, and shows the progress we have made in achieving our goals to the President, members of Congress, and the American people.

Since the establishment of the Peace Corps in 1961 by President John F. Kennedy, more than 215,000 Americans have served in 139 countries around the world promoting a mission of world peace and friendship. Our Volunteers accomplish that mission through three core goals related to community-based development and cultural exchange that have remained the same since the establishment of the agency.

Working alongside local partners, our Volunteers are making a difference in the communities where they live and serve by carrying out development projects with measurable results. They build strong personal relationships with their local community and, in doing so, promote a better understanding of Americans. When they return home, Volunteers bring new skills and global perspectives to share with their U.S. community and the American public. At the end of FY 2013, the agency had 7,209 Volunteers serving in 65 developing countries.

The Peace Corps advances its mission and supports the work of the Volunteers through evidence-based management. With a reduction in appropriated funding from \$375 million in FY 2012 to slightly more than \$356 million in FY 2013, we are committed to allocating our scarce resources to the places where we can have the greatest impact. Resource allocation decisions are informed by the Country Portfolio Review process, an annual agency review of the financial and Volunteer resources dedicated to specific country programs.

Due in part to the Country Portfolio Review process, the agency made several strategic decisions regarding operations in multiple countries. In FY 2013, the agency closed the following programs: Antiqua/Barbuda, Bulgaria, Cape Verde, Romania, St. Kitts/Nevis, Suriname, and Turkmenistan. Also in FY 2013, the Peace Corps formally notified Congress of its intent to open programs in Kosovo and Vietnam. The agency signed a country agreement with the Government of Kosovo and anticipates Volunteers will arrive in FY 2014. The Peace Corps and the Government of Vietnam remain engaged in negotiations around a country agreement, but no final agreement has been signed to formally begin operations. In FY 2013, the agency made additional decisions to formally close the following programs in FY 2014: Honduras, where operations were suspended in FY 2012, and Palau. The anticipated reopening of the program in Tunisia in FY 2012 remains on hold due to the changing political and security landscape in country. The programs in Mali and Niger which were suspended in prior years remain suspended due to security issues. There has also been a significant reduction in operations in Ukraine.

The health, safety, and security of our Volunteers remain Peace Corps' highest priorities. The Sexual Assault Risk Reduction and Response program, mandated by the Kate Puzey Peace Corps Volunteer Protection Act of 2011, was developed according to best practices in the field of sexual assault. It was built in consultation with post field staff, Volunteers, and nationally recognized experts and includes recommendations from the Department of Justice, the Rape, Abuse and Incest National Network, and the agency's newly developed Sexual Assault Advisory Council. As such, the agency has established significant new policies and practices that reflect its strong commitment to reducing risks for Volunteers and responding effectively and compassionately to those who are victims of sexual assault and other crimes. The final stages of our Sexual Assault Risk Reduction and Response program were formally launched on September 1, 2013. This program reflects our ironclad commitment to supporting the physical and emotional well-being of Volunteers.

The Focus In/Train Up strategy continues to improve our Volunteer training and program support by providing Volunteers the skills and tools needed to assist their communities in implementing the projects that have proven to be most effective at achieving development results. Monitoring and evaluation efforts remain critical elements of the Focus In/Train Up strategy in order to continue to achieve best results. We are well on our way to optimizing our global impact to meet today's development challenges while continuing our tradition of service.

We continue to expand our partnerships with other U.S. government agencies, notably the U.S. Agency for International Development and the Department of State, international nongovernmental organizations, multilateral institutions, and corporations. Working across government, the agency has become a critical implementing partner for several of the President's key development initiatives, including the President's Emergency Plan for AIDS Relief (PEPFAR) and Feed the Future. The implementation of the Global Health Service Partnership—a collaboration of the Peace Corps, PEPFAR, and the nonprofit Seed Global Health—presented an opportunity for American physicians and nurses to make a real difference in communities abroad by helping to address the known shortage of skilled physicians, nurses, and clinical faculty in resource-limited countries. That opportunity culminated on July 18, 2013, when 30 U.S. doctors and nurses were sworn in at the White House to serve one-year assignments as medical or nursing educators in Tanzania, Malawi, and Uganda as the first class of Peace Corps Global Health Service Partnership Volunteers. We will continue to be a champion of the whole of government approach to the U.S. government's development initiatives.

Notable progress was made on several performance goals in FY 2013, including ensuring the safety and security of Volunteers through the implementation of key safety and security reforms; recruiting Volunteers from under-represented populations to better reflect the diversity of America; ensuring the effectiveness of in-country programs through improved collaboration with local partners in project design, implementation, and evaluation; increasing the effectiveness of the technical training provided to Volunteers through the Focus In/Train Up strategy; increasing the opportunities for returned Volunteers to share their experiences in the United States. In FY 2014 and beyond, the agency will institute reforms to improve progress on those goals where adequate progress was not made, such as recruiting the number of Volunteers requested by posts and demonstrating the impact of Volunteers' skills transfer and capacity-building work.

For the seventh consecutive year, independent external auditors rendered an unmodified (clean) audit opinion on the financial statements of the Peace Corps. Challenges remain, though, in strengthening areas of our administration of internal controls with regards to information technology and financial reporting as well as some of the management and performance challenges issued by the Inspector General. My qualified management assurance statement along with that of the chief financial officer provides reasonable assurance that the internal controls over financial reporting and financial management systems meet the specified objectives in the Federal Managers' Financial Integrity Act (FMFIA) of 1982 as shown in the FY 2013 Annual FMFIA Assurance Statement in Management Assurances.

Our success in financial and performance reporting accountability was recognized by a sixth awarding of the coveted Association of Government Accountants' Certificate of Excellence in Accountability Reporting for the agency's FY 2012 Performance and Accountability Report. The agency also received a second distinguished "Best in Class" award for the most comprehensive and candid presentation of forward-looking information in the 2012 report.

The financial and performance data presented in this report are fundamentally complete and reliable in accordance with guidance from the Office of Management and Budget.

Financial management improvements put into operation during FY 2013 and planned future improvements are shown in the Message from the Chief Financial Officer in the Financial Section of this report.

I am proud to lead the thousands of Volunteers who serve in the Peace Corps every year, helping our partner nations to achieve their development goals and working to promote mutual respect and understanding between the American people and the people in developing countries around the world. I am inspired by our Volunteers and all of the hardworking staff of the Peace Corps who dedicate their lives to helping others. By building strong relationships with people in communities around the world, the Peace Corps ensures that they share our values, form positive perceptions of the United States, and want to engage our nation and the world. It is such a privilege to serve our country in this role.

Sincerely,



Carolyn Hessler-Radelet, Acting Director
December 13, 2013



MANAGEMENT'S DISCUSSION AND ANALYSIS

Mission and Organizational Structure

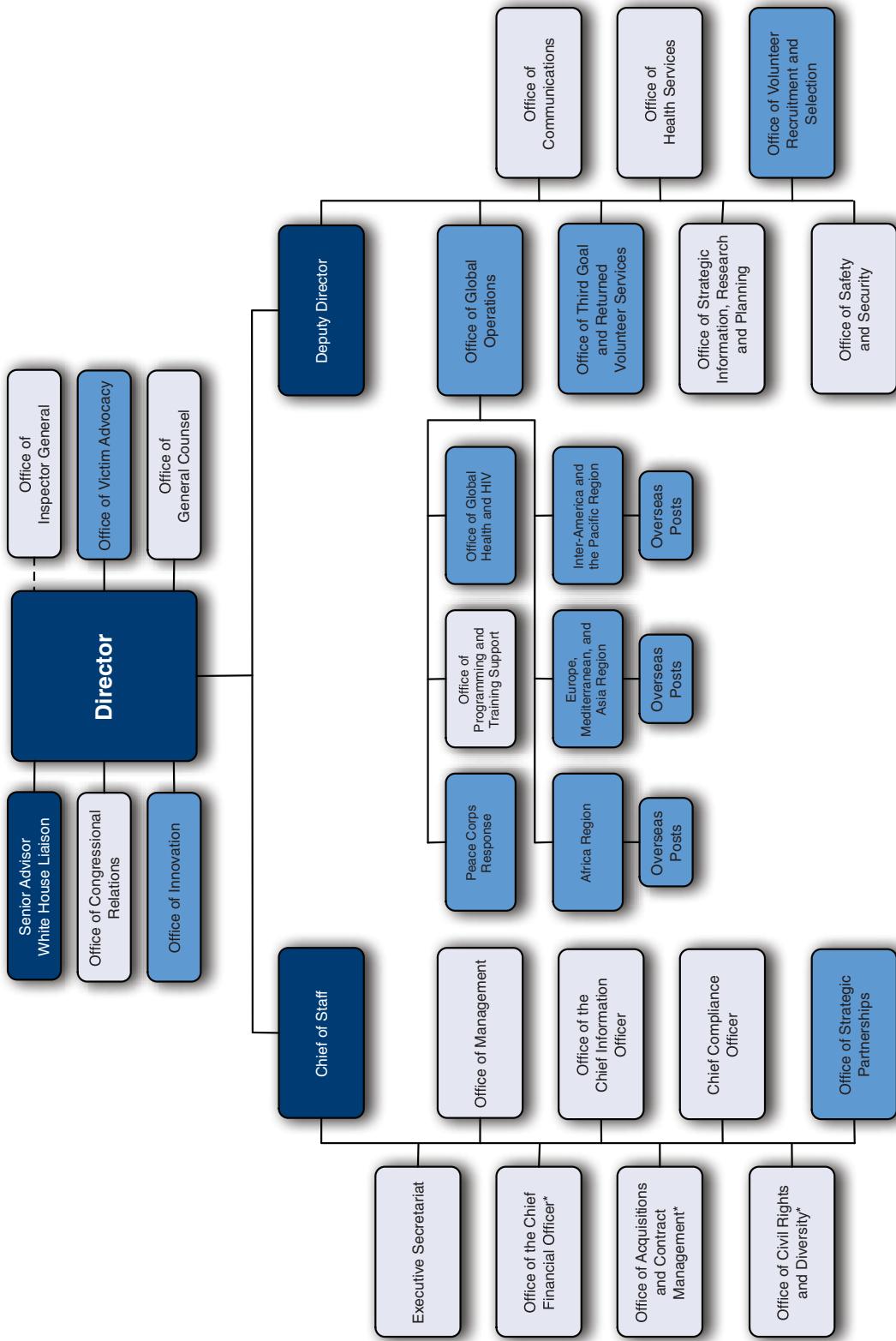
The Peace Corps mission is to promote world peace and friendship through community-based development and cross-cultural exchange. The agency exemplifies the best of the American spirit by making it possible for Americans to volunteer their time to advance development and build cross-cultural understanding around the world. Through this unique approach to development, the Peace Corps is making a difference in the overseas communities it serves, in the lives of its Volunteers, and back home in the United States.

The Peace Corps Act (1961) articulates three core goals that continue to guide the agency:

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 Peace Corps advances its mission through the work of Volunteers, both during and after their term of service. Volunteers live and work in local communities and ensure the sustainability of their efforts by transferring their skills to their partners. They also build life-long friendships with local people, promoting a better understanding of Americans. When they return home, Volunteers bring back a new set of skills, knowledge about different cultures, and long-lasting relationships. Returned Volunteers continue their service by promoting awareness of other cultures and global issues with friends, family, and the American public and by demonstrating a sustained commitment to volunteerism and public service.

The organizational structure chart follows.

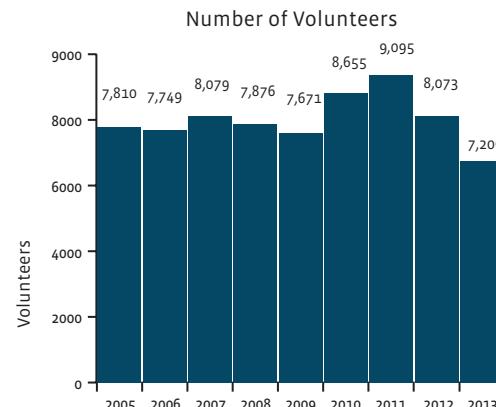


* In their functions as Chief Financial Officer, Office of Civil Rights and Diversity Program Manager, and the Chief of Acquisitions and Contract Management, the incumbents report directly to the Director

Work of the Volunteers

The Peace Corps provides development assistance to host countries through the work of thousands of dedicated Volunteers around the world.

A total of 7,209 Volunteers and trainees were serving in the Peace Corps as of September 30, 2013. This includes 801 Volunteers and trainees funded by the President's Emergency Plan for AIDS Relief (PEPFAR) and 184 Volunteers serving in the Peace Corps Response Program (www.peacecorps.gov/response). The number of Volunteers fielded each year depends on host country requests and the agency's ability to effectively support Volunteers in the field.



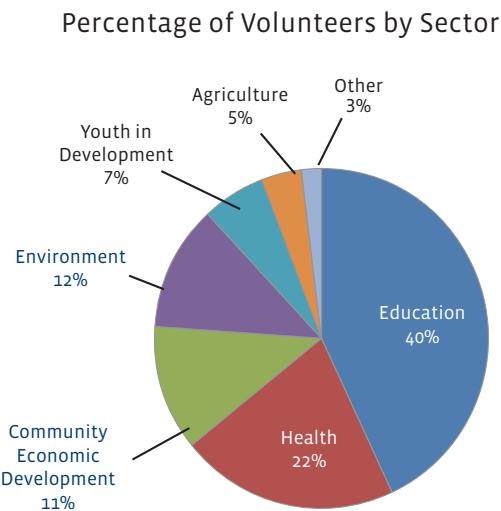
The Peace Corps' Unique Approach to Development

Instead of providing monetary assistance to countries, the agency sends Volunteers to countries that have requested technical assistance. Volunteers share their skills and experience with local people and communities by living and working alongside community partners and beneficiaries. The day-to-day interaction between Volunteers and local partners builds mutual trust and understanding. This enables the Peace Corps to contribute to host country development efforts while also promoting a better understanding of Americans.

The Peace Corps only operates in countries that have formally requested the presence of Volunteers from the U.S. government. Once an agreement has been reached with a host country, the agency develops Volunteer projects in collaboration with host country government agencies, development organizations, communities, and individuals. Volunteers work with local partners to identify community needs and implement activities designed to leverage their unique skills and experience to address community priorities and needs.

The agency recruits and fields Volunteers with the skills, experience, maturity, and interest to work, often under conditions of hardship, to solve local development problems. Volunteers typically serve for 27 months, which includes approximately three months of pre-service training in the host country and 24 months of Volunteer service. They subsist on a minimal living allowance that provides a standard of living similar to that of the local people with whom they live and work.

While Volunteer projects vary across the world to reflect local needs, they fall within six programmatic sectors: Agriculture, Community Economic Development, Education, Environment, Health, and Youth in Development.





Agriculture

Volunteers: 354 (5 percent)

Countries: 10

Project Areas: Agricultural Production and Improved Cultivation Practices, Productivity, Markets, Resilience and Stability

Sector Overview: Volunteers in the agriculture sector collaborate with community members, nongovernmental organizations, and community-based organizations (such as farmers' groups, women's associations, or youth clubs) to improve basic agricultural practices, intensify the value and volume of agricultural products, increase income and access to goods, and improve household stability. Through this work, Volunteers also help communities adapt to deteriorating environmental conditions, such as a changing climate.

Volunteers help improve the long-term productivity of farmers' fields by teaching and demonstrating environmentally sustainable and organic farming practices, including crop diversification, agroforestry, small animal husbandry, and soil and water conservation and management. Volunteers work side by side with local farmers on their field crops, testing new varieties, and promoting family and school vegetable gardens to encourage the production and use of more nutritious foods and to strengthen household food security.

Volunteer Voice: *Composting in Panama*

In the mountains of one of Panama's indigenous territories, farmers rely on slash-and-burn agriculture for the production of basic grains and tubers. With increasing population pressures leading to shortened fallow periods and deforestation, they are faced with low crop yields and increasingly rely on expensive chemical fertilizers to support their families, resulting in negative environmental, health, and economic impacts.

So, when I arrived at site, farmers were eager to learn more about how they could use free and local plant waste to create organic fertilizer through composting. Several farmers attended my first lecture about how to make compost. While they came to learn more about composting, few of them were interested in putting together their own compost pile without first seeing results of increased crop yields.

One family was different. Niko invited me to his house to make a compost pile of his own. Early one Sunday morning, I arrived to find him waiting for me with sacks of cow manure and rice husks, some squash and wood ash, and a few banana trunks. We chopped everything with machetes, mixed the material together, and covered the pile with banana leaves and plastic. Over the next few weeks, he continued to mix his pile and updated me on how it was rotting, until one Sunday he invited me back as he applied it to the corn in one parcel of his farm that historically has had soil fertility problems and low yields. While Niko enthusiastically accredited this year's good corn crop to this little bit of compost, I still had low hopes of composting being more widely adopted throughout the community. I had to wait a few months to see the larger impact of our work.

By the beginning of the rainy season, Niko's family was back at their compost work, modifying the original recipe based on their experiences with the first pile, their available resources, and our conversations over the last few months. They were soon innovating, telling me which native trees' leaves would decompose into the richest soil. The family combined the small amount of composting instruction I provided with their years of local knowledge to come up with a local solution to their problem.

Based on the family's composting skill, I was a slightly confused when Niko's brother approached me to ask if I could help him make another compost pile. He listed the materials he planned to collect and then added, "And I'd like to invite the other families that you work with to come see how I do it. So, they will learn for themselves." I could not have been more surprised. Nearly one year after we first came together, a counterpart was asking me to help him teach his neighbors what he had learned and come to value. Niko's family has become more than skilled composters. They are now promoting composting to their neighbors to improve the community.

Volunteers also build the business skills of small-scale farmers to increase income and access to food. Using a value-chain approach—an analysis of the opportunities and key stakeholders involved in a particular industry from inputs to the point of sale to the customer—Volunteers help communities market and improve storage of their agricultural products, as well as to develop new value-added products.

Selected Activities in Agriculture:

- **Master farmer program in Senegal:** A training of trainers model has been adopted in which Volunteers coordinate a master farmer program. In groups, lead farmers were trained on improved agricultural methods and the introduction of high-yield varieties of beans, corn, rice, and sweet potatoes. Five of these trained master farmers then organized open field days attended by more than 300 farmers from 50 communities.



Community Economic Development

Volunteers: 820 (11 percent)

Countries: 34

Project Areas: Organizational Development, Personal Money Management, Business Development

Sector Overview: Volunteers in community economic development projects support organizational development, promote business development, and facilitate improved access to credit and money management. Volunteers train and advise local entrepreneurs, communities, and organizations in business planning, marketing, financial management, product design and distribution, and customer service. Often, Volunteers provide trainings on community economic development topics through workshops, courses, camps, and competitions for youth.

Through these projects, local people, communities, and organizations build their skills in launching or expanding businesses ranging from small-scale agribusiness (fruits, vegetables, and small livestock) to ecotourism ventures or handicrafts. Some of the activities focus on helping members of disadvantaged groups such as orphans, at-risk youth, and victims of trafficking learn new skills so they can enter the workforce.

Volunteers work with microfinance institutions to expand their outreach to potential clients. In communities with few formal banking services, Volunteers work with community members to set up and manage their own savings-led microfinance associations. Volunteers also provide financial literacy training to youth and adults regarding budgeting, savings, financial negotiations, and the safe use of credit.

At an organizational level, Volunteers' work focuses on strengthening capacity to improve governance, strategic planning, organizational management, project management and leadership, public awareness, fundraising, and advocacy.

Volunteers help coordinate overall community economic development by fostering collaboration among governments, organizations, businesses, communities, and individuals.

Volunteer Voice: *Connecting silk producers with resources in Thailand*

One of my favorite parts of my service is the weekly trip with municipal officials to visit small vendors participating in the *One Tambon One Product* program. During one of these trips, we visited an *eri silk* production business. After speaking with the owner, I realized that the business was inactive because the supplier of the silk worms had stopped providing them with enough worms for the business. The business would likely still have been operating if they had an adequate supply of worms—the owner was a hard-working and dedicated woman and they already had the necessary equipment, food for the worms, and 15 part-time employees dedicated to the effort.

After the trip, I contacted a research program at a university in country that had been working on promoting dyed, organic silk. They were excited to help and over the next two weeks, we organized and held a seminar for 60 people who were either in the *eri silk* business or interested in becoming a producer. The educational material that the university provided was effective. Several new people indicated an interest in starting a silk business. The university gave them the worms as long as they could demonstrate that they could provide food (mulberry trees).

The original *eri silk* business I visited was able to resume operations with this new supply of worms. They now not only offer shawls for sale, but also other products such as shampoo, soap, conditioner, and snacks.

The business owner was thrilled with the growth of her business, and the university staff was happy to have discovered and solved the supply problem. I was happy to have helped the business owner and the broader community, and also honored to have been chosen to be on the research coordinating team for the university.

Selected Activities in Community Economic Development:

- **Implementing an entrepreneurship curriculum in Namibia:** After Volunteers were assigned to Namibian schools to improve the implementation of the Ministry of Education's entrepreneurship curriculum, principals at eight of the schools reported a 75 percent or higher pass rate in the national Grade 10 examination, compared to 40–50 percent the previous year.
- **Building organizational capacity to combat human trafficking in Moldova:** Volunteers and partners organized a weeklong "Freedom Festival" to raise awareness of human trafficking. The event included roundtable discussions, a social theater performance, a concert, workshops, seminars in schools, flier distribution, and surveys.
- **Improving production and sales in Senegal:** Volunteers' collaboration with Swahili Exports, an international company, resulted in the creation of hundreds of jobs for women in 14 villages, bringing more than \$100,000 to the households in a three-month period. Sales have increased from one 40-foot container full of merchandise each quarter to one each month.



Education

Volunteers: 2,883 (40 percent)

Countries: 53

Project Areas: Teaching English as a Foreign Language; Childhood Literacy; Gender Empowerment; Math, Science, and Information Communication Technology

Sector Overview: Education Volunteers build teaching and learning capacities across a range of subjects, including English, math, science, information technology, and childhood literacy. They work at all educational levels, from pre-school through primary and secondary schools to universities and teacher training colleges. Volunteers provide either direct instruction or collaborate with local teachers.

Volunteers build the skills of local teachers by holding workshops that focus on participatory and experiential learning, classroom management, and resource development. They promote strong parent-teachers associations and community involvement in education. Through their work in the classroom and in after-school activities, Volunteers work with partners to better prepare students for their active participation as global citizens.

Recognizing the tremendous potential that local women represent in developing their own communities, Volunteers in the education sector, as well as those working on other projects, promote gender-equitable practices, connect young girls with local role models, and build life skills and leadership. Volunteers serve as strong role models in their communities, providing encouragement and highlighting local opportunities for youth.

Selected Activities in Education:

- **English textbook development in Nicaragua:** The Nicaraguan Ministry of Education requested the Peace Corps' assistance in reviewing and editing the English textbooks recently developed by the government for every high school student in the country. A task force of 11 Volunteers conducted a thorough review of the textbooks and recommended grammar and vocabulary edits. They also identified how the English activities in the textbook could be improved. As a result of the collaboration between the Ministry of Education and the Peace Corps, every high school student in the country will be better equipped for successful language learning.
- **Test-taking skill development in Ukraine:** Over 300 Volunteers organized clubs to train more than 4,500 students for English competitions such as the English language olympiads and essay competitions. Volunteers focused on building students' vocabulary and practicing and improving auditory and writing skills. The clubs exposed students to the American cultural perspective of test taking, essay writing, and answering abstract questions.

Volunteer Voice: *Teachers' book club in The Gambia*

Worldwide, Peace Corps volunteers in education are tackling problems in literacy. The lack of resources is a perennial challenge that pushes many Volunteers to start libraries. I was fortunate enough to be placed at a school where a library already existed, so my challenge was getting my school to use the resources available.

Ultimately, my aim was to get books into children's hands. It is common knowledge that students who have consistent interaction with print and opportunities to read acquire literacy faster than those who do not. However, realizing that the teachers at my school had never received those opportunities, I knew that I had to start with them before I could reach the children. Thus, a teachers' book club was born.

The book club began at the start of the school year. The teachers were invited to read children's literature on a voluntary basis. I asked them to fill out reports on what they read; these required a brief summary of the book and ideas on how the book could be used in the classroom. Incentives were provided to encourage participation. The intention of the club was to increase teachers' awareness of children's literature, to encourage them to use books in their lessons, and to serve as a model for teachers to create their own student book clubs within their classrooms.

From September to February, the participation rate was disappointing as only a handful of teachers had participated. I quickly realized that I needed to make changes to the club. Instead of filling out reports, I asked teachers to sit down, read a book with me, and discuss ways we could incorporate the book into lessons or what they would want a child to understand from reading the book. This was sometimes one-on-one, but more often in small groups. Having the teachers read with me created opportunities for them to build their fluency and for me to model using intonation when reading aloud.

We also set clear goals for ourselves. I informed the teachers that I wanted to read 50 books with them by the end of March, and asked if they would like to set goals for themselves as well. Within the first two weeks of March, I surpassed my goal quickly, and the teachers were making progress on theirs. The teachers found that as they sat down and read, they gained new vocabulary and learned print conventions at each reading session. I began to see a shift in their motivation to read. By the end of March, I had read 87 books with the teachers, and all but one teacher had met the goals they'd set for themselves.

At one point during the month of March, a teacher came to me with a book called "Pup and Pop Shop." The text read, "He sniffs." The teacher wanted to know what "sniff" meant. We looked at the picture and discussed other words that could replace sniff. Satisfied with his understanding he went on with his day, but later came back to speak with me. He said, "You know, Isa, I realized I would have never known the word 'sniff' had I not read that book. I need to read more." I no longer had to give my teachers a reason to read. They found it for themselves. It doesn't get much more sustainable than that!



Environment

Volunteers: 854 (12 percent)

Countries: 26

Project Areas: Environmental Education and Awareness, Natural Resource Planning and Management, Economic Strengthening

Sector Overview: Volunteers in the environment sector collaborate with host country partners to respond to deteriorating local conditions by promoting environmental education and awareness, facilitating natural resource planning and management, and supporting economic strengthening activities.

Environment Volunteers demonstrate and teach 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 these partners to plan, manage, lead, and advocate for the protection of the local environment.

Volunteers also help support environmentally sustainable, income-generating activities that create incentives for the conservation of natural resources. These activities may include the promotion of ecotourism and crafts.

Volunteers are also engaged in environmental education within schools to build awareness and initiate action on environmental issues. Volunteers train teachers to integrate more interactive teaching methods focused on the environment into their curriculum. In addition to these formal settings, they collaborate with schools and other organizations to promote environmental education through clubs, youth camps, and awareness campaigns.

Volunteer Voice: *Improved cook stoves in Nicaragua*

Anyone who comes to Nicaragua will immediately notice that the country has a problem with deforestation. Big, beautiful trees stand in small strips surrounded by corn fields and empty spaces where cows graze. The mountains occasionally have a patch or two left of trees, but those will soon be cut down to plant more fields. The land that no longer works well for agriculture sits empty and ignored. It is sometimes used for cows, but more often, it is abandoned and filled with brush and a few stunted trees. The deforestation problem is exacerbated by the change in the local climate. The rainy season is shorter than it has been in the past as the water table gets lower each year.

As a Peace Corps Volunteer, seeing a problem of this magnitude is daunting. A vast majority of the population in Nicaragua cooks with wood fire, so any young, new trees are immediate prey for the firewood search. However, any problem must be addressed one step at a time, and I feel that, at least in my community, we are taking a step to protect the future of the area. We have begun building a type of stove that uses up to 70 percent less wood. Additionally, the entrance for the wood is small, making the stoves more suitable for fallen sticks and branches than larger cut trunks of trees.

At first, the women of my community were quite skeptical. They didn't believe for a moment that such a small amount of wood could actually create enough heat to cook. I heard over and over again that the stoves were wonderful, if they could just be made larger to cram in more wood. However, after building a demonstration stove in the children's cafeteria, a few women were convinced to try it out.

We built a few preliminary stoves, and before long, word had spread that the stoves worked! Community members talked about how much less wood it used, but also, due to the chimney, cook fires released much less smoke into the kitchen. Pretty soon, women from all over town were coming to me asking me to include them in the stove project.

Nonprofit organizations have come from other communities to learn the design of the stove so that they can build it in their own communities. Although changing habits is difficult, the majority of the people I worked with use and love the improved cook stoves. The stoves have drastically cut down their wood consumption, as well as improved their health and the health of their children.

Selected Activities in Environment:

- **Soil and water conservation in Ghana:** A Volunteer organized the distribution of 11,000 vetiver plants to serve as a hedgerow along an earthen dam. Vetiver is perennial grass known to aid in erosion control and soil stabilization. With the help of several other Volunteers, small community working groups gathered to plant the vetiver to conserve water and soil along the dam.
- **Climate change education in Peru:** A Peace Corps Response Volunteer working with the Ministry of Education designed an environmental education program that trains teachers in developing environmental curricula on climate change and climate change monitoring. This led to a national competition that awards the best school in promoting environmental and climate change education. The program has grown throughout Peru, and many teachers have now been trained on how to teach this topic in the classroom.



Health

Volunteers: 1,603 (22 percent)

Countries: 43

Project Areas: HIV Mitigation; Environmental Health; Maternal, Neonatal, and Child Health; Life Skills for Healthy Behavior

Sector Overview: The Peace Corps' approach to global health issues includes improving knowledge about common diseases and health issues, promoting behavior change, and building capacity among community members, community-health workers, and grassroots organizations to prevent and mitigate the major causes of morbidity and mortality.

The most common types of health projects include HIV/AIDS education, basic sanitation and hygiene education, nutrition, youth sexual and reproductive health education, and malaria prevention and control.

Volunteers collaborate with local partners, introducing innovations and technology to leverage resources to address health needs in communities with the least access to health information and services. In order to carry out their work, Volunteers are frequently assigned to health-related non-governmental organizations to help increase their technical, managerial, and administrative capacities.

HIV mitigation is a major agency effort, globally and across sectors. Volunteers often work on HIV/AIDS prevention and care as part of a comprehensive community health project. Behavioral prevention support continues to be at the center of Volunteers' HIV/AIDS prevention work, particularly when targeting youth.

The Peace Corps is an active partner in the President's Global Health Initiative, notably the President's Emergency Plan for AIDS Relief (PEPFAR), Saving Mothers Giving Life, and Feed the Future. The agency also collaborates with the President's Malaria Initiative through the *Stomping Out Malaria in Africa* campaign (<http://stompoutmalaria.org>), a Peace Corps initiative to fight malaria in the communities where Volunteers serve, partner with other organizations to defeat malaria in target countries, and foster the development of an international malaria prevention community.

Volunteer Voice: *Mobile media health campaign in Kenya*

In many rural communities in Kenya, there is a lack of access to accurate health information. Frequently, accurate health information exists, but it is inaccessible to many people due to language, technology, and literacy barriers. Often, health information is either conveyed inaccurately by outreach workers or not disseminated due to the absence of financial or other incentives.

In response, I developed and produced *Afya Mfukoni* (Health in the Pocket)—a series of short films that addressed a variety of health topics including HIV, reproductive health, and family planning. The films were based on dramas by local youth groups as well as original scripts. Mobile phones are accessible to almost all of the Kenyan population, so I released the films in various formats which allowed playback on various media, including mobile phones, personal computers, and DVD players.

The *Afya Mfukoni* mobile media campaign has increased access to accurate health information by addressing a number of issues. The films are provided in Kiswahili and local languages to overcome language and literacy barriers. The release of films in multiple, easy-to-share formats, takes advantage of modern technology and allows for viewing in a variety of settings. Particularly, the use of mobile phones as a means of sharing and viewing the films has made it possible to reach a wider audience in rural Kenya.

Local community members were involved in the production, and we shot the films in normal, familiar settings. This helped garner interest among the involved communities while helping to ensure that the audience can see themselves in the films. Given the portable and shareable nature of the films, Kenyans are increasingly viewing the films multiple times and sharing them with others. The campaign has been successful in that it is providing accurate health information to a growing audience.

Selected Activities in Health:

- **Nutrition education in Tanzania:** Volunteers and their counterparts trained 1,570 girls and women on optimal nutrition practices for maintaining a healthy family. By hosting food preparation demonstrations, the girls and women were empowered to create healthy meals with locally available, affordable food items.
- **Exercise and healthy living promotion in Fiji:** Volunteers worked with the Fiji National Wellness Center and local musicians to carry out Fiji's first "flash mob" to promote 30 minutes of exercise a day and kicking off a national campaign, "Let's Move Fiji!" More than 1,000 people attended the event to dance for more than two hours and learn about ways to integrate healthy practices into their daily lives.
- **Grassroot Soccer partnership to reduce HIV risky behavior in Africa:** The partnership between Grassroot Soccer and the Peace Corps incorporates sports and physical activities with life skills education for youth in a 10-week program. Volunteers work with local partner coaches to educate young people about HIV and reduce risky behavior.



Youth in Development

Volunteers: 511 (7 percent)

Countries: 18

Project Areas: Healthy Lifestyles, World of Work, Civic Engagement, Support for Youth

Sector Overview: Peace Corps Volunteers in all sectors are trained to engage youth to enhance the impact of their projects. As such, approximately three-fourths of all the people with whom Volunteers work are young men and women under the age of 25.

In addition to constituting a theme that cuts across all sectors, Youth in Development is also one of the Peace Corps' six programmatic sectors. Volunteers work with young people, families, communities, and organizations to support healthy lifestyle choices related to sexual and reproductive health, physical activity, and substance abuse prevention. They also prepare youth for work with financial literacy and vocational skills, engage youth as active citizens, and build support structures among parents, family members, and communities. Volunteers work in schools, youth centers, communities, camps, and clubs, often with individuals in challenging situations, including those living in institutions, orphaned and vulnerable due to HIV/AIDS, and/or out-of-school young people.

Selected Activities in Youth in Development:

- **Life skills and leadership summer camps in Burkina Faso:** More than 200 students participated in the inaugural year of Camp GLOW (Girls Leading Our World), a skills and leadership program that has supported the empowerment of girls in more than 60 countries. Participants in the camp engaged in a wide range of activities that focused on gender awareness, including sports, crafts, health, and life skills.
- **Alcohol/Substance abuse prevention in the Dominican Republic:** Volunteers are helping a group of young people produce and film a soap opera titled "Me Toca a Mi (It's My Turn)." The soap opera episodes support good decision making through situational discussions of substance abuse, relationships, and HIV/AIDS prevention.

- Positive youth development with service providers in Thailand:** Volunteers organized a three-day Youth-Serving-Youth conference. This conference encouraged young people and adults to think about the role of youth as community leaders and how they can become more active citizens. Sessions included how to work with youth, team-building activities, community project planning, and the development of community action plans.

Volunteer Voice: *Summer camp for children with disabilities in Azerbaijan*

Impoverished children living with disabilities in Azerbaijan are segregated, disregarded, and resigned to live life without education, support or opportunity. Lack of disability-care knowledge, extremely limited funds, strict gender roles, and no support or outlet for stress can be overwhelming and stressful. The Peace Corps' summer camp, called *Hello, World! We Exist, Too!*, provides a safe and relaxing environment for these children and their mothers in which they can play and learn. It empowers children living with disabilities and their families through education and support.

In developing the camp, I worked with my counterparts from the Ismayilli Center of Support to Children and Families on the curriculum; they also purchased all of the supplies. Several local nongovernmental organizations collaborated to develop training materials on first aid and emotional well-being. We also used the dental hygiene and nutrition trainings that I created last year.

The camp was a huge success! Twenty-two children and 18 family members, including mothers, attended the camp. Employees from local government agencies and local Azerbaijani volunteers helped implement camp activities. It was obvious by the end of camp that new bonds and friendships had been formed between the children, mothers, and even the Azerbaijani volunteers and employees. The mothers and children were attentive during trainings and eager to discuss what they had learned afterward. Regional government agencies will follow-up with participants in the camp when the children and mothers come to see them at their offices.



Performance Highlights

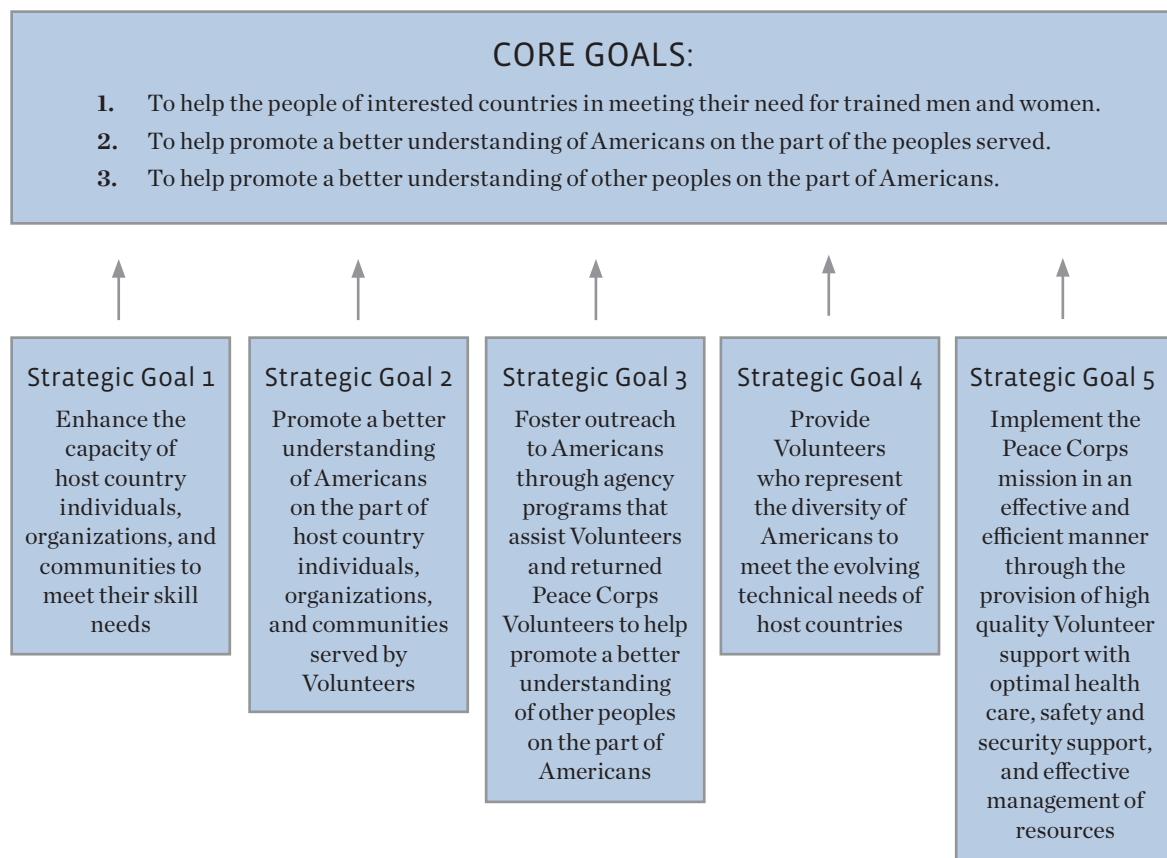
In FY 2013, the Peace Corps continued to make progress on key goals to advance its mission and better support Volunteers in the field. Performance improvement is due in large measure to a sustained commitment from agency leadership and staff to the use of data and evidence in decision making and to the development of innovative approaches to solving persistent problems.

Performance Management System

The goals and indicators in the FY 2009-2014 strategic plan (http://files.peacecorps.gov/multimedia/pdf/policies/pc_strategic_plan_081409.pdf) form the basis for the agency's performance management system. Through quarterly performance reviews chaired by the chief operating officer and supported by the performance improvement officer, senior officials and managers regularly plan, monitor, and evaluate efforts to achieve progress on agency goals. The strategic plan is also implemented at the office and overseas post-level through operating and work plans through the Integrated Planning and Budgeting System (IPBS). The Peace Corps' performance management system is rooted in an inclusive and participatory culture in which staff and Volunteers at all levels are invested in improving the agency.

The Peace Corps FY 2009-2014 Strategic Plan

Mission: To promote world peace and friendship



FY 2013 Performance at a Glance

The FY 2013 Performance at a Glance section features the performance results of key performance goals and indicators related to the agency's five strategic goals. Detailed information on the results for all 40 indicators as well as the agency's validation and verification standards for each data source are presented in the Performance Section. The benefits to the American public of the agency's work under each strategic goal, notable accomplishments, and performance challenges are highlighted.

Strategic Goal 1: Enhance the capacity of host country individuals, organizations, and communities to meet their skill needs

Volunteers ensure the sustainability of their development efforts by transferring their skills to local people. In doing so, Volunteers build the capacity of local individuals, organizations, and communities to address their development challenges.

Public Benefit: When Volunteers build host country capacity, local conditions are improved and individuals and communities have the skills needed to solve their problems and serve as models for others. The American people benefit from a more stable and peaceful world.

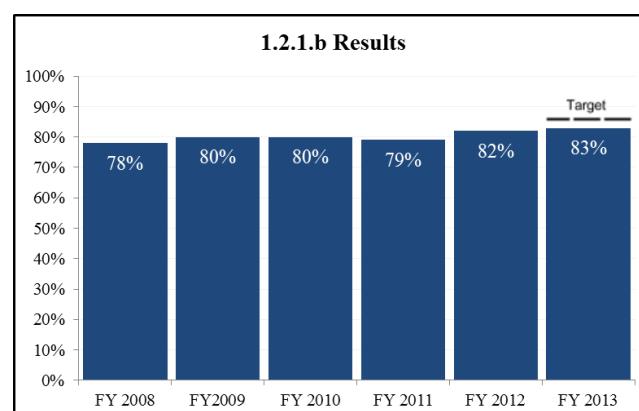
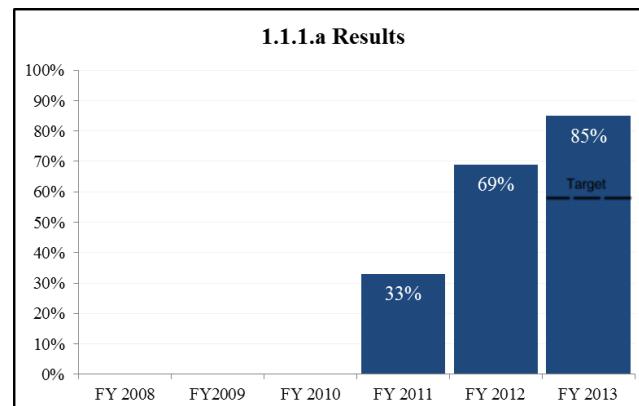
Notable Accomplishments:

- Improved collaboration with local partners in project design, implementation, and evaluation (Indicator 1.1.1.a):**

For the past three years, the agency has seen a marked increase in the percentage of project managers who meet with Project Advisory Committees (PACs)—advisory groups comprised of agency staff, host country government officials, and local counterparts and work partners. The agency utilizes PACs to engage local partners throughout the entire cycle of a project, ensuring host country and community needs are effectively addressed through a structured project plan and supporting Volunteer activities. Improvement in this area is a direct result of the focus placed on PACs by the agency, including increasing the resources allocated to conduct PAC meetings and issuing additional guidance on how to operate successful PACs.

- Continued implementation of the Focus In/Train Up strategy (Indicator 1.2.1.b):**

The Focus In/Train Up (FITU) strategy supports the Comprehensive Agency Assessment (2010) recommendation that the agency “focus on a more limited number of highly effective technical interventions that will enable the Peace Corps to demonstrate impact and achieve global excellence”



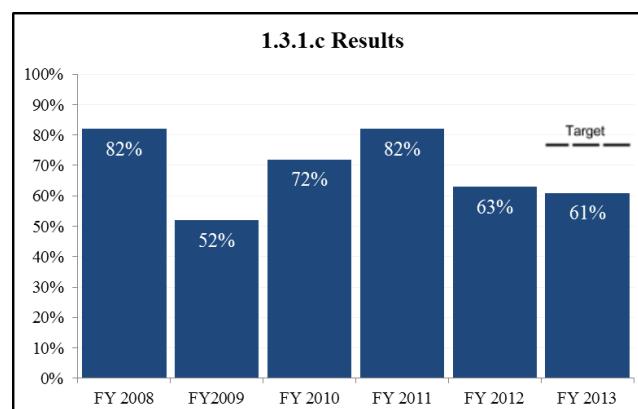
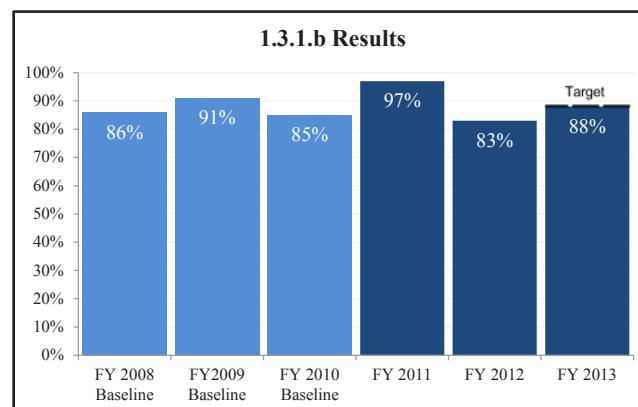
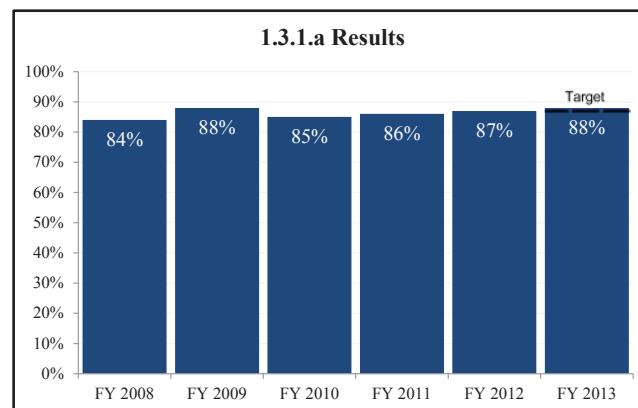
www.peacecorps.gov/open/evaluations. The FITU strategy is a major agencywide effort to more closely align programming with the technical interventions that can be effectively delivered by Volunteers and to improve the technical training the agency provides to prepare Volunteers for service. Significant progress was made on the FITU strategy in FY 2013, as all project frameworks were *focused* in this year and standard technical training packages have been developed for all sectors. With this achievement, all Volunteers who begin their service in FY 2014 will be trained to work on improved and targeted projects that more directly meet community needs. While the target for this indicator was not met in FY 2013, great progress was made. As more Volunteers go through the new FITU technical training packages, the agency expects Volunteer satisfaction with technical training to continue to increase.

Performance Challenges:

- **Demonstrating the impact of Volunteers' work (Indicators 1.3.1.a, 1.3.1.b, 1.3.1.c):**

The Peace Corps' unique approach to development contributes to significant improvements in the lives of the individuals and communities where the Volunteers live and work as evidenced in the agency exceeding the targets on two of these three indicators. One challenge resides in qualifying and quantifying the tangible development results of Volunteers' capacity-building and skills-transfer work. Volunteers consistently report that their work has transferred skills to host country individuals and organizations. However, data sources from multiple perspectives are necessary to fully demonstrate the impact of Volunteers' work.

Moving forward, the agency will include specific goals in the FY 2014-2018 strategic plan related to the work of the Volunteers. This will be measured through the Volunteers who will report directly on their project activities. The agency will also expand a counterpart survey piloted in FY 2013 to all posts. The new agency-wide survey will collect feedback directly from Volunteer counterparts, including supervisors and work partners, related to the impact of Volunteers.



Strategic Goal 2: Promote a better understanding of Americans on the part of host country individuals, organizations, and communities served by Volunteers

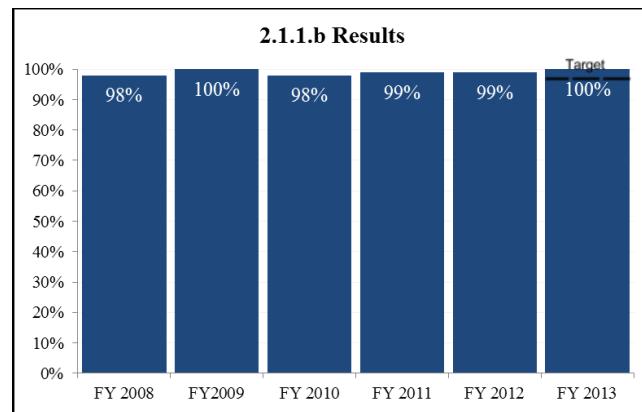
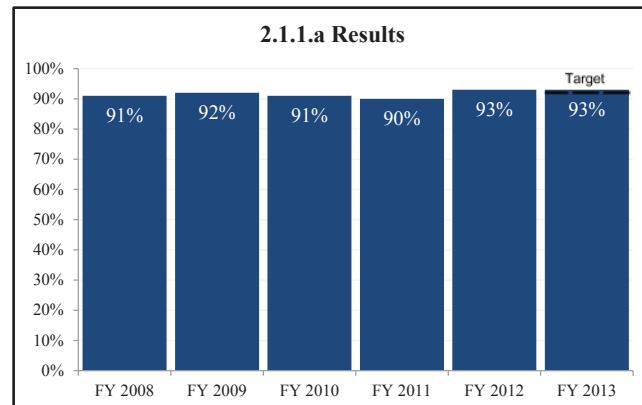
As Volunteers build local capacity through their work, they also develop deep friendships with local people. Through their interactions with individuals and communities, they dispel myths about Americans, promoting a better, more well-grounded understanding of one another.

Public Benefit: Host country individuals and communities that interact with Volunteers gain a more complete understanding of the United States and become more willing to engage with Americans. Volunteers also build strong relationships with local people that endure long after their term of service is completed.

Notable Accomplishments

- **High performance on training for Volunteers and work partners on managing cultural differences (Indicators 2.1.1.a and 2.1.1.b):**

The agency continued to provide quality training to facilitate an environment for Volunteers to successfully adapt to and navigate the complex cultural circumstances of life and work in another country. Training for Volunteers focuses on how to manage cultural differences to effectively live and work in local communities. Local counterparts, including supervisors and work partners, are trained on working effectively with Volunteers. This prepares counterparts to better support Volunteers as they adjust to cultural differences. The training also promotes a better understanding of Americans on the part of counterparts as they learn about cultural similarities and differences between themselves and Volunteers. Nearly all posts conducted supervisory and counterpart training in FY 2013, and the vast majority of Volunteers continued to report high levels of satisfaction with the training provided on managing cultural differences.



Performance Challenges:

- **Collecting information directly and systematically from host country individuals, organizations, and communities on their perceptions of Americans (Indicator 2.1.1.c):** The agency conducts Host Country Impact Studies to measure how effectively Volunteers are meeting the technical needs of host countries and promoting a better understanding of Americans. These studies provide a valuable source of information collected directly from host country counterparts, beneficiaries, and host families. While 24 of the studies have been completed since 2008, due to resource constraints, only a few studies are conducted each year. Host

Country Impact Studies were not conducted in FY 2013. This limits the agency's ability to assess the impact of Volunteers worldwide year-to-year from the perspective of the people with whom Volunteers live and work.

The counterpart survey, piloted across all sectors and regions in FY 2013, will be fully operational in FY 2014 and will provide ongoing information across all Peace Corps countries on the impact of Volunteers' capacity building and cross-cultural exchange efforts directly from the perspective of counterparts.

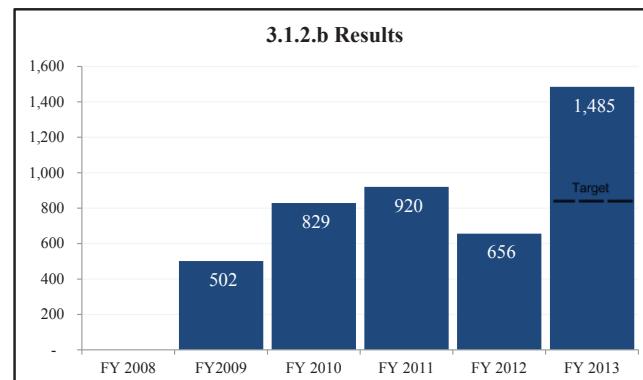
Strategic Goal 3: Foster outreach to Americans through agency programs that assist Volunteers and returned Volunteers to help promote a better understanding of other peoples on the part of Americans

During their two years of service, Volunteers learn the languages, customs, traditions, and values of the people with whom they live and work. Volunteers bring the world back home by sharing their experiences with family, friends, and the American public both during and after their service. As a result, they deepen and enrich Americans' awareness and knowledge of other peoples and cultures and global issues.

Public Benefit: As Americans gain a better understanding of other cultures, they develop skills in working successfully in a globalized world. This, in turn, helps to build a more competitive U.S. workforce. Americans also increase their interaction with overseas communities, contributing to the Peace Corps' mission of promoting peace and friendship between people in the United States and other countries.

Notable Accomplishments:

- **Significant increase in the number of educational institutions where returned Volunteers share their experiences (Indicator 3.1.2.b):** The agency provides returned Peace Corps Volunteers with opportunities to talk about their Peace Corps service through multiple venues, including the Coverdell World Wise Schools Speakers Match program and the Coverdell Fellows program. The Speakers Match program connects returned Volunteers with K-12 schools and youth organizations to visit and share their experiences. The



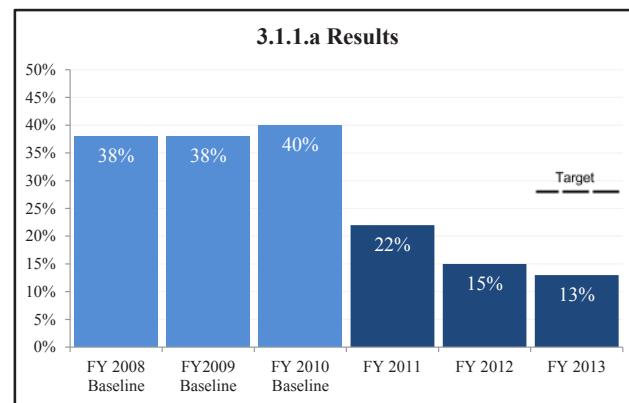
Coverdell Fellows program works with graduate programs in colleges and universities across the country to provide returned Volunteers with the opportunity to earn a graduate degree and to continue their service in an underserved community in the United States. The agency made gains in this area by making it easier for potential partners to participate in the Coverdell World Wise Schools Speakers Match program through an improved website (www.peacecorps.gov/wws). Improvement is also due to increased staff resources for the program and to the aggressive marketing and promotion of Peace Corps Week (www.peacecorps.gov/resources/returned/thirdgoal/pcweek).

Performance Challenges:

- Low participation among currently-serving Volunteers in the Coverdell World Wise Schools/Correspondence Match program (Indicator 3.1.1.a):**

The Correspondence Match program connects currently-serving Volunteers with youth and educators in the United States. Through this program, Volunteers share with American classrooms the customs and cultures of the communities where they live and work. Over the span of the current strategic plan, the agency has identified a gap between the number of Volunteers and educators enrolled in the Correspondence Match program and the number

of Volunteers who actively participate in the program. This year, the agency's Leadership Development Academy, a 12-month program designed to nurture the next generation of Peace Corps managers and leaders, chose to evaluate the Correspondence Match program as their capstone project. The agency will work to implement the recommendations from the Leadership Development Academy to improve the program. This will include encouraging Volunteers to identify the educators and classrooms they will work with (rather than relying on the agency to make a match) and exploring the use of partnerships with organizations to provide technological assistance for connecting educators and classrooms to Volunteers.



Strategic Goal 4: Provide Volunteers who represent the diversity of Americans to meet the evolving technical needs of host countries

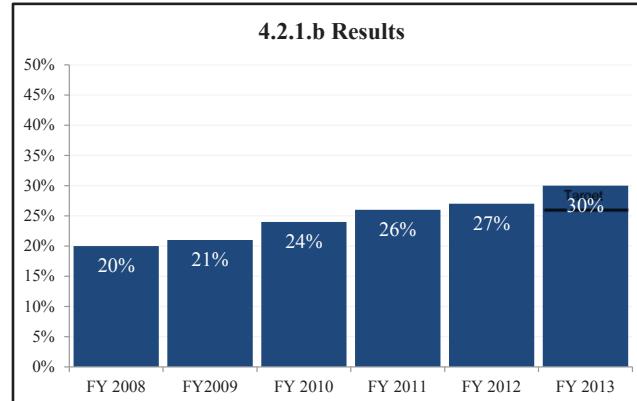
The agency actively recruits talented Americans who have the skills required to address the needs of local communities. To ensure that these Volunteers represent the diversity of America, the agency actively encourages individuals from underrepresented groups across the United States to apply to Volunteer service.

Public Benefit: When Volunteers are recruited who have the skills and experience requested by host communities, they are well-positioned to build local capacity. Additionally, a diverse Volunteer corps helps promote a more complete and rich understanding of Americans and contributes to local development goals.

Notable Accomplishments:

- Sustained increase in the percentage of applications received from individuals of underrepresented ethnic groups (Indicator 4.2.1.b):**

Since FY 2009, the agency has seen a sustained increase in the percentage of applications received from individuals of underrepresented ethnic groups—from 21 percent in FY 2009 to 30 percent in FY 2013. This is a significant achievement and the result of a concerted effort by the Peace Corps to work toward building a Volunteer corps that represents the American public, contributing to the goal of promoting a better understanding of Americans in the communities where Volunteers serve. The agency

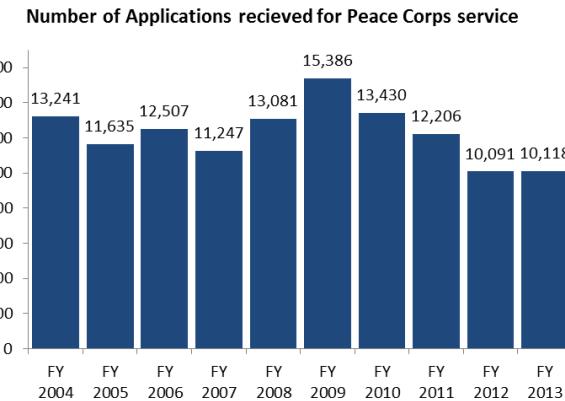


has focused on diversity recruitment by increasing the number of campus recruiters at minority-serving institutions and conducting targeted marketing and outreach campaigns to underrepresented groups.

Performance Challenges:

- Reduction in the percentage of Volunteer positions that were filled by applicants for service (Indicator 4.1.1.b):** Over the past three years, the agency has experienced difficulties in providing the number of Volunteers that have been requested by overseas posts. The number of Volunteers requested by a post represents the number of funded Volunteer positions that the post can fully support for 27 months of service. When Volunteer requests are not fully met, it represents a missed opportunity for the communities expecting Volunteers and for the talented and motivated Americans who could have served as Volunteers. The primary challenge in providing skilled Volunteers at the levels requested by posts is the decrease in the number of applications for Peace Corps service over the last few years—from a high of 15,386 applications received in FY 2009 to 10,091 applications in FY 2012 and 10,118 applications in FY 2013. Significant process changes in FY 2013 related to the implementation of a new electronic applicant processing system also contributed to poor performance on this indicator this year.

Improving Volunteer recruitment and selection processes to better meet the skill needs of host countries is a critical priority for the agency. Major process and structural changes are currently underway, including reducing the length of the Volunteer application, expediting the application process, providing applicants with more transparency and choice regarding their potential Volunteer assignment, and other reforms to improve the application experience.



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

Volunteers live and work in developing communities worldwide and encounter a broad range of social and environmental conditions during their service. As a result, safety, security, and medical risks are an inherent part of Volunteer service. The effective and efficient management of agency resources, including human and financial resources, is critical to enabling Volunteers to focus on their work.

Public Benefit: Ensuring the safety, security, and health of Volunteers is the Peace Corps' highest priority, and the American people want Volunteers—individuals who are serving their country—to return home safely. Additionally, effective management practices ensure that the agency is utilizing the resources of the American taxpayers to achieve optimal performance.

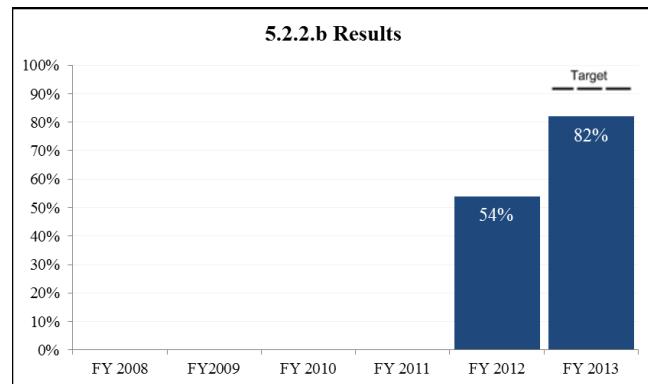
Notable Accomplishments:

- Implementation of the Sexual Assault Risk Reduction and Response program:** The Sexual Assault Risk Reduction and Response program is the Peace Corps' comprehensive strategy for reducing risks and strengthening its response to Volunteers who have been the victims of sexual assault and other violent crimes. The program has been in development over the past few years in consultation with post staff and Volunteers

worldwide, as well as nationally recognized experts, including recommendations from the Department of Justice; the Rape, Abuse, and Incest National Network; and the Peace Corps Sexual Assault Advisory Council. This program is based on a two-pronged approach: reducing risks through training for Volunteers and ensuring that Peace Corps staff responds effectively and compassionately when incidents do occur. This approach incorporates several policy changes, extensive training for Volunteers and staff, and new, clearly defined procedures for reducing the risk of sexual assault and responding to Volunteers who are victims of sexual assault. The program exceeds the requirements of the Kate Puzey Peace Corps Volunteer Protection Act of 2011, reflecting the agency's ironclad commitment to the physical and emotional well-being of every Volunteer.

- Improvements to the employee performance management system (Indicator 5.2.2.b):**

The agency is strengthening its employee performance management program by piloting a new performance appraisal program and revising agency policies related to the agency's incentive awards program. The new performance appraisal program better connects employee performance plans to the agency's strategic goals and objectives to help employees see how their work contributes to the mission. The incentive awards program was revised to create different levels of awards, both for individuals and groups, to include monetary and non-monetary recognition to enhance employee recognition.



Looking Forward

Over the past year, the agency has facilitated a highly inclusive process to set a strategic vision for the agency over the next five years through the development of the FY 2014-2018 Strategic Plan. The plan includes goals, objectives, and strategies guided by a vision in which:

- every Volunteer has a safe, healthy, and productive service,
- Volunteers contribute to demonstrable gains in human development and mutual understanding in the countries where they serve, and
- more Americans than ever before are inspired to commit to national service in the cause of peace.

Through the new strategic plan, the agency will proactively address recurring and future challenges and opportunities by institutionalizing key reforms to strengthen operations, ensuring the well-being of Volunteers, and deepening the agency's contributions to the development of the communities where Volunteers serve. The new plan will be finalized and published in the FY 2015 Congressional Budget Justification in February 2014 (to be posted at www.peacecorps.gov/open). Through the goals, objectives, and strategies in the plan, the agency will address the following key internal and external performance themes over the next five years.

Ensuring Volunteer well-being

The safety, security, and health of Volunteers will remain the agency's highest priorities. Volunteers dedicate two years of their lives to service in other countries where the health-care infrastructure and security environments are often fragile. During their service, some Volunteers live and work in communities where the potential for crime or conflict exists. Further, Volunteers may experience a range of emotions as they address the complexities of development work and encounter unique stressors. The agency is committed to maximizing Volunteers' well-being, thereby allowing them to focus on their assignments and helping to ensure that they return home safely and in good health. The Peace Corps adopts a holistic approach to Volunteer well-being that includes prevention and response systems and high-quality medical and mental health services.

The ongoing implementation of the Kate Puzey Peace Corps Volunteer Protection Act of 2011 will remain a focus for the agency. Many components of the Sexual Assault Risk Reduction and Response program are already in effect, including the Office of Victim Advocacy, improved training for Volunteers and staff, an immunity policy that encourages Volunteers to report sexual assault to the agency, a 24-hour anonymous sexual assault hotline pilot program for Volunteers, and sexual assault response liaisons at each post.

Becoming the service opportunity of choice for talented Americans

The Peace Corps remains a top choice for talented Americans interested in service. At the same time, the range of available international service opportunities has increased considerably since the founding of the agency in 1961. Faced with this challenge, the agency is introducing major changes to increase its effectiveness in attracting highly qualified candidates in a more competitive landscape.

The agency will become the service opportunity of choice for talented Americans interested in service by reaching a new generation of potential Volunteers and streamlining the application process. Improvements in the agency's recruitment and selection processes, including reducing the length and complexity of these processes and offering applicants greater transparency regarding their potential country of service, are already underway and will continue over the next few years. Increasing the number and types of service opportunities offered to Americans and increasing the number of applications received for Peace Corps service are major priorities for the agency.

Strengthening development impact

The Peace Corps is unique in how it contributes to the development of host countries. Rather than investing in major infrastructure projects, the Peace Corps works to build the capacity of local organizations, communities, and individuals to improve their own lives. Volunteers live and work in communities for an extended period of time and often serve in places that other development organizations rarely go. Volunteers' work is predicated on integrating and adopting local norms to build trust and mutual understanding. Volunteers respond to local needs through training, modeling, and acting as a resource for their partners in order to affect local development outcomes. The success of Peace Corps' approach to development is dependent on the agency's ability to design programming and training that leverages and builds upon the skills of the talented Americans selected for service.

The agency launched the Focus In/Train Up strategy in FY 2011 to re-focus programming and training on the projects and activities that provide the greatest opportunity for sustainable results—in which host country and local priorities are addressed by the knowledge, skills, and abilities of Volunteers. Significant progress has been made in implementing the strategy, including a complete re-design of technical training for each Volunteer sector and the re-development of projects for all posts. As a result, Volunteers are better positioned to contribute to local development outcomes.

Moving forward, the agency will continue to improve programming and training by strengthening language training and acquisition; better aligning the recruitment of Volunteers to programming; improving monitoring, reporting, and evaluation efforts; and engaging in global communities of practice through knowledge sharing platforms.

Engaging returned Volunteers to continue their service

More than 215,000 Americans have served as Peace Corps Volunteers since 1961. Many Americans have a relative, teacher, doctor, or friend who served as a Volunteer. These returned Volunteers represent a significant domestic dividend of Americans committed to making a difference and promoting peace and friendship. After they return home from their assignments, they continue advancing the Peace Corps mission by sharing their experiences with family, friends, and the American public; promoting volunteerism and service; and engaging in public service.

Returned Volunteers are critical to the agency's achievement of core goal three ("Help promote a better understanding of other peoples on the part of Americans"). For this reason, the agency actively encourages returned Volunteers to share their experiences with the American public and provides opportunities for them to do so. Returned Volunteers also participate in recruitment events to help recruit the next generation of Volunteers. Additionally, the agency prepares returned Volunteers to continue their service academically and professionally by aiding in their transition back to the United States through career services and *third goal* support.

However, much of the returned Volunteer community's work to advance the Peace Corps mission takes place outside the agency's control. Returned Volunteers organize organically into country-of-service-based or U.S. geographically-based groups to promote a better understanding of the countries and cultures in which they lived and worked. They also support Volunteer projects and engage in U.S.-based volunteer efforts. Additionally, the agency is limited in its ability to contact returned Volunteers directly by the Paperwork Reduction Act.

In the future, the agency will increase its engagement with returned Volunteer groups to provide more *third goal* promotional materials. The agency will also explore the development of a regular returned Volunteer survey to gather the perspectives of returned Volunteers on the agency's *third goal* efforts and to identify opportunities for improving the preparation and support of returned Volunteers to continue their service after they return home.

Developing an institutional memory

The Peace Corps' unique law limiting the vast majority of U.S.-based and American overseas staff to five-year appointments helps to ensure a constant influx of fresh ideas and innovation. It also produces significant human capital and knowledge management challenges. After decades of short-term staff appointments, a major challenge for the agency is knowledge retention. Staff members have limited opportunities to learn from the mistakes of their predecessors, build upon their best practices, or take full advantage of the experience of seasoned professionals.

At the same time, the spread of the internet and mobile technology to many of the communities where Volunteers serve presents an excellent opportunity to increase communication and collaboration between Volunteers and staff around the world. Knowledge sharing platforms can facilitate this collaboration by enabling both Volunteers and staff to store and search for specific project information. As a result, Volunteers and staff can solve problems and build upon already successful projects and strategies. *PCLive*, an internal agency website that facilitates the exchange of programming, training, evaluation, and other agency materials, was launched for staff use in FY 2013. The agency will refine this tool and expand its use to Volunteers in FY 2014. When fully operational, both Volunteers and staff will have the tools needed to begin building upon institutional memory. Volunteers and staff will be able to share experiences, upload content, ask questions and get answers, search for and filter information, and access important materials.

Improving performance through evidence and innovation

The Peace Corps is committed to improving agency performance by applying evidence-based solutions to persistent problems, conducting new evaluations and research to identify promising practices, and piloting and testing new approaches to meeting agency goals. Through the performance management system, the agency is strengthening operations in the field to the benefit of our host country partners and the American public.

The agency has made great progress in recent years to utilize data and evidence in program, policy, and budget decisions. For example, the Country Portfolio Review—an annual, comprehensive review of internal and external data related to each country program— informs the allocation of Volunteer and financial resources to overseas posts. Additionally, the agency holds quarterly performance reviews to regularly review progress on agency goals and prioritize strategies to meet goals.

Moving forward, the agency will engage in new evaluation and research activities and pilot innovative approaches to improve its programs. A new counterpart survey was piloted in FY 2013 and will be fully operational in FY 2014. The counterpart survey will collect feedback directly from Volunteers' local counterparts on their work. The agency will also expand its use of performance and process evaluations to better understand low program performance. Additionally, the collection of baseline data upon entering new country programs is now included in agency guidance. The agency is also experimenting with collecting baseline data for new Volunteer projects.

Analysis of Financial Statements

Overview of Financial Position

This summary of the agency's financial position and results of operations 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 has diminished to some extent since fiscal year 2012 due to required sequestration budget cuts.

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.

For the seventh consecutive year, the agency received an unmodified (clean) audit opinion on the financial statements. Additionally, the Peace Corps was further recognized by its sixth award of the coveted Association of Government Accountants' Certificate of Excellence in Accountability Reporting for the FY 2012 Performance and Accountability Report.

The agency funds mainly consist of appropriated funding administered by the U.S. Department of Treasury and appropriated by Congress in the amount of just over \$356 million for FY 2013. This constitutes a reduction of \$19 million from the FY 2012 appropriation of \$375 million. Budgetary Resources were \$447.8 million for FY 2013 compared to \$462.8 million as restated for FY 2012. 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 (primarily the reimbursable work the agency performs on behalf of other federal agencies such as U. S. Agency for International Developments and its \$11.9 million for the nation's Feed the Future, Global Education, and other initiatives). The FY 2012 Financial Statements were restated as shown in Note 18, Restatement, for its treatment of the Foreign Service National (FSN) Separation Liability Fund, the Host Country Resident Contractors (PSC) Separation Liability Fund, unfunded employment liability, and proceeds of sale.

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 agency continues to operate as one program and, in lieu of adopting goal costing, is enhancing the use of performance and cost information in budgetary decision making.

A comparison summary of the major financial activities in FY 2013 and FY 2012 is presented in the table that follows.

Changes in Financial Position from FY 2012 to FY 2013 (In Thousands)		
	FY 2013	FY 2012 (Restated)
Fund Balance with Treasury	188,687	180,689
Accounts Receivable	3,166	2,545
PP&E	29,987	35,176
Prepaid Volunteer Living Allowances	2,010	2,220
Other Assets	3,440	3,369
Total Assets	227,290	223,999
Accounts Payable	36,604	35,436
Employee Benefits	153,397	139,531
Unfunded FECA Liability	32,297	30,558
Unfunded Annual Leave	9,755	9,415
Other Employment Related	2,492	5,825

Non-Entity Funds	23,400	27,742
Other Liabilities	1,159	1,249
Total Liabilities	259,104	249,756
Unexpended Appropriations	129,818	114,526
Cumulative Results of Operations	-161,632	-140,283
Total Net Position	-31,814	-25,757
Total Liabilities and Net Position	227,290	223,999
Net Cost of Operations	371,842	394,587
Budgetary Resources	447,801	462,799

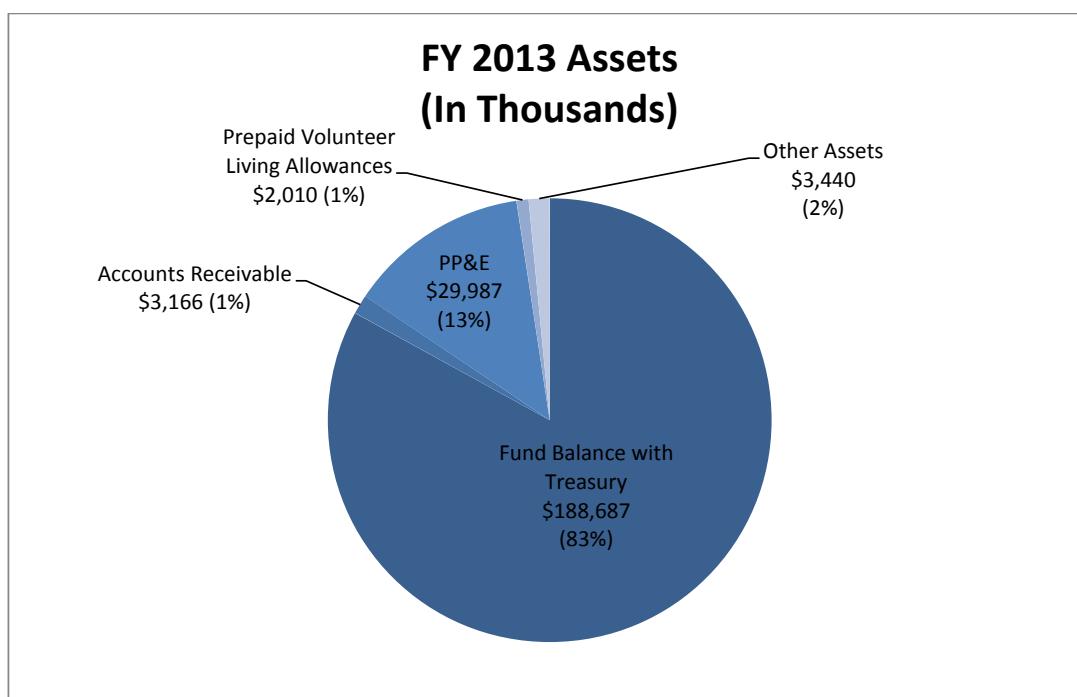
Analysis of Financial Results

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 \$227.3 million as of September 30, 2013 on the Balance Sheet. This represents an increase of \$3.3 million over FY 2012's \$224 million. The primary reason for the increase in assets was due to an increase in the Fund Balance with Treasury.

The most significant assets are the Fund Balance with Treasury and Property, Plant, and Equipment (PP&E) which represents 83 percent and 13 percent of the Peace Corps' assets, respectively. The Fund Balance with Treasury consists of funding available through the U.S. Department of Treasury's accounts to pay for agency obligations. PP&E are tangible assets owned by the agency, reported by major class in detail in Note 5, General Property, Plant, and Equipment, Net.

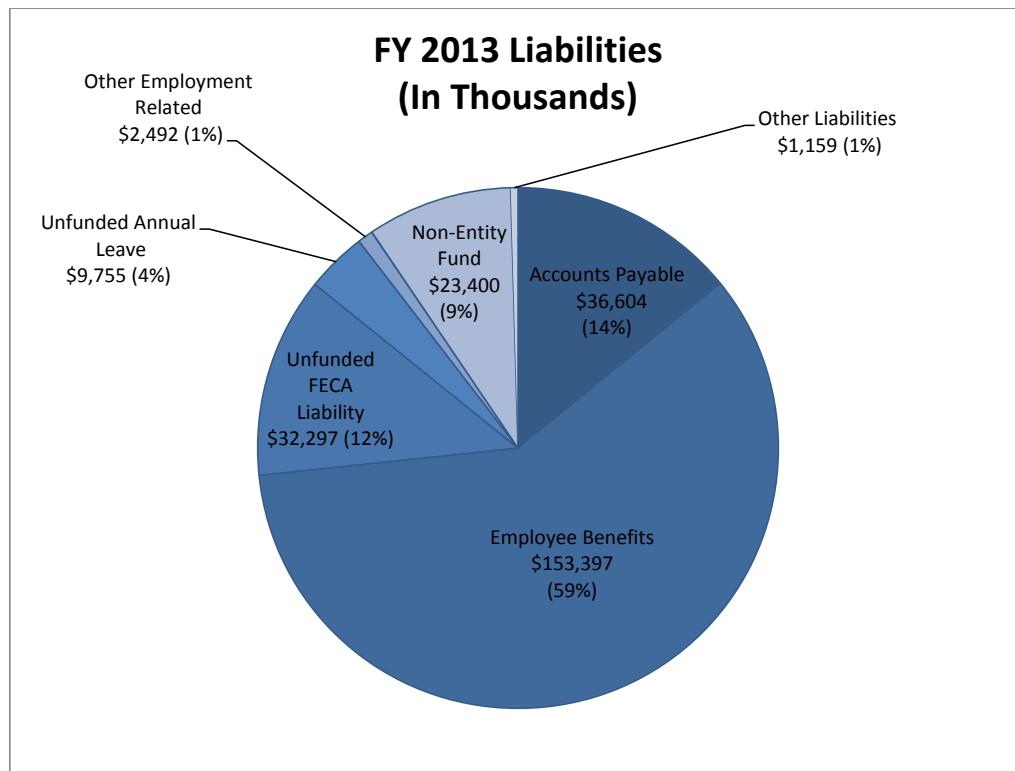
The FY 2013 Fund Balance with Treasury was \$188.7 million, increased by \$8.0 million from \$180.7 million in FY 2012 caused by lower rates of expenditure outlays in FY 2013. PP&E was \$30 million in FY 2013, decreased by \$5.2 from \$35.2 million in FY 2012 due to a lower balance in net book value for vehicles, information technology (IT) hardware, and general property, plant, and equipment associated with the disposition of assets in FY 2013.

Agency assets by type are shown in the chart below:



LIABILITIES – WHAT WE OWE. Liabilities are the amounts owed by the Peace Corps. Total liabilities of \$259.1 million were shown on the Balance Sheet as of September 30, 2013, an increase of \$9.3 million from \$249.8 million restated amount in FY 2012. This increase was primarily the result of Federal Employees' Compensation Act (FECA) benefits liability that was accrued for by the agency based on amounts provided by the Department of Labor.

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 decreased in FY 2013 to \$31.8 million from \$25.8 million in FY 2012.

NET COST – RESULTS OF OPERATIONS. The Net Cost of Operations decreased in FY 2013 from the restated balance of \$394.6 million in FY 2012 to \$371.8. The increased expenses for Volunteer and employee costs was offset by a correction in errors of FY 2012 severance and separation liability resulting in a \$22.8 million decrease in the agency's net cost of operations.

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 assesses the financial management systems strategy. OMB Circular A-123, Management's Responsibility for Internal Control, is the policy and guidance document that implements the requirements of 31 U.S.C. 3512 (c), (d) (commonly known as the FMFIA).

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 qualified assurance statement on the adequacy of internal controls over financial reporting (FMFIA § 2) and on conformance of financial systems with government-wide standards (FMFIA § 4) is shown below in the FY 2013 Qualified FMFIA Assurance Statement.

Internal Control Guidance

OMB Circular A-123 provides guidance for implementing the FMFIA further defines management's responsibility for internal control in federal agencies. OMB Circular A-127, Financial Management Systems, prescribes policies and standards to follow when managing financial management systems. Peace Corps Manual Section 784, Internal Control System, sets out the policies and procedures for establishing, assessing, correcting, and reporting on, the agency's 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.

Internal Control Operations

During the FY 2013 financial statement audit, the agency achieved its seventh consecutive unmodified (clean) audit opinion. Legal compliance was addressed through auditor testing of selected laws and regulations. Our independent external auditors identified one material weakness in the area of financial reporting and management. In this finding, it was determined that Peace Corps was not in compliance with OMB Circular A-11 with regards to financial reporting and management. An independent external audit firm conducting our annual Federal Information Systems Management Act (FISMA) of 2002 audit identified three "high" findings which we have determined to be, in essence, a material weakness.

The two material weaknesses notwithstanding, the agency's qualified annual FMFIA assurance statement that follows in this section is supported by department and office heads assurance statements of compliance with effective internal controls throughout the Peace Corps as of September 30, 2013. 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. 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 manager's reasonable assurance of compliance is further supported by risk assessments prepared earlier this year by department and office heads following reviews of operations in their area where no material weaknesses were identified. The risk assessments, though, did identify weaknesses of less severity than material weaknesses in a few select areas and those are being monitored closely and managed within the agency.

The two significant deficiencies from the FY 2012 financial statement audit were monitored through the agency's corrective action plan and during periodic Senior Assessment Team meetings throughout the year. The monitoring and corrective efforts of the Senior Assessment Team led by the chief financial officer with members of agency top management were not successful, though, in fully resolving these significant deficiencies.

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

Debt Management Controls

As a small agency, the Peace Corps has only a limited amount of debt to manage 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. Quarterly reports are provided through the Treasury Report on Receivables and Debt Collection Activities. When applicable, the agency writes-off delinquent debt older than two years to not overstate the accounts receivable and generally closes out the debt at that point. A Certification Agreement with Treasury has been signed for calendar year 2014.

Financial Management Systems Strategy

A complex upgrade to the agency's globally deployed multi-currency Oracle financial system, Odyssey, with its new sub-ledger accounting architecture was successfully completed by the in-house financial systems team during FY 2013. This improvement paved the way for financial reporting through the Governmentwide Treasury Account Symbol Adjusted Trial Balance System beginning in FY 2014.

Reducing the reliance on paper-based financial processing took another step forward with the upgraded personal services contractor application that automated error-prone manual calculations, reduced data entry, and eliminated the paper-based submission process for personal services contracts. As a result of the financial system automation and process improvements completed in FY 2013, the agency significantly reduced the number of documents mailed, re-entered, filed, and archived each year. Enhancements to the agency's information technology (IT) infrastructure and overseas financial systems modules, scheduled for completion in FY 2016, will further reduce the remaining paper-based financial business processes.

The Treasury's Payment Application Modernization will replace multiple applications across the federal agencies using Treasury disbursing services with a single standardized application to support improvements in the payment process. Enhancements to the financial system are underway and this agency will submit payment data in a newly developed standard input format in FY 2014.

The planned deployment of an agencywide commercial time keeping system was delayed until FY 2014 as the cross-service provider, Treasury, could not provide the necessary resources to support the implementation in FY 2013. The timekeeping system, which is much like that of the U.S. Agency for International Development, will expand and automate the ability to track, monitor, and capture the cost of capital projects once fully integrated with the Odyssey financial system. Initial implementation will only include domestic staff, and worldwide deployment to the posts could be as late as FY 2016.

An upgrade to the Hyperion Planning budget formulation and financial analysis software application is scheduled for completion during the second quarter of FY 2014. The system upgrade is necessary to ensure this core application continues to function as the agency upgrades IT infrastructure components.

The agency's property accountability system deployed worldwide in late FY 2011 has not proven effective and is expected to be replaced in FY 2014.

Finally, the agency continues to operate as one program and, in lieu of adopting goal costing, is enhancing the use of performance and cost information in budgetary decision making.

The FMFIA management assurance statement that follows is consistent with the FY 2013 financial audit report.

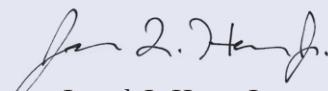
FY 2013 FMFIA Qualified Assurance Statement

The Peace Corps assessed the effectiveness of internal controls 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 a qualified statement of assurance for FY 2013 that its internal control over the effectiveness and efficiency of operations, financial reporting, and compliance with applicable laws and regulations was operating effectively. In FY 2013, one material weakness in the area of financial management and reporting and one material weakness in the area of information technology management were found.

The Peace Corps conducted its assessment of whether the financial management systems conform to government-wide 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-127 for FY 2013.



Carolyn Hessler-Radelet, Acting Director
December 13, 2013



Joseph L. Hepp, Jr.
Chief Financial Officer
December 13, 2013

VISION

GAYUDAN

Isang maunlad na barangay
na may seguridad, pagkataas
at tahanan na komunidad.

LEGEND:

Total no of H/H = 262.
Total no of population =



PERFORMANCE SECTION

Introduction to Agency Performance

The performance section details the results of the agency's activities in FY 2013 to improve performance on the five strategic goals, 14 performance goals, and 40 performance indicators outlined in the agency's FY 2013 annual performance plan. This is the fifth year of agency operations under the Peace Corps FY 2009-2014 strategic plan. The strategic plan and performance plan can be found at www.peacecorps.gov/open.

The performance section includes a discussion of the work that supports the agency's strategic goals. The rationale for each indicator is included and describes how it relates to the achievement of performance goals. Subsequent discussion links the major agency activities associated with the indicator to the results achieved. Information is provided on how the agency will strengthen performance moving forward. Finally, the data source for each performance indicator is included.

The FY 2013 annual performance plan includes several indicators first included in FY 2012; as a result, trend data are not available for all indicators. Prior year trend data are provided when available.

Performance Management at the Peace Corps

The agency is deeply committed to performance improvement through the use of high-quality data and evidence. The Peace Corps Acting 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 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 leadership, 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. A *performance spotlight* is identified during each quarterly meeting to highlight a particularly notable use of data in program, policy, or budget decisions.
- Integrated Planning and Budget System (IPBS). Through the IPBS, headquarters offices and posts develop strategic and operational plans in order to ensure that 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. Through the IPBS, the agency is working to better link performance and budgeting processes to ensure decision makers have the appropriate information to inform program, policy, and budget decisions.
- Annual 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 allocation of Volunteers and other resources.

Verification and Validation of Performance Data

The agency's FY 2013 performance results are based on reliable and valid data that are complete as of the end

of the fiscal year. The agency places great value and emphasis on continuously improving its performance reporting procedures and processes.

Data collection and reporting consistency is ensured by the use of detailed indicator data reference sheets that include operational definitions, data sources, and a comprehensive methodology for measuring each performance indicator. The agency ensures the data are complete and accurate through oversight and review by OSIRP. The major data sources are detailed below.

Annual Volunteer Survey

The Annual Volunteer Survey (AVS) is an anonymous, voluntary survey of all currently serving Volunteers. This comprehensive survey provides direct feedback from the Volunteers regarding agency activities and is a key data source informing performance improvement. In FY 2013, the agency reached the highest response rate in the history of fielding the survey since 1975—92 percent. The consistently high response rate from Volunteers minimizes total survey error. The survey is not, however, administered to a random sample of Volunteers and—as with other non-randomized surveys—therefore subject to non-response bias.

The demographic profile of the survey respondents is representative of the Volunteer population in key characteristics: age, sex, race, ethnicity, level of education, and status as a Volunteer. In FY 2013, AVS was administered exclusively online for the second year in a row. 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 management about the Volunteers' perspectives on key issues. The high response rate from Volunteers and the data verification and validation measures 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 meaningful or significant. In using AVS results, the agency reviews longer-term trends to account for normal, expected variations in responses.

Peace Corps Database Systems

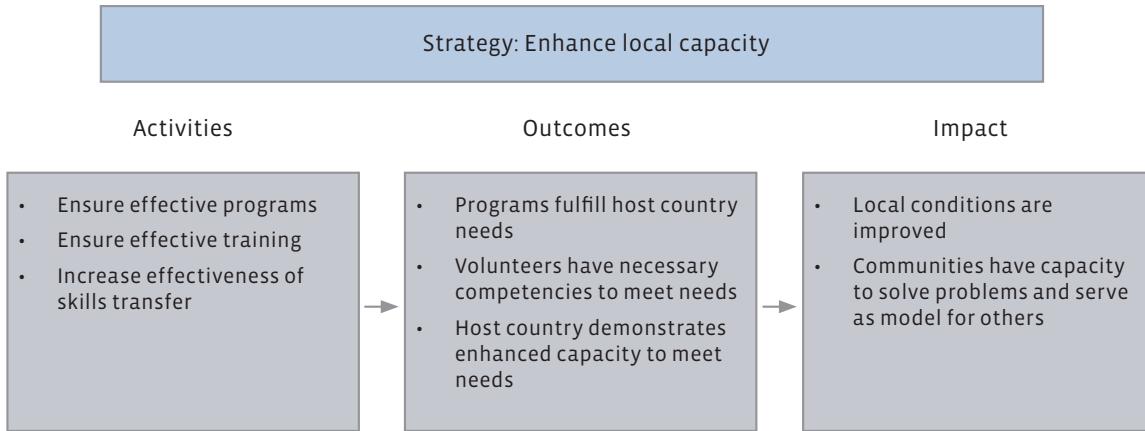
The agency maintains several database systems to collect Volunteer and program information. Only authorized staff who have been properly trained can access key systems, maintaining data integrity and ensuring that the data entry methodology is followed. Regular reconciliation processes between agency 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 are 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 indicator section.

Overseas post and headquarters office data call

Overseas posts submit data for seven performance indicators through an online survey at the end of the fiscal year. Headquarters offices submit data for one indicator. Both overseas posts and headquarters offices submit information on the evaluation and research activities they conducted in FY 2013, including the findings generated and the actions taken in response to those findings. Leaders from all overseas posts and headquarters offices responded to the survey in FY 2013, thus providing valid performance data. The survey was designed with clear logic and data validation rules to minimize data entry error. The data were independently reviewed and anomalies were addressed and corrected to improve data quality. As a result, high data quality was established and the required level of accuracy was met.

Annual Performance Results

Strategic Goal 1: Enhance the capacity of host country individuals, organizations, and communities to meet their skill needs



The Peace Corps supports the work of the Volunteers by developing effective projects in collaboration with host country governments and local communities and organizations, training Volunteers in the skills they need to build local capacity, and focusing on skills transfer to local individuals and community groups. The continued implementation of the Focus-In/Train-Up strategy—an agency-wide effort to focus on highly effective interventions and to provide Volunteers with world-class training—served to advance this strategic goal.

The agency was successful in strengthening local capacity in FY 2013. Eight of 11 performance targets were met.

Performance Goal Results

Performance Goals	Performance Indicators	FY 2013 Target	FY 2013 Result	Target Met
1.1.1: Ensure the effectiveness of in-country programs	1.1.1.a. Percentage of project managers who meet with their host country Project Advisory Committees	56%	85%	✓
	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	95%	90%	✗
	1.1.1.c. Percentage of projected length of service actually served by Volunteers	87%	90%	✓
	1.1.1.d. Percentage of Volunteers who report their satisfaction with site selection and preparation as adequate or better	73%	73%	✓
1.2.1: Ensure the effectiveness of in-country training	1.2.1.a. Percentage of Volunteers who meet local language requirements for service per post testing standards	88%	91%	✓
	1.2.1.b. Percentage of Volunteers who report training as adequate or better in preparing them technically for service	84%	83%	✗
	1.2.1.c. Percentage of Volunteers who report training as adequate or better in preparing them to work with their counterparts/community partners	82%	83%	✓
	1.2.1.d. Percentage of posts that provide monitoring and evaluation training to their Volunteers	90%	100%	✓
1.3.1: Increase the effectiveness of skills transfer to host country individuals, organizations, and communities	1.3.1.a Percentage of Volunteers who report their primary project work transferred skills to host country individuals and organizations adequately or better	87%	88%	✓
	1.3.1.b. Percentage of projects documenting measurable impact in building the capacity of host country nationals	86%	88%	✓
	1.3.1.c. Percentage of partner organizations at post that report their assigned Volunteer fulfilled their requested need for technical assistance	75%	61%	✗

✓ Target met

✗ Target not met

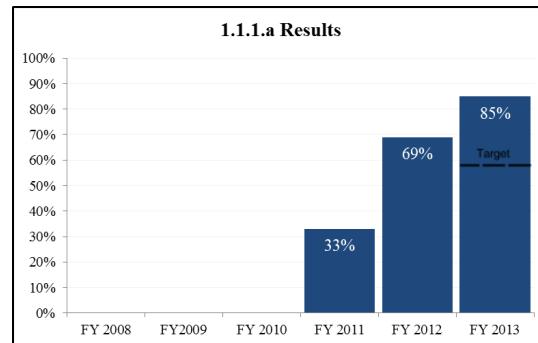
Performance Goal 1.1.1: Ensure the effectiveness of in-country programs

Indicator 1.1.1.a: Percentage of project managers who meet with their host country Project Advisory Committees

FY 2013 Target	FY 2013 Result	Target Met
56%	85%	✓

Rationale: Effective projects ensure local support by taking into account the needs of the host country and local beneficiaries. Project Advisory Committees (PACs) are composed of agency staff, host country government officials, and local counterparts. They serve as advisory bodies to program managers to design, monitor, and assess projects.

Discussion of Result: *The target was met.* The agency held Project Advisory Committees for the vast majority of its projects—144 of 169 projects (85 percent). The use of PACs is now a wide-spread practice among posts to ensure local partners are engaged in project development and evaluation. Performance was much higher than expected and can be largely attributed to host country and local beneficiary involvement in project revisions through the Focus In/Train Up strategy.



The agency built on the success achieved last year by continuing to promote the practice across each region and providing additional resources. The major challenge cited by posts is turnover among their key local government partners which inhibits their ability to maintain stable PACs. Posts are exploring low-cost solutions for meeting with PACs, including holding meetings in the capital city to minimize travel costs and scheduling virtual meetings.

Strengthening Future Performance: The agency will continue to provide encouragement and guidance to all overseas posts for engaging PACs and share best practices among posts for operating PACs. Programming and training guidance will be updated in FY 2014, and the use of PACs will be highlighted as a best practice.

Data Source: Overseas post data call

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 2012 Target	FY 2012 Result	Target Met
95%	90%	✗

Rationale: Annual progress reports describe the achievements of all projects at a post to host country agency sponsors and partners. By reporting annually to local stakeholders on the progress of projects, the agency documents the impact of its Volunteers and facilitates a dialogue with the host country on how best to increase the effectiveness of those projects.

Discussion of Result: *The target was not met.* Out of 62 posts, 56 posts provided annual reports to their host country partners for all of their projects—the highest percentage achieved since data has been collected on this indicator. Even though the target was not met, the agency has made substantial progress since last year.

All posts in the Europe, Mediterranean, and Asia region provided progress reports to partners for all of their projects—a notable accomplishment. The Africa region set a goal of 100 percent for its posts, and reported very significant progress this year. All but one post (96 percent) in the region developed annual reports for all projects—a marked improvement from the result last year (68 percent).

Identifying resources—including writers and funding for translations—to develop the annual reports remains a challenge. While the agency has developed several types of supplementary guidance regarding the development and delivery of annual reports, some posts also reported that the lack of a standard template for report content presents them with challenges in meeting the indicator. In addition, several posts also reported that in countries where local stakeholders are not accustomed to receiving electronic copies or accessing documents on the internet, expensive printed reports are expected, adding significant additional cost to the reports.

Strengthening Future Performance: The agency will continue to share best practices through regional conferences to improve how results are reported to local stakeholders. Best practices include, incorporating content from Peace Corps Volunteer Leaders, providing electronic versions of reports where locally acceptable, and using alternative forms for the reports, such as PowerPoint presentations, instead of long, technical documents.

Data Source: Overseas post data call

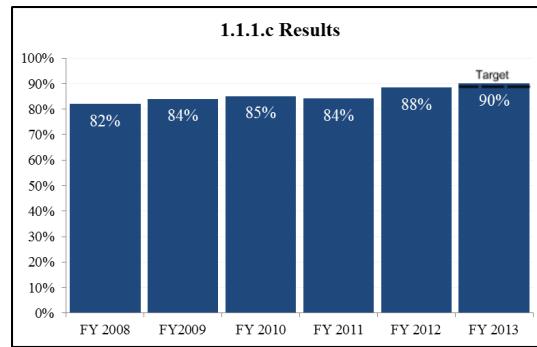
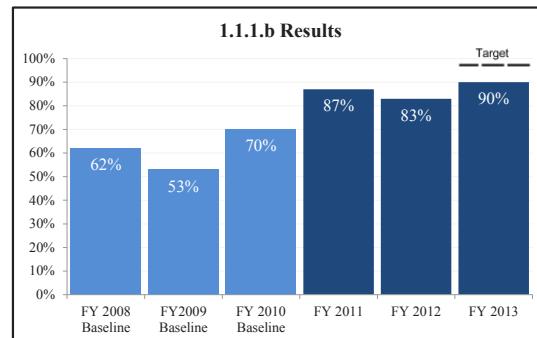
Indicator 1.1.1.c: Percentage of projected length of service actually served by Volunteers

FY 2013 Target	FY 2013 Result	Target Met
87%	90%	✓

Rationale: Projects require a specific amount of Volunteer service time for effective implementation. A high percentage of projected length of service actually served indicates Volunteers are in their communities for a sufficient length of time to meet project goals.

Discussion of Result: *The target was met.* This measure provides one perspective on “early terminations” of Volunteers serving in the field. The result for FY 2013 indicates that Volunteers are serving more of their service time than they have in recent years—an achievement that ensures the agency’s investment in Volunteer resources yielded added results.

The agency works to reduce the number of Volunteers who leave service early. The unexpected departure of a



Volunteer can have a negative effect on the Volunteer's project and the goals established between the Peace Corps and the host country. Moreover, it represents a lost investment for the Peace Corps, which devotes resources to recruit and train individuals for service. The agency reduces early terminations by utilizing a rigorous Volunteer selection process and by ensuring Volunteers receive the necessary training and support to be safe, healthy, and successful.

Strengthening Future Performance: The agency will analyze early termination measures, including the reasons cited by Volunteers and staff for resignations, to identify trends across regions, posts, and sectors that may point to opportunities for improvement.

Data Source: Peace Corps Database System

Indicator 1.1.1.d: Percentage of Volunteers who report their satisfaction with site selection and preparation as adequate or better

FY 2013 Target	FY 2013 Result	Target Met
73%	73%	✓

Rationale: To create an environment for effective projects, the agency must select work sites that provide meaningful work opportunities and support the health and safety of Volunteers. The appropriate selection and preparation of work sites is crucial to the effectiveness of a Volunteer and the success of the overall project.

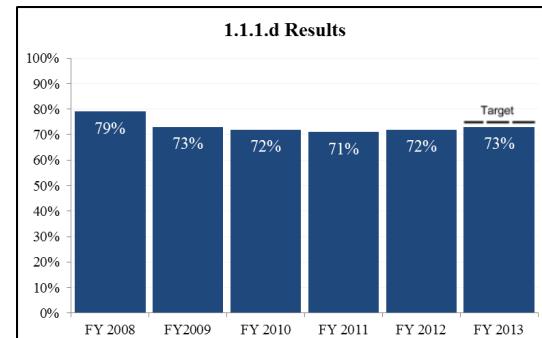
Discussion of Result: *The target was met.* From FY 2008 to FY 2009, Volunteers' satisfaction with site selection and preparation declined from 79 percent to 73 percent. Since FY 2009, the result has stabilized. While the target was met, the increase in Volunteers' satisfaction is not statistically significant and may be the result of normal fluctuations in Annual Volunteer Survey responses.

Site selection and preparation standards were developed in FY 2013 and have been disseminated to posts. All three regions developed and distributed region-specific guidance and standards. The Inter-America and the Pacific region and Europe, Mediterranean, and Asia region sent out guidance and a site development handbook for posts. The Africa region rolled out the standards at the country director conference.

Volunteer site selection and preparation has been a challenge for several years. Constraints have included inadequate staffing levels, turnover of key staff such as country directors and directors of programming and training, inconsistent application of site selection and preparation protocols, and host country restrictions on the locations where Volunteers can serve. Effective site selection and preparation includes three major components: identifying appropriate sites, setting appropriate expectations with Volunteers, and regularly monitoring sites to provide support to Volunteers.

Strengthening Future Performance: The agency will collect feedback from posts to identify areas for improvement. The agency will continue to place a premium on the implementation of critical recommendations from Peace Corps safety and security officers that relate to posts' adherence to site selection criteria.

Data Source: Annual Volunteer Survey



Performance Goal 1.2.1: Ensure the effectiveness of in-country training

Indicator 1.2.1.a: Percentage of Volunteers who meet local language requirements for service per post testing standards

FY 2013 Target	FY 2013 Result	Target Met
88%	91%	✓

Rationale: Volunteers must achieve sufficient language ability to maintain their safety and security, integrate into their community, and work effectively. A high percentage of Volunteers who meet local language requirements indicates that training has been effective in preparing Volunteers for service.

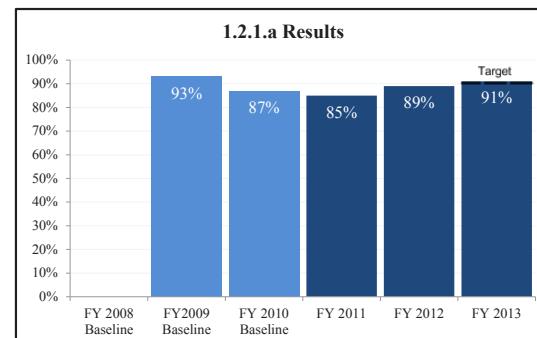
Discussion of Result: *The target was met.* In FY 2013, the agency continued to build on the improvements to the language training program through training-of-trainers sessions and language proficiency index certification workshops.

While the target was met, the agency focused on improving data quality for this indicator. Posts continue to face technical difficulties in recording benchmarks and scores consistently. As a result of issues with the database, only 80 percent of Volunteers in FY 2013 who were tested had their language scores recorded in the database. The agency conducted a root cause analysis of the problem to identify potential solutions. The agency also worked with posts to set benchmarks, record scores, and transfer paper records into the database. These efforts will result in data quality improvements in the future.

The high turnover among certified language instructors is another challenge. Language instructors are often only contracted during Volunteers' three-month pre-service training, contributing to high turnover as instructors secure other full-time work. Some posts have experimented with converting part-time language instructor positions into full-time language and cultural facilitator positions to teach local languages during pre-service training, continue providing language tutoring throughout Volunteers' service, and serve as a cultural resource as Volunteers integrate into their communities.

Strengthening Future Performance: To improve data quality, the agency has set an internal goal of collecting data for 100 percent of the Volunteers who are required to take a language test. The agency will also improve the database to correct the technical problems that posts face in recording language benchmarks and scores. Further, the agency will continue to pilot new strategies for improving the retention of language instructors. The agency will also expand the use of language testing at the end of Volunteers' service to evaluate the language learning that has occurred throughout service.

Data Source: Peace Corps Database System



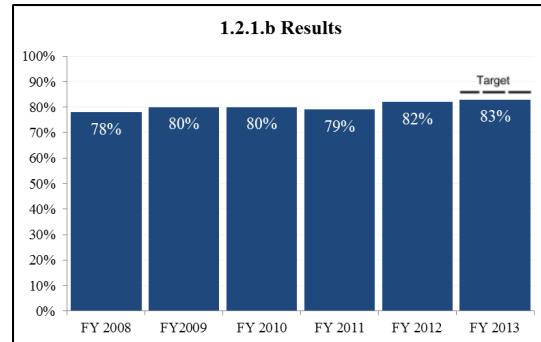
Indicator 1.2.1.b: Percentage of Volunteers who report training as adequate or better in preparing them technically for service

FY 2013 Target	FY 2013 Result	Target Met
84%	83%	✗

Rationale: The agency provides Volunteers with technical training to prepare them for local, project-specific work. Volunteers who have been adequately trained in technical areas have the competencies necessary to address host country needs.

Discussion of Result: *The target was not met.* While the target for this indicator was not met, performance improved from last year and significant progress was made in strengthening technical training.

In FY 2013, technical training packages were finalized for all Volunteer sectors through the Focus In/Train Up strategy. The Global Core training modules, required for all posts, were updated. Additionally, terminal learning assessment tools, which will help posts and headquarters clearly track the effect of training on Volunteer preparedness, were pilot-tested.



One of the primary challenges in strengthening technical training is the development and retention of technical trainers. Similar to language instructors, technical trainers are often seasonal employees. After their short-term contract expires, many trainers find other, full-time employment opportunities. This results in the loss of the agency's investment in training technical staff on working effectively with Volunteers and delivering Peace Corps-specific training material.

Strengthening Future Performance: The agency will continue to implement and evaluate the Focus In/Train Up strategy to improve programming and training. The agency will also test alternative technical training staffing models, including converting technical training staff into full-time programming and training specialists that provide technical training and Volunteer project support throughout the year.

Data Source: Annual Volunteer Survey

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

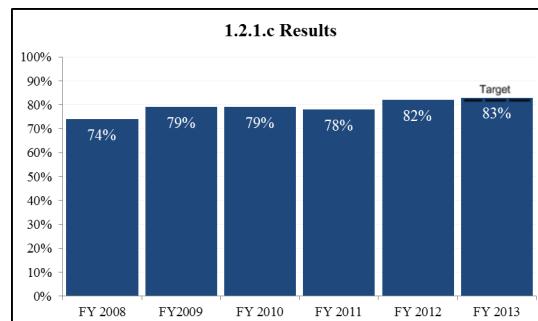
FY 2013 Target	FY 2013 Result	Target Met
82%	83%	✓

Rationale: Volunteers build local capacity by working closely with local counterparts and partners. Counterparts and community partners connect Volunteers to local communities, and Volunteers must maintain and develop these relationships to ensure the sustainability of their work.

Discussion of Result: *The target was met.* The agency has consistently improved results on counterpart training for Volunteers.

The agency trains Volunteers on how to work successfully with local counterparts and partners with a focus on managing cultural differences.

In FY 2013, the agency included the *Understanding My Work Partner* training session for program managers in the Focus In/Train Up Global Core training curriculum required for all posts. The session builds staff skills in supporting Volunteers' efforts to form positive work relationships with their counterparts. The agency also developed an intercultural learning strategy that, when operational, will help to determine the effectiveness of Volunteer cultural exchange efforts.



Strengthening Future Performance: Planned updates to the intercultural training provided to Volunteers will focus on workplace interactions. Data from the Annual Volunteer Survey suggests that Volunteers manage cultural differences more effectively in their community than with their counterparts. The agency also plans to launch a new standardized counterpart survey (piloted in FY 2013) to measure and track counterpart perceptions of the work of the Volunteers.

Data Source: Annual Volunteer Survey

Indicator 1.2.1.d: Percentage of posts that provide monitoring and evaluation training to their Volunteers

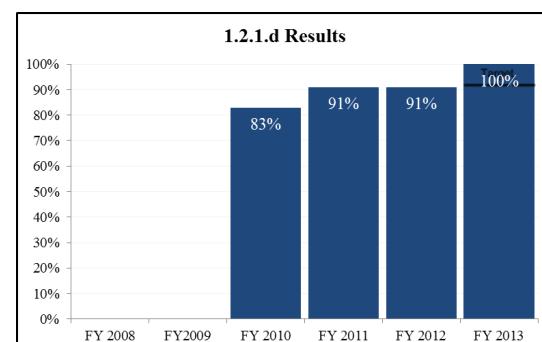
FY 2013 Target	FY 2013 Result	Target Met
90%	100%	✓

Rationale: When Volunteers are adequately trained in monitoring and evaluation (M&E), they will be better able to carry out their projects by more accurately assessing their achievement of project goals and making modifications in their approach when necessary.

Discussion of Result: *The target was met.* Standardized M&E training is now provided to Volunteers across the world during pre-service training. All posts provided M&E training to Volunteers in FY 2013. This significant achievement was due to the integration of M&E training into the Global Core training curriculum required for all Volunteers during pre-service training. The target was exceeded due to the implementation of the standardized Focus In/Train Up training packages.

Posts offered six standardized M&E sessions, developed through Focus-In/Train-Up:

- *Accomplishing Peace Corps' First Goal*
- *Why we Monitor and Evaluate*



- *How to Use Sector M&E Tools*
- *How we Report our Work*
- *How we Share our Progress*
- *How we Analyze Data*

The agency increased M&E support to posts in FY 2013 by delivering three regional M&E workshops to build the skills of programming and training staff and prepare data collection tools for Volunteers. Through the workshops, the agency built a cadre of “M&E champions” to promote an M&E culture among Volunteers and staff and to develop training and tools to improve the use of M&E in the field.

Strengthening Future Performance: The agency will revise the six standard M&E sessions to reflect feedback gleaned from the three regional workshops. Moving forward, the agency will no longer set a target for this indicator in the annual performance plan as all posts are now required to provide M&E training to Volunteers and performance is already at a high level.

Data Source: Overseas post data call

Performance Goal 1.3.1: Increase the effectiveness of skills transfer to host country individuals, organizations, and communities

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 2013 Target	FY 2013 Result	Target Met
87%	88%	✓

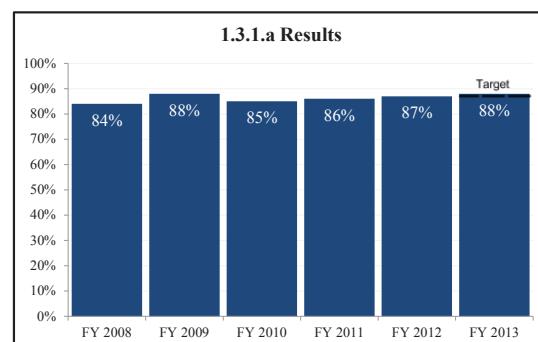
Rationale: Volunteers build local capacity by transferring skills to host country individuals and organizations. Volunteers’ perception of their work is one indicator of the effectiveness of their capacity-building efforts.

Discussion of Result: *The target was met.* Since FY 2008, Volunteers have consistently reported their work transfers skills to host country individuals and organizations. This suggests that the vast majority of Volunteers feel they are prepared for and placed in environments where they can effectively transfer their skills to local partners.

Improved performance in FY 2013 is likely due to the redesign of all projects through the Focus In/Train Up strategy and the increased focus on M&E among Volunteers and staff.

Strengthening Future Performance: The development of a new Volunteer Reporting Tool (to be fully operational in FY 2014) will substantially improve Volunteers’ tools for monitoring and evaluating the success of their primary project work.

Data Source: Annual Volunteer Survey



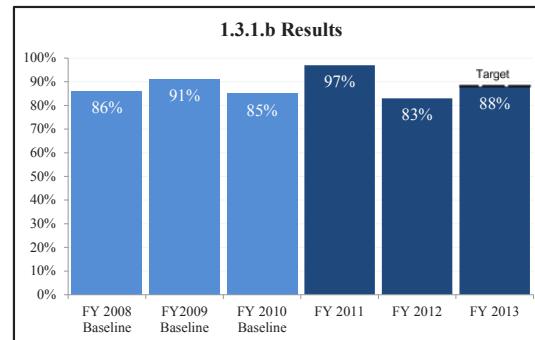
Indicator 1.3.1.b: Percentage of projects documenting measurable impact in building the capacity of host country nationals

FY 2013 Target	FY 2013 Result	Target Met
86%	88%	✓

Rationale: The use of multiple sources, including host country beneficiaries, regarding Volunteers' capacity-building efforts allows posts to form more evidence-based opinions on the impact of their Volunteers. As a result, project managers can replicate successes and address challenges in skill transfer.

Discussion of Result: *The target was met.* Of the 168 Peace Corps projects operational in FY 2013, the agency documented an increase in host country national capacity through two or more sources in 148 projects (88 percent). The agency collected data or evidence on the impact of Volunteers' work in 166 projects (99 percent). The agency utilized the following sources to document the impact of Volunteers:

- Conversations with host country nationals during site visits (97 percent)
- Volunteer Reporting Tool (92 percent)
- Project Advisory Committees (74 percent)
- Direct observations by Peace Corps staff (67 percent)



In many cases, posts used planned, routine visits with counterparts, beneficiaries, and partners to collect data on Volunteer impact. Additionally, 12 posts collected impact data through the pilot of the new counterpart survey.

The rollout of standard M&E training for Volunteers, as well as the intensive regional M&E workshops, has increased the M&E capacity of Volunteers and staff. Two dedicated, full-time M&E staff have also been hired in the Europe, Mediterranean, and Asia region (based at Peace Corps headquarters) and the Inter-America and the Pacific region (field-based). Volunteers and posts now have additional skills and tools to evaluate the effectiveness of projects in building the capacity of host country nationals.

The lack of baseline data remains a major challenge. Without baseline data related to Volunteers' work, the agency is unable to adequately measure the change in host country national capacity that occurs as a result of the work of Volunteers. The agency is taking steps to address this problem. Baseline data collection is now included in the new country entry guide, ensuring that this becomes a standard operating procedure.

Strengthening Future Performance: Improvements to the Volunteer Reporting Tool will be completed in FY 2014. The combination of an improved reporting tool, increased baseline data collection, and standard M&E training will allow Volunteers to report progress on standard sector indicators, including those indicators tracking behavior change, more accurately. In addition, the agency will launch a standardized counterpart survey to measure the influence of Volunteers and their project work on host country national capacity building from the perspective of those with whom they work most closely.

Data Source: Overseas post data call

Indicator 1.3.1.c: Percentage of partner organizations at post that report their assigned Volunteer fulfilled their requested need for technical assistance

FY 2013 Target	FY 2013 Result	Target Met
75%	61%	✗

Rationale: Positive feedback from partner organizations about the work of Volunteers indicates that the Peace Corps is effective in transferring skills to local beneficiaries.

Discussion of Result: *The target was not met.*

Volunteers partnered with more than 6,000 organizations in FY 2013, and 61 percent reported their assigned Volunteer fulfilled their requested need for technical assistance.

Partners cited the training provided by Volunteers, regardless of the sector, and their work with youth as the primary examples of how they met the partners' need for technical assistance. A partner in Morocco commented on the assigned Volunteer:

“The [Volunteer] has a unique way in his interactions and interpersonal communication. He has been able to impress the youth, and they are coming in increasing numbers because he has been able to adapt to his environment ... in a very short time. Participation has increased due to his calm, patient demeanor. He's a leader for the youth.”

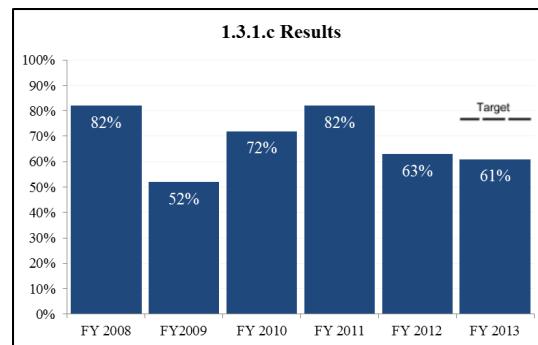
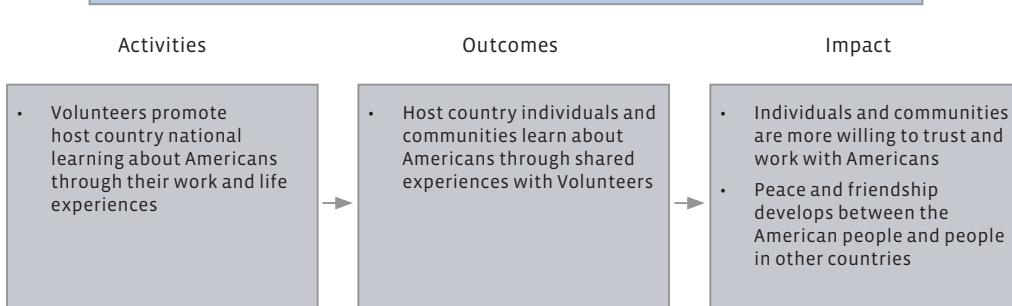
The lack of reliable data collection methods and tools for this indicator remains a major constraint. As a result, 19 posts did not report on the indicator. From the 42 posts that reported, 89 percent of partner organizations report their assigned Volunteer fulfilled their need for technical assistance.

Strengthening Future Performance: Posts currently collect data for this indicator through a variety of means. The new counterpart survey will serve as a tool for the standard collection of counterpart feedback.

Data Source: Overseas post data call

Strategic Goal 2: Promote a better understanding of Americans on the part of host country individuals, organizations, and communities served by Volunteers

Strategy: Promote a better understanding of Americans



Volunteers promote a better understanding of Americans by becoming an integral part of the communities where they serve—forging long-lasting relationships with local people and working collaboratively to address the goals of the local community.

Information from the Host Country Impact Studies that have been conducted since 2008 suggests that Volunteers have been successful in promoting a better understanding of Americans; however, the lack of consistent feedback from the people with whom the Volunteers live and work hampers the agency's ability to monitor progress year to year. In FY 2013, two of three performance targets were met. One indicator was monitored.

Performance Goal Results

Performance Goal	Performance Indicators	FY 2013 Target	FY 2013 Result	Target Met
2.1.1: The work and life experiences of Volunteers in country promote host country national learning about Americans	2.1.1.a. Percentage of Volunteers who report their training prepared them to manage cultural differences during service adequately or better	90%	93%	✓
	2.1.1.b. Percentage of posts conducting supervisory and counterpart training on working effectively with Volunteers	95%	100%	✓
	2.1.1.c. Percentage of host country nationals who report positive opinions of Americans through their interactions with Volunteers	Monitor	--	--
	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	68%	67%	✗
✓ Target met ✗ Target not met				

Performance Goal 2.1.1: The work and life experiences of Volunteers in country promote host country national learning about Americans

Indicator 2.1.1.a: Percentage of Volunteers who report their training prepared them to manage cultural differences during service adequately or better

FY 2013 Target	FY 2013 Result	Target Met
90%	93%	✓

Rationale: To promote a better understanding of Americans in the communities where they serve, Volunteers must first learn how to live and work in communities with cultures different than their own. Training provided by the Peace Corps builds skills in managing cultural differences and living and working in a culturally appropriate manner.

Discussion of Result: The target was met. Performance has been sustained at a high level since FY 2008. The agency continues to measure and set targets for this indicator to ensure this high level of achievement is sustained. As a result, the agency works to maintain performance at the 90 percent level or better to focus scarce resources on improving training where it is most needed.

The *Managing Cultural Differences* session remains one of the most highly-rated training sessions provided by the Peace Corps. In FY 2013, following the hiring of a specialist in intercultural learning, the agency also developed an intercultural learning strategy to enhance support to Volunteers in managing the cultural differences they encounter in their project work.

Strengthening Future Performance: The agency will continue to provide Volunteers with standardized intercultural training sessions to prepare them to appropriately manage cultural differences in their communities. The agency has also hired a specialist in intercultural learning to implement the intercultural learning strategy which will provide additional support for Volunteers in this area.

Data Source: Annual Volunteer Survey

Indicator 2.1.1.b: Percentage of posts conducting supervisory and counterpart training on working effectively with Volunteers

FY 2013 Target	FY 2013 Result	Target Met
95%	100%	✓

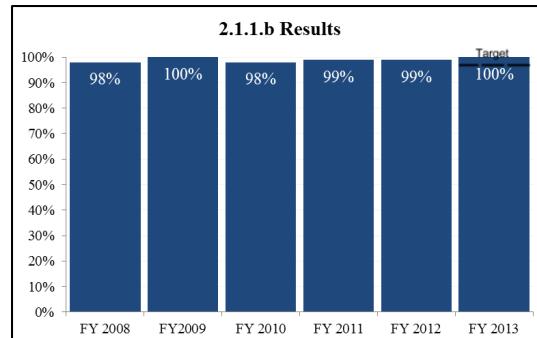
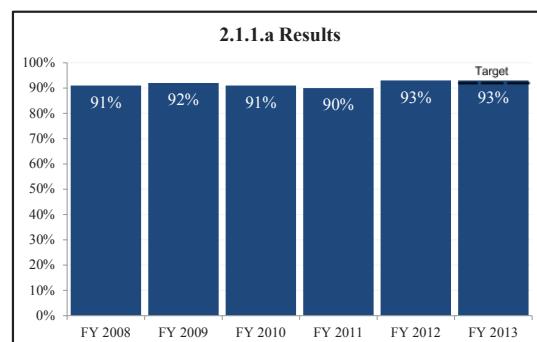
Rationale: Supervisors and counterparts who receive training on working effectively with Volunteers better understand American culture and Peace Corps' approach to development. When supervisors and counterparts are well-equipped to help Volunteers adjust to the local community and pursue their project objectives, Volunteers are better positioned to promote local learning about Americans.

Discussion of Result: The target was met. All posts offered supervisory and counterpart training this year.

The agency helps to build relationships between counterparts and Volunteers by providing both with strategies for working effectively together. The training of counterparts complements the sessions provided to Volunteers on working effectively with their counterparts and community partners (discussed in indicator 1.2.1.c).

Counterpart training sessions in FY 2013 contributed to setting appropriate expectations for counterparts about the role of the Volunteer and how they will collaborate.

Many posts reported that making the training interactive and engaging host country participants in the development and facilitation of the training were the most successful strategies. In Uganda, for example,



a second-year Volunteer and her counterpart participated in the training session by offering their shared perspective on the Volunteer/counterpart relationship.

Strengthening Future Performance: The agency piloted a counterpart survey at multiple posts across all regions and sectors in FY 2013. The results will help refine the instruments and methods used in the Peace Corps' first standardized counterpart survey to be launched agencywide in FY 2014. The survey will provide data directly from counterparts on a number of topics, including the effectiveness of both formal and informal counterpart training.

Data Source: Overseas post data call

Indicator 2.1.1.c: Percentage of host country nationals who report positive opinions of Americans through their interactions with Volunteers

FY 2013 Target	FY 2013 Result
Monitor	--

Rationale: A positive change in host country nationals' opinions of Americans through interactions with Volunteers indicates that host country nationals are learning about Americans.

Discussion of Result: Results for this indicator are based on findings from Host Country Impact Studies. Host Country Impact Studies are independent evaluations of the impact of Volunteers based on information collected directly from host country counterparts, beneficiaries, and host families. They are significantly less costly than impact evaluations typically conducted by other development organizations. However, due to resource constraints, only a few studies can be completed each year. Therefore, results cannot be generalized to agency efforts worldwide, and targets are not set for this indicator. Results are monitored, however, and the insights gathered from the studies help to inform management decisions.

No new Host Country Impact Studies were conducted in FY 2013. As a result, data are not available for this indicator.

Since FY 2008, 24 studies have been conducted of projects in 24 countries. In total, more than 3,000 interviews of host country nationals were conducted to capture their perceptions on how Volunteers met the needs of the community and promoted a better understanding of Americans. During FY 2013, six of the studies were finalized and published on the Peace Corps website: Fiji, Ghana, Nicaragua, Paraguay, Thailand, and Togo.

Results from the studies suggest that the combination of frequent social and professional interactions between Volunteers and host country nationals builds relationships of trust and increases understanding, leading to changes in opinions. Exemplifying a common theme from counterpart responses, one Volunteer counterpart in Thailand described their new perspective on Americans: "I remember the enthusiasm, strong commitment, and determination of the Volunteer."

Published studies, as well as short summaries, can be found at www.peacecorps.gov/open/evaluations. The agency plans to publish all completed studies by FY 2014.

Strengthening Future Performance: The agency will conduct a meta-analysis of completed Host Country Impact Studies by the end of the second quarter of FY 2014. A new counterpart survey will also provide evidence on the effect of Volunteers on improving the perception of Americans among host country nationals.

Data Source: Host Country Impact Studies

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 2013 Target	FY 2013 Result	Target Met
68%	67%	✗

Rationale: Volunteers' perceptions of the impact of their activities and interactions are one measure of the degree to which they are promoting host country nationals' learning about Americans.

Discussion of Result: *The target was not met.* The agency has maintained a steady level of performance since the measure was modified in the FY 2011 Annual Volunteer Survey to capture Volunteers' perceptions of the impact of both their *activities* and their *interactions* rather than solely the impact of their *work*. Previous indicators did not fully capture the interactions that Volunteers have with local people outside of their assigned projects.

Volunteers regularly report a more modest view of their impact in promoting a better understanding of Americans when compared to direct assessment by host country

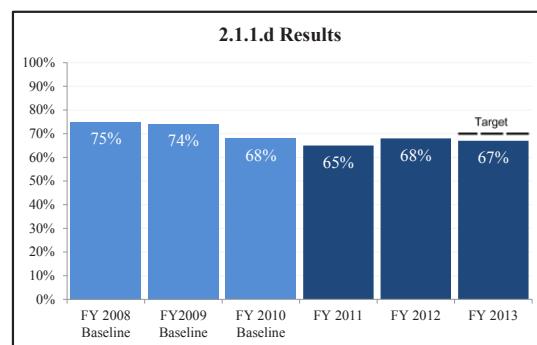
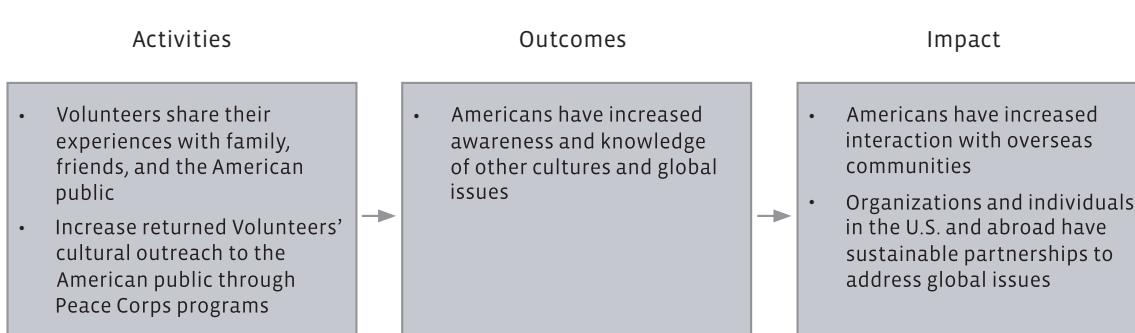
counterparts or beneficiaries themselves. The reason for this discrepancy is not entirely clear, but may be due to a variety of factors: the outcomes and impacts of the Volunteer's work may not be immediately evident, Volunteers may need (and are now receiving) additional training on how to more accurately assess and report the impact of their work, and counterparts and beneficiaries are in a position to take a longer view of the impact that several generations of Volunteers have had in their communities.

Strengthening Future Performance: Volunteers should begin to develop a more accurate understanding of their impact with the implementation of standardized M&E training through the Focus In/Train Up strategy. The new counterpart survey will also provide impact information that can be triangulated with Volunteer perceptions and other data.

Data Source: Annual Volunteer Survey

Strategic Goal 3: Foster outreach to Americans through agency programs that assist Volunteers and returned Volunteers to help promote a better understanding of other peoples on the part of Americans

Strategy: Increase Americans' awareness of other peoples and cultures



Volunteers, both during and after their term of service, share their experiences with family, friends, and the American public. In doing so, they increase Americans' awareness of other cultures and global issues. The agency manages programs and hosts events to facilitate Volunteers' and returned Volunteers' efforts to promote a better understanding in the United States of the people, cultures, and countries where they served.

In FY 2013, three of five performance targets were met. Initiating and strengthening operations in the Office of Third Goal and Returned Volunteer Services, established in 2012, was the agency's principal strategy for improving *third goal* outreach this year.

Performance Goal Results

Performance Goal	Performance Indicators	FY 2013 Target	FY 2013 Result	Target Met
3.1.1: Volunteers share their in-country experiences with family, friends, and the American public	3.1.1.a. Percentage of Volunteers who report active participation in the Coverdell World Wise Schools/Correspondence Match Program	27%	13%	✗
	3.1.1.b. Number of individuals and organizations supporting the Peace Corps Partnership Program	10,500	10,549	✓
	3.1.1.c. Percentage of Volunteers who report sharing their experiences with family, friends, and/or the American public	98%	100%	✓
3.1.2: Increase returned Volunteers cultural outreach to the American public through Peace Corps programs	3.1.2.a. Number of returned Volunteers participating in agency-initiated activities	10,500	10,206	✗
	3.1.2.b. Number of educational institutions where returned Volunteers engage in third goal activities	810	1,485	✓
✓ Target met ✗ Target not met				

Performance Goal 3.1.1: Volunteers share their in-country experiences with family, friends, and the American public

Indicator 3.1.1.a: Percentage of Volunteers who report active participation in the Coverdell World Wise Schools/Correspondence Match Program

FY 2013 Target	FY 2013 Result	Target Met
27%	13%	✗

Rationale: The Coverdell World Wise Schools/Correspondence Match Program provides opportunities for American youth and teachers to learn about the customs and cultures of different countries through cross-cultural educational curriculum and interactions with currently serving Volunteers.

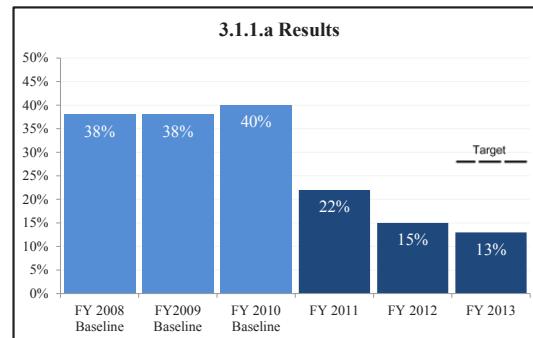
Discussion of Result: *The target was not met.* The agency has continued to face challenges in increasing active participation in the Correspondence Match program. The FY 2013 result (13 percent) declined slightly from FY 2012 (15 percent).

The low result can partially be attributed to measurement error. Volunteers report on this indicator via the Annual Volunteer Survey, which is conducted during the summer months when the American schools that Volunteers are interacting with are not in session. If asked the same question during a time of year when American schools are in session, Volunteers may respond differently.

To identify opportunities to improve the program, the agency's Leadership Development Academy chose to study the Correspondence Match program for its capstone project. The Academy identified specific barriers to the success of the program and developed recommendations for performance improvement.

Strengthening Future Performance: The agency will implement the Correspondence Match program recommendations provided by the Leadership Development Academy, such as encouraging Volunteers to identify the educators they will work with prior to initiating their service and exploring the use of partnerships to connect educators and classrooms to Volunteers.

Data Source: Annual Volunteer Survey



Indicator 3.1.1.b: Number of individuals and organizations supporting the Peace Corps Partnership Program

FY 2013 Target	FY 2013 Result	Target Met
10,500	10,549	✓

Rationale: By donating to a community-driven, Volunteer-developed Peace Corps Partnership Program project (<http://donate.peacecorps.gov>), American individuals and organizations learn about host country

communities and the issues they face. Donors build their understanding about different peoples and cultures and about global development issues.

Discussion of Result: *The target was met.* In FY 2013, 10,549 donors to the program made 11,141 donations for a total of more than \$2 million to 810 Volunteer projects. While the target was exceeded, there was a decrease in the total number of donors in FY 2013. This was due primarily to a decrease in the overall number of Volunteers in the field which reduced the number of Volunteer-initiated Peace Corps Partnerships Program projects.

In FY 2013, the agency established a new web-based grants management system and consolidated grant applications from Volunteers into one process. These changes have expanded Volunteers' options for securing small grants for projects and consolidated grants management into a faster, more transparent process.

Strengthening Future Performance: The Peace Corps Partnership Program will celebrate its 50th anniversary in FY 2014. The agency will work to give the program greater visibility and reach out to additional donors in conjunction with this anniversary. Streamlining the website used to post projects and make donations will continue through FY 2014.

Data Source: Peace Corps Database System

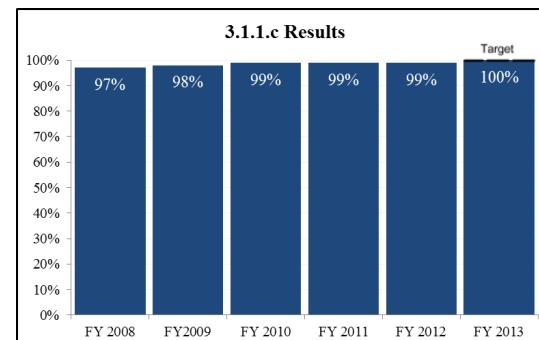
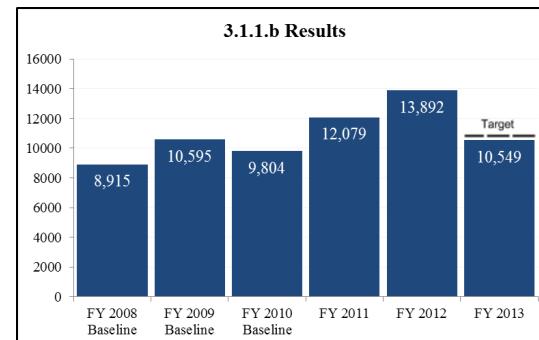
Indicator 3.1.1.c: Percentage of Volunteers who report sharing their experiences with family, friends, and/or the American public

FY 2013 Target	FY 2013 Result	Target Met
98%	100%	✓

Rationale: When Volunteers share their experiences with family, friends, and the American public, the American people develop a better understanding of other cultures and global issues.

Discussion of Result: *The target was met.* In FY 2013, according to the Annual Volunteer Survey results, essentially 100 percent of Volunteers reported sharing their experiences with the American public. All but 16 of more than 6,400 respondents indicated involvement in such activities.

The agency continues to measure and set targets for this high-performing indicator to ensure currently serving Volunteers are engaged in *third goal* activities. In the past, third goal activities have been thought of as primarily the work of returned Volunteers who have already completed their assignments and returned to the United States. In reality, currently serving Volunteers are well-positioned to promote a better understanding of the people and cultures where they live and work, particularly as the internet and mobile technology increasingly spreads to the communities where Volunteers serve.



The impact of technology can be seen in the mechanisms that Volunteers use to share their experiences. From FY 2011 to FY 2013, Volunteers' use of social media to tell their stories increased from 67 percent to 80 percent. Additionally, 56 percent of Volunteers developed personal websites or blogs, compared to 53 percent in FY 2011.

The *Blog It Home* contest is one example of an agency activity that encourages currently serving Volunteers to engage in *third goal* activities. The contest spotlighted the work that Volunteers do to create web blogs to share their experiences abroad with readers at home and across the world.

Strengthening Future Performance: As technology evolves, the agency will continue to explore new ways to facilitate sharing Volunteer experiences with the American public.

Data Source: Annual Volunteer Survey

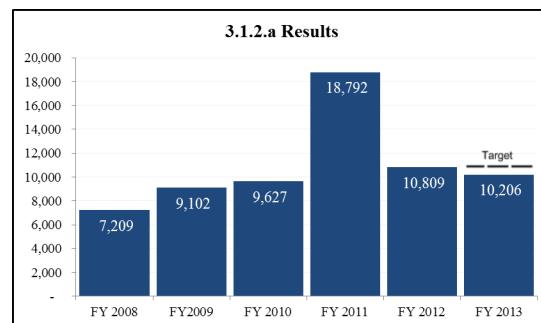
Performance Goal 3.1.2: Increase returned Peace Corps Volunteers' cultural outreach to the American public through Peace Corps programs

Indicator 3.1.2.a: Number of returned Volunteers participating in agency-initiated activities

FY 2013 Target	FY 2013 Result	Target Met
10,500	10,206	✖

Rationale: When returned Volunteers participate in agency-initiated activities, they share their Peace Corps experiences with the American public, increasing awareness of other peoples, cultures, and global issues.

Discussion of Result: *The target was not met.* Returned Volunteers have an ongoing responsibility to build a better understanding of peoples across the world. They continue service by sharing their experiences with the American public, promoting volunteerism, and engaging in public service. The agency sponsors a number of activities that provide returned Volunteers with opportunities to promote the *third goal* and to aid in Volunteers' transition back to the United States after their assignment.



The engagement of returned Volunteers through agency-initiated activities continued its upward trend in FY 2013.

The agency invited returned Volunteers to share their experiences at Peace Corps general information sessions throughout the United States to help recruit the next generation of Volunteers. The agency held two national returned Volunteer career conferences and four regional returned Volunteer events to help recently returned Volunteers translate their experiences to friends, family, employers, and the public. Notably, the agency held its' first-ever *Third Goal Mobilization Summit*, a two-day interactive event that brought returned Volunteers together to exchange ideas and acquire new tools to help Americans better understand the countries where Volunteers serve.

With the expansion of the Office of the Third Goal and Returned Volunteer Services in FY 2013, the agency made progress in improving *third goal* and returned Volunteer services, including the development of a job posting site for returned Volunteers (www.peacecorps.gov/resources/returned/careerlink) and improvement in marketing and promotion for Peace Corps week which yielded an increase in returned Volunteer registration by more than 300 participants.

Strengthening Future Performance: Moving forward, the agency plans to improve the training that Volunteers receive on the importance of promoting the *third goal* and continuing their service when they complete their Volunteer assignments. The agency is also planning to develop surveys for returned Volunteers and employers that hire returned Volunteers to identify opportunities to improve the career and transition services that the agency provides to returned Volunteers.

Data Source: Office of Third Goal and Returned Volunteer Services and Office of Volunteer Recruitment and Selection

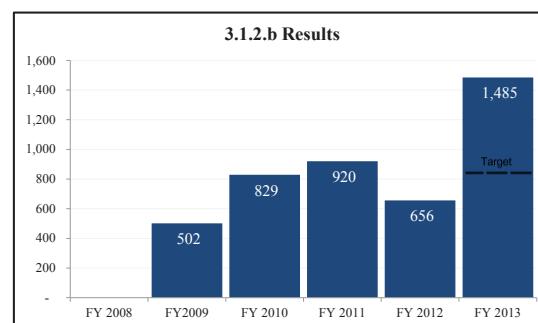
Indicator 3.1.2.b: Number of educational institutions where returned Volunteers engage in third goal activities

FY 2013 Target	FY 2013 Result	Target Met
810	1,485	✓

Rationale: Through Peace Corps programs with educational institutions, returned Volunteers promote a better understanding of global issues and other cultures on the part of American youth, students, and faculty.

Discussion of Result: *The target was met.* The target was significantly exceeded due to increased promotion of Peace Corps Week and more complete data collection resulting from additional staffing resources in the Office of Third Goal and Returned Volunteer Services.

This indicator tracks the number of educational institutions involved in the Coverdell World Wise Schools Speakers Match Program and the Coverdell Fellows Program.



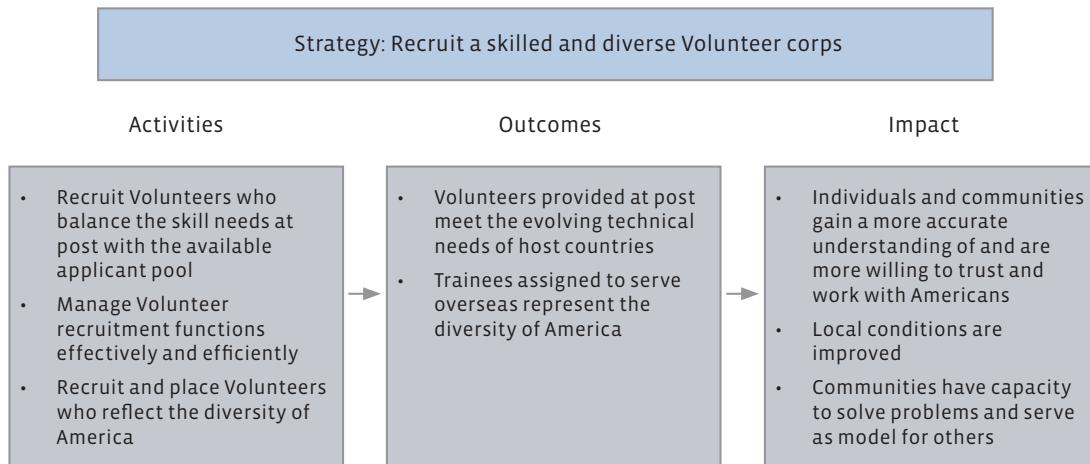
Through the Speakers Match program, K-12 schools and youth organizations request returned Volunteers to visit and share their experiences. The Coverdell Fellows Program connects returned Volunteers with graduate programs in colleges and universities across the country. Through the program, Returned Volunteers earn a graduate degree while completing an internship in an underserved U.S. community. In the process, they share their experience as a Volunteer with their colleagues, friends, and the individuals they are serving.

In FY 2013, returned Volunteers spoke at 1,401 educational institutions through the Speakers Match program. In addition, 84 graduate schools enrolled 586 returned Volunteers through the Coverdell Fellows Program.

Strengthening Future Performance: The agency will increase opportunities for returned Volunteers by reaching out to new potential partners for the Speakers Match and Coverdell Fellows programs. The agency will expand the geographic reach of the Coverdell Fellows program across the country, work to identify minority-serving institutions as partners, and seek out partnerships in new degree areas to provide returned Volunteers with more graduate school options.

Data Source: Office of Third Goal and Returned Volunteer Services and Office of Strategic Partnerships

Strategic Goal 4: Provide Volunteers who represent the diversity of Americans to meet the evolving technical needs of host countries



The agency meets the skill needs of local communities by recruiting and selecting individuals who have the skills, experiences, and maturity to be successful Peace Corps Volunteers. Priority is also placed on ensuring that Volunteers reflect the diversity of America as this contributes to a better understanding of Americans on the part of host countries.

In FY 2013, two of five performance targets were met. The agency's sustained focus on diversity recruitment over the past few years has resulted in continued high performance, moving the agency closer to a Volunteer corps that better represents the American public. At the same time; however, the agency has also seen a reduction in the percentage of Volunteer positions that were ultimately filled by applicants for service. A result of the decrease in the number of applications for Peace Corps service and inefficiencies in the Volunteer Delivery System related to the implementation of a new electronic applicant processing system.

Performance Goal Results

Performance Goals	Performance Indicators	FY 2013 Target	FY 2013 Result	Target Met
4.1.1: Recruit Volunteers who balance the needed manpower and technical needs at post with the available applicant pool and its skills	4.1.1.a. Percentage of trainees requested for generalist assignments	66%	69%	✓
	4.1.1.b. Percentage of trainee requests filled by trainee inputs	95%	90%	✗
4.1.2: Manage Volunteer recruitment functions in an effective and efficient manner	4.1.2.a. Nominee attrition rate	26%	28%	✗
	4.1.2.b. Number of days from application to invitation	--	--	--

Performance Goals	Performance Indicators	FY 2013 Target	FY 2013 Result	Target Met
4.2.1: Recruitment and Volunteer placement efforts reflect the diversity of Americans	4.2.1.a. Percentage of applications from individuals age 50 and older	8.5%	5.3%	✗
	4.2.1.b. Percentage of applications from individuals of diverse ethnicities	26%	30%	✓
✓ Target met ✗ Target not met				

Performance Goal 4.1.1: Recruit Volunteers who balance the needed manpower and technical needs at posts with the available applicant pool and its skills

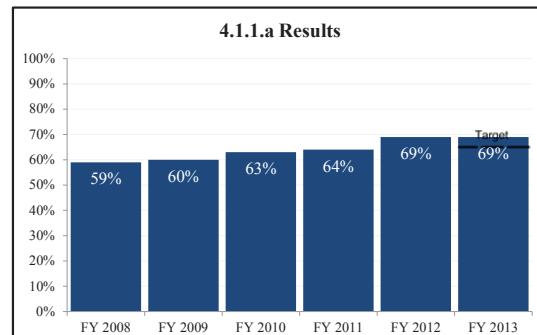
Indicator 4.1.1.a: Percentage of trainees requested for generalist assignments

FY 2013 Target	FY 2013 Result	Target Met
66%	69%	✓

Rationale: This indicator is designed to balance overseas posts' needs for skilled Volunteers with the applicant pool traditionally interested in Peace Corps service: recent college graduates with limited professional experience.

Discussion of Result: *The target was met.* Out of the 3,591 trainees requested by posts in FY 2013, 69 percent were requested for *generalist* assignments. These assignments have lower skill requirements and are typically filled by recent college graduates with limited professional experience.

In FY 2013, the agency finalized a review of all Volunteer projects based on the sector schematics and technical training packages developed through the Focus In/Train Up strategy. This agencywide initiative was designed to realign programming and training to leverage the skills of recent college graduates and provide Volunteers with the skills they need to be successful.



Strengthening Future Performance: Moving forward, the agency will better connect the skill requirements for Volunteer service with the new sector and project structure. This change will provide the agency with better information on which skills Peace Corps applicants need to develop in order to successfully transfer skills as Volunteers.

Data Source: Peace Corps Database System

Indicator 4.1.1.b: Percentage of trainee requests filled by trainee inputs

FY 2013 Target	FY 2013 Result	Target Met
95%	90%	✗

Rationale: The agency responds to trainee requests by recruiting and selecting individuals for Peace Corps service (trainee inputs). This indicator measures the result of the agency's efforts to meet posts' requested levels of Volunteers that will enable them to meet their programs' technical needs.

Discussion of Result: *The target was not met.* This indicator is the primary indicator of success of the Volunteer Delivery System: it provides a direct measure of the agency's ability to recruit, retain, select, and field Volunteers at the right time and with the requested skills from host countries.

Declining performance on this indicator from FY 2012 to FY 2013 (a seven percentage point reduction) is largely due to the steady decrease in the number of applications received for service and the challenges associated with implementing a new application processing system.

The agency received 10,118 applications for service this year, 10,091 in FY 2012, and 12,206 in FY 2011. The low number of applications has produced challenges in meeting the demand for skilled Volunteers at the quantity requested by posts.

A new electronic application processing system went live in FY 2012, and much of FY 2013 was devoted to learning the new system, dual-processing the individuals who applied under the old system, and changing processes to leverage the new technology.

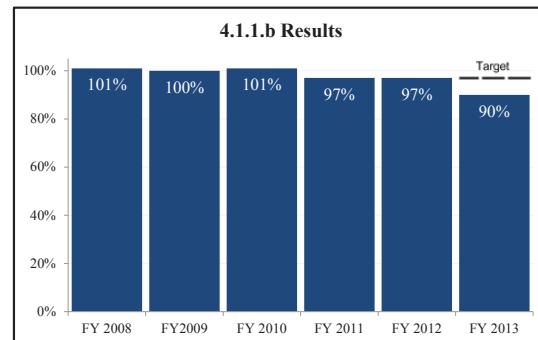
Strengthening Future Performance: Increasing the number of applications received for service is a major agency priority. Significant process and structural changes are currently underway and will be implemented moving forward, including reducing the length of the Volunteer application, expediting the application process, providing applicants with greater transparency and choice regarding their potential Volunteer assignments, and other reforms designed to improve the application experience.

Data Source: Peace Corps Database System

Performance Goal 4.1.2: Manage Volunteer recruitment functions in an effective and efficient manner

Indicator 4.1.2.a: Nominee attrition rate

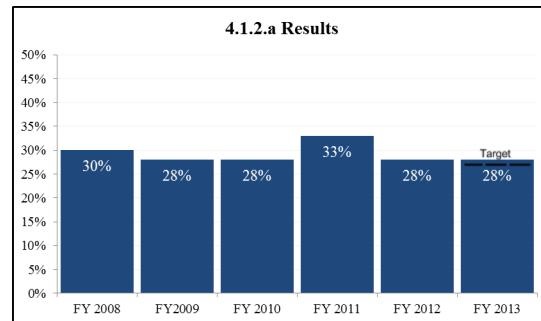
FY 2013 Target	FY 2013 Result	Target Met
26%	28%	✗



Rationale: "Nominees" are applicants who have been determined to be eligible, suitable, and skilled for Peace Corps service. Significant agency resources are spent processing nominees through the Volunteer Delivery

System. A higher percentage of nominees who become trainees indicate greater effectiveness and efficiency of Volunteer recruitment functions.

Discussion of Result: *The target was not met.* While a certain percentage of applicants are expected to drop out of the process, the agency works to reduce dropouts to the extent possible. The Peace Corps has minimal influence, however, over some of the reasons that applicants cite for dropping out, such as financial or family responsibilities, choosing to attend graduate school, or simply no longer being interested in Peace Corps service. However, the agency can, for example, mitigate some dropouts related to poor communication between the agency and the applicant or lengthy processing times.



With the launch of the new electronic application processing system in FY 2012, the agency modified the medical and placement process to extend invitations to applicants earlier in the process in an effort to improve retention. More data is needed to form conclusions on the effectiveness of this strategy.

Strengthening Future Performance: The agency will develop an applicant retention strategy to encourage more qualified and talented applicants to complete the process. Improvements listed under indicator 4.1.1.b will also likely result in increased applicant retention.

Data Source: Peace Corps Database System

Indicator 4.1.2.b: Number of days from application to invitation

FY 2013 Target	FY 2013 Result	Target Met
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Rationale: Reducing the processing time for applicants contributes to higher retention of applicants and reduces congestion in the system.

Discussion of Result: *A target was not set for this indicator.* As a result of process changes with the electronic application processing system, the agency could not reliably measure the three stages of the application process that together constitute this indicator. As a result, a target was not set for this indicator in FY 2013.

The length of the processing time for applicants continues to be a challenge. For individuals who entered-on-duty in FY 2013, the time from the submission of their application to the start of their Peace Corps service averaged more than 13 months. Reducing the processing time for applicants is a major priority for the agency in FY 2014 and beyond.

Strengthening Future Performance: The agency will reduce the length and complexity of the application process to improve the application experience and increase applications. The agency will also identify bottlenecks in the current process and develop strategies for reducing applicant wait time.

Data Source: Peace Corps Database System

Performance Goal 4.2.1: Recruitment and Volunteer placement efforts reflect the diversity of Americans*Indicator 4.2.1.a: Percentage of applications from individuals age 50 and older*

FY 2013 Target	FY 2013 Result	Target Met
8.5%	5.3%	✗

Rationale: The majority of Peace Corps applicants are recent college graduates with limited professional experience. Increasing applications from individuals age 50 and older will provide posts with Volunteers with greater professional experience who better represent the diversity of America.

Discussion of Result: *The target was not met.*

In FY 2013, 536 individuals age 50 and older applied to serve as Peace Corps Volunteers, 5.3 percent of all applications. Of the Volunteers serving in FY 2012, eight percent were ages 50 and older.

Performance continues to decline on this indicator. The resources allocated to the recruitment of individuals age 50 and older have been reduced significantly over the last few years due to shifts in agency priorities.

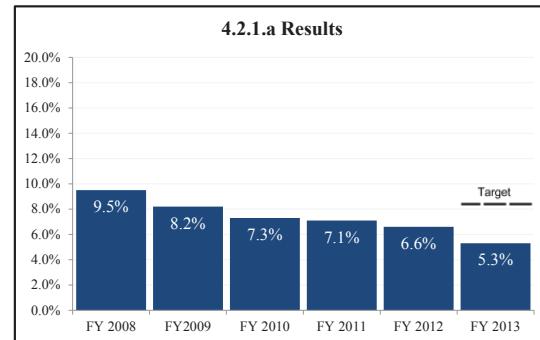
At the same time, the agency continues to work with partners to maintain a presence in the age 50 and older community. Notably, the agency collaborated with AARP and the Foreign Service Officers Retiree Association in marketing and outreach.

Strengthening Future Performance: The agency will continue to conduct targeted outreach to Americans age 50 and older to encourage their participation in the Peace Corps. This effort will primarily leverage existing strategic partnerships to expand the reach of Peace Corps recruiting efforts.

Data Source: Peace Corps Database System

Indicator 4.2.1.b: Percentage of applications from individuals of diverse ethnicities

FY 2013 Target	FY 2013 Result	Target Met
26%	30%	✓



Rationale: Increasing the number of applications from individuals of underrepresented ethnic and racial groups will result in a Volunteer population that more accurately reflects the diversity of America.

Discussion of Result: *The target was met.* The agency has made diversity recruitment a priority, and performance continues to improve. In FY 2013, 30 percent of applications came from individuals of diverse ethnicities, defined as individuals who disclosed the following race and ethnic designations in the submission of their Peace Corps application: Hispanic or Latino, Black or African American, Native Hawaiian or Other Pacific Islander, Asian, and/or American Indian or Alaska Native.

The Peace Corps devoted significant attention to diversity recruitment in FY 2013 including increasing the

number of national and local diversity-focused events with partner organizations, boosting attendance at these events through targeted marketing and outreach, and maintaining contact with participants through national webinars.

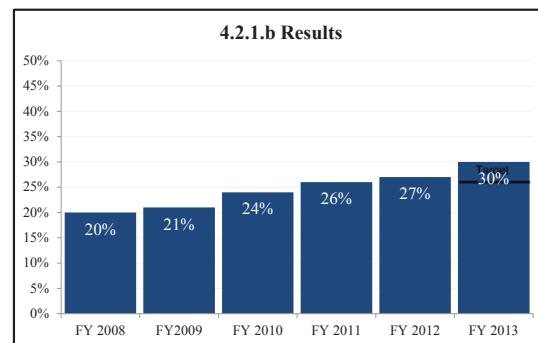
The agency established formal partnerships with Alpha Phi Alpha Fraternity Incorporated and Kappa Alpha Psi Fraternity Incorporated to expand the pan-hellenic outreach network. Through this partnership, the agency has engaged more than 100 undergraduate students to assist Peace Corps recruiters in reaching out to members of these service-minded organizations.

The agency has also increased its outreach to first and second generation U.S. citizens—who possess the necessary cross-cultural skills and an affinity for international service. The agency continues to collaborate with Hispanic communities through activities with organizations such as the National Council of La Raza and the Hispanic Association of Colleges and Universities.

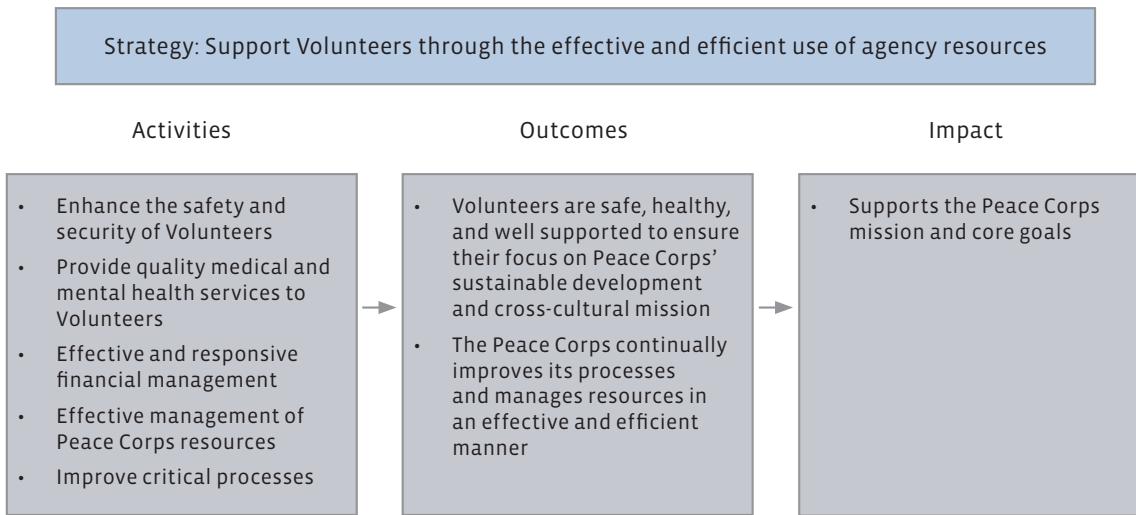
Retention of applicants from these ethnic groups remains a challenge. In FY 2013, 30 percent of applicants were from these ethnic groups, compared to 24 percent of the Volunteer population. The time period when these dropouts occur is known (from application to nomination); however, the key factors that contribute to this discrepancy are currently unknown.

Strengthening Future Performance: The agency will evaluate the challenges of retaining applicants from underrepresented racial and ethnic groups to identify strategies for improvement.

Data Source: Peace Corps Database System



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



The Peace Corps maximizes Volunteers' well-being by employing rigorous safety and security prevention and response systems and providing Volunteers with high-quality medical and mental health services. The agency effectively and efficiently manages its human and financial resources and continuously reviews critical work processes for additional areas for improvement.

In FY 2013, five of 13 performance targets were met. Indicator 5.1.1.e is monitored, and a target is not set. The agency made progress on key Volunteer safety, security, and health reforms, including, the implementation of the Kate Puzey Peace Corps Volunteer Protection Act of 2011.

Performance Goal Results

Performance Goals	Performance Indicators	FY 2013 Target	FY 2013 Result	Target Met
5.1.1: Enhance the safety and security of Volunteers	5.1.1.a. Percentage of Peace Corps Volunteers who report their safety and security training is effective or very effective	73%	71%	✗
	5.1.1.b. Percentage of Posts that have their safety and security systems reviewed by a Peace Corps safety and security officer	33%	31%	✗
	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	88%	84%	✗
	5.1.1.d. Percentage of Volunteers who report they feel more than adequately safe or very safe where they live and work	91%	83%	✗
	5.1.1.e. Ratio of unreported serious crimes to reported serious crimes	Monitor results		

Performance Goals	Performance Indicators	FY 2013 Target	FY 2013 Result	Target Met
5.1.2: Provide quality medical and mental health services to trainees and Volunteers	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	94%	91%	✗
	5.1.2.b. Percentage of Peace Corps Volunteers who report the emotional support they received from staff as adequate or better	83%	82%	✗
	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	76%	76%	✓
5.2.1: Provide effective and responsive financial management that accurately reflects domestic and overseas operations	5.2.1.a. Percentage of posts and headquarters offices that manage resources within approved budgets and operational plans	95%	75%	✗
	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	98%	98%	✓
5.2.2: Ensure the effective management of Peace Corps resources	5.2.2.a. Conduct a Country Portfolio Review process to assess and formulate financial and Volunteer resource allocations at all posts	Complete annually	Completed	✓
	5.2.2.b. Percentage of posts and headquarters offices that adhere to agency-wide staffing policies and procedures	90%	82%	✗
	5.2.2.c. Percentage of posts and headquarters offices that benefit from collaboration with global strategic partners	83%	84%	✓
5.2.3: Ensure the optimal performance of critical Peace Corps processes	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	Complete annually	Completed	✓
✓ Target met ✗ Target not met				

Performance Goal 5.1.1: Enhance the safety and security of Volunteers

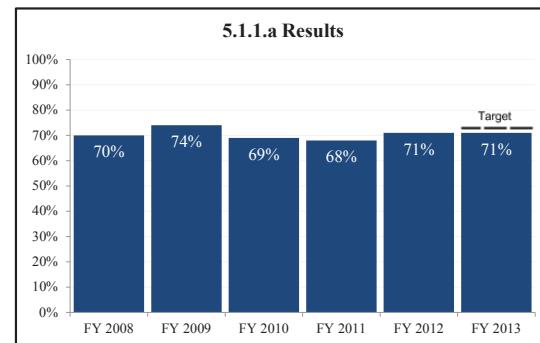
Indicator 5.1.1.a: Percentage of Peace Corps Volunteers who report their safety and security training is effective or very effective

FY 2013 Target	FY 2013 Result	Target Met
73%	71%	✗

Rationale: Safety and security training throughout Volunteers' service is designed to build awareness of cross-cultural issues that may affect personal safety, in-country risks and ways to mitigate those risks, and reporting procedures should a crime occur. Volunteers' perceptions are an indication of the effectiveness of the agency's safety and security training.

Discussion of Result: *The target was not met.* Volunteers have consistently given high ratings to their safety and security training, and performance has remained stable even with the higher standard set in the target last year (the indicator measures "effective or very effective" responses compared to the "adequate or better" standard utilized in years past). While the target was not met this year, the level of performance was maintained from the previous year.

This year, all posts implemented the four standardized safety and security training sessions: personal security, sexual assault awareness, reporting procedures, and bystander intervention. However, an evaluation of the implementation of the standardized training revealed that two posts had slightly modified the training sessions. Those issues have now been addressed, and next year, the Office of Safety and Security will monitor all posts' compliance with the standardized training requirements to avoid deviations from the required content.



Strengthening Future Performance: A number of policy and procedure changes related to safety and security have been finalized in the past year. The standard training packages will be updated in FY 2014 to reflect these changes.

Data Source: Annual Volunteer Survey

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 2013 Target	FY 2013 Result	Target Met
33%	31%	✗

Rationale: Each post's safety and security system is designed to prepare for and support the safety and security needs of Volunteers. Posts' safety and security systems are continuously reviewed to ensure they reflect the current safety conditions of the country. Every three years, a full system review is conducted to ensure each post's systems reflect agency policy.

Discussion of Result: The target was not met. Regional Peace Corps safety and security officers reviewed the safety and security systems of 19 posts (31 percent of posts).

This indicator was designed to ensure that the safety and security systems of all posts are reviewed every three years.

The full safety and security review is comprised of five distinct components: a review of compliance with Peace Corps manual sections related to safety and security, a review of the legal environment in the country, a review of Volunteer death procedures with key staff, a risk assessment, and a waiver to co-locate offices at the U.S.

Embassy (if applicable). Issues identified in the review process are assessed by the agency and corrective action is taken. The agency's response to recommendations by Peace Corps safety and security officers is tracked through indicator 5.1.1.c.

Strengthening Future Performance: At the beginning of each year, the agency will communicate which posts are scheduled for a full security review. This will give posts the time needed to take any necessary corrective actions prior to the review and help to ensure that the agency's response to unexpected events at other posts do not pose a challenge to conducting these scheduled reviews.

Data Source: Office of Safety and Security

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 2013 Target	FY 2013 Result	Target Met
88%	84%	✗

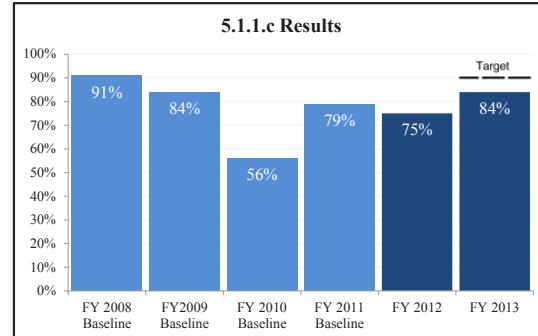
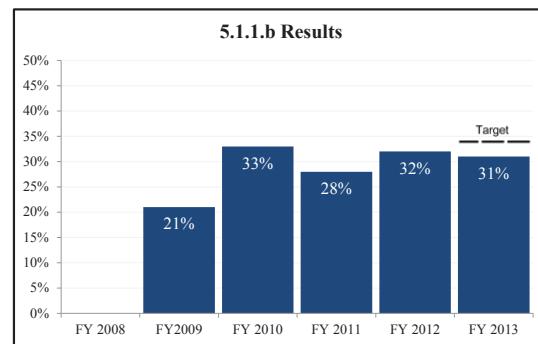
Rationale: Peace Corps safety and security officers develop recommendations for improvement based on reviews of posts' safety and security systems. A number of these recommendations are deemed critical and necessary to complete within a fixed period of time. The timely implementation of these critical recommendations is essential to providing a system that supports the safety and security of Volunteers.

Discussion of Result: The target was not met.

Recommendations are considered "critical" when they identify corrective actions that must be implemented to ensure the safety and security of Volunteers, such as actions that reduce the likelihood or impact of adverse threats or events. A response team composed of safety and security and regional staff meet throughout the year to identify which recommendations are to be deemed "critical."

In FY 2013, 211 critical recommendations were due for completion and 178 were implemented (84 percent).

Challenges in implementing critical recommendations include scheduling conflicts for identifying critical recommendations, funding constraints, ownership for closing recommendations, and data management issues



resulting from collecting and analyzing data from 61 posts across the world.

Strengthening Future Performance: An improved process management system will enable the agency to keep better track of safety and security recommendations by designating a timeframe and a person responsible for closing the recommendation that is visible to all of the parties involved in the process.

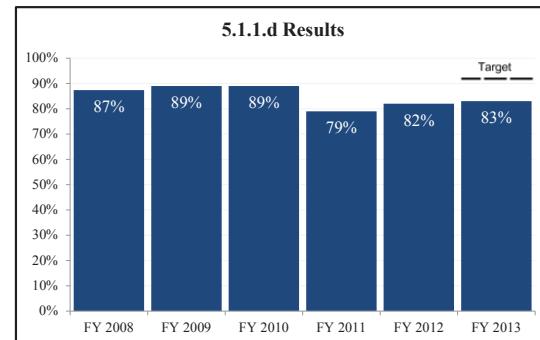
Data Source: Office of Safety and Security

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 2013 Target	FY 2013 Result	Target Met
91%	83%	✗

Rationale: When Volunteers report that they feel safe where they live and work, this indicates that the systems the agency has developed to ensure the safety and security of Volunteers have been successful from the perspective of the Volunteers.

Discussion of Result: The target was not met. Volunteer satisfaction with the safety and security support provided by the agency has consistently ranked the highest when compared to other types of support provided by the Peace Corps: the vast majority of Volunteers have reported that they feel safe where they live and work. To encourage continuous performance improvement in this arena, the agency sets high targets for this indicator. While the target was not met this year, the result was higher than in the previous year. The most significant improvement from last year relates to Volunteers' perceptions of safety where they live—an increase from 79 percent in FY 2012 to 81 percent in FY 2013.



According to the FY 2013 Annual Volunteer Survey, the Peace Corps' support in the site selection and development process is one of the major drivers of Volunteers' perceptions of safety. The agency is responsible for selecting and monitoring Volunteer sites to ensure that there is appropriate work for the Volunteer, the community is supportive, and safety and security risks are minimal and controlled. Agency efforts to improve site selection and development are noted in indicator 1.1.1.d.

Recognizing that Volunteers' sense of safety is also driven by personal factors (such as stress or mental health), the agency provides Volunteers with mental health and emotional support (detailed in indicators 5.1.2.b and 5.1.2.c) and with rigorous training on risk identification and management. Improvements to safety and security training are detailed in indicator 5.1.1.a.

Strengthening Future Performance: The agency will continue to improve its safety and security systems, including the reforms related to the implementation of the Kate Puzey Peace Corps Volunteer Protection Act. The agency will also improve the standard safety and security training modules through rigorous training evaluations.

Data Source: Annual Volunteer Survey

Indicator 5.1.1.e: Ratio of unreported serious crimes to reported serious crimes

FY 2013 Target	FY 2013 Result
Monitor	--

Rationale: A reduction in the ratio of unreported serious crimes will provide the agency the information it needs to provide care and support for victims of crime that previously did not feel comfortable disclosing these incidents. Improved reporting will allow the agency to provide additional support to Volunteers and produces a more accurate account of safety and security issues in the country.

Discussion of Result: The agency did not fully implement the measurement tools necessary for monitoring the results for this indicator in FY 2013; as a result, data is not available.

Modeled on a measure from the Department of Defense, this indicator is designed to demonstrate the discrepancy between *reported* serious crimes and *unreported* serious crimes. *Reported* serious crimes are defined as incidents disclosed by the Volunteer to post or headquarters staff and catalogued in a secure agency database. For the purpose of this indicator, *unreported* serious crimes are not directly reported by the Volunteer to post or headquarters staff but may be disclosed anonymously. Data on *unreported* serious crimes is currently gathered through the Annual Volunteer Survey (AVS). While the AVS provides valid data on Volunteers' experiences and perceptions, it is not designed specifically as a crime victimization survey.

In FY 2013, the Peace Corps made significant progress in developing the Security Incident Questionnaire, a new crime victimization survey. The agency hired a survey expert to manage the survey and will pilot the survey in November through December 2013. The survey will be fielded later in FY 2014 to Volunteers who are approaching the end of their assignment. Security Incident Questionnaire data will provide the agency with more accurate information to estimate crime rates and help the agency better understand the factors related to underreporting serious crime incidents.

Strengthening Future Performance: The agency will administer the Security Incident Questionnaire in FY 2014 to more accurately measure *unreported* serious crimes.

Data Source: Office of Safety and Security

Performance Goal 5.1.2: Provide quality medical and mental health services to trainees and Volunteers*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 2013 Target	FY 2013 Result	Target Met
94%	91%	✗

Rationale: Measuring the health status of the patient and patient satisfaction are the two primary methods for determining quality of health care. Volunteers reporting on their satisfaction with the health care they receive from Peace Corps medical officers is a direct indication of the quality of Peace Corps health care.

Discussion of Result: *The target was not met.* Overall, Volunteer satisfaction with Peace Corps medical officers is traditionally very high. The result in FY 2013 is consistent with this trend. This high performance can be attributed to the agency's focus on continuous process improvement, hiring top health-care professionals, and regular training and development. The slight decline this year is in all likelihood due to turnover among medical personnel at posts.

Under the guidance of the agency's internal Health Care Quality Assurance Council, the Peace Corps implemented the following key initiatives in FY 2013 to systematically improve the medical and mental health services provided to Volunteers:

- **Improved staffing model:** The agency established a rover Peace Corps medical officer program to address medical staff turnover—one of the drivers of Volunteer dissatisfaction. Additional regional medical staff were hired to increase the agency's capacity to care for Volunteers.
- **Organizing continuing medical education conferences across disciplines:** Through its continuing medical education conferences, the agency bridged multiple disciplines and offices to ensure a holistic approach to supporting the well-being of Volunteers. The Office of Safety and Security and the Office of Victim Advocacy, as well as the Counseling and Outreach Unit and Office of Medical Services, participated in continuing medical education conferences in FY 2013 with topics that included changes to agency policies related to the care of victims of sexual assault, medical supply inventory, and stress reduction for medical staff.
- **Implementing electronic medical records:** The agency made major progress in implementing the electronic medical records system in FY 2013. After conducting market research and going through the bidding process, a contract for the system was signed—a major milestone. The agency also made a significant step toward implementing electronic medical records by converting the applicant medical screening process to a fully electronic clearance process. This resulted in a significant reduction in the time and money that applicants spend in the application process.

Strengthening Future Performance: The agency will continue to strengthen the quality of its medical and mental health services by focusing on improving Volunteer satisfaction under the guidance of the Health Care Quality Assurance Council.

Data Source: Annual Volunteer Survey

Indicator 5.1.2.b: Percentage of Peace Corps Volunteers who report the emotional support they received from staff as adequate or better

FY 2013 Target	FY 2013 Result	Target Met
83%	82%	✗

Rationale: Volunteers experience a range of emotions as they address the complexities of development work in their communities—from a sense of accomplishment and pride to loneliness, isolation, and frustration. At the same time, they are often far removed from the social support networks to which they are accustomed (e.g., their family and friends). Peace Corps staff play a critical role in providing Volunteers with tools and support to sustain their emotional health.

Discussion of Result: *The target was not met.* Despite falling just short of the FY 2013 target, the result is an improvement over last year. This improvement, in addition to the increased activity to better support

the emotional and mental health needs of Volunteers, suggests that the agency is making good progress on this important issue.

All agency staff members are responsible for providing emotional support to Volunteers, including country directors, program managers, and medical officers. Volunteers can also seek professional help provided by counselors in the Counseling and Outreach Unit. In addition, support to victims of crime is provided by the Office of Victim Advocacy. The agency educates Volunteers on mechanisms for dealing with the unique stress factors of Peace Corps service.

In FY 2013, the agency engaged in the following activities to improve the emotional support and mental health services provided to Volunteers:

- Conducted extensive training of country directors and safety and security coordinators on how to improve the emotional support they provide Volunteers
- Raised awareness of the Counseling and Outreach Unit among Volunteers from 70 percent last year to 79 percent
- Trained all Counseling and Outreach professionals in evidence-based intervention in sexual assault cases
- Provided extensive support to families of deceased Volunteers and affected post staff through overseas visits
- Conducted proactive outreach and advocacy assistance to more than 600 Volunteers who were victims of crime
- Initiated a change management process related to sexual assault and victimization through a top-down approach to organizational culture change

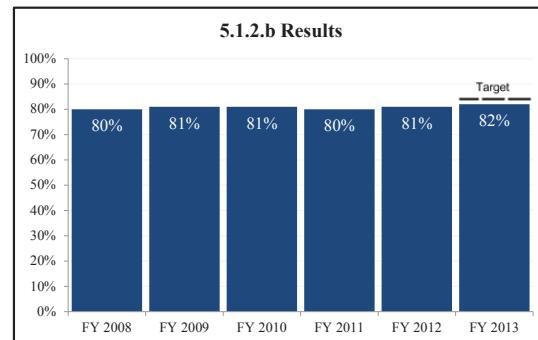
Strengthening Future Performance: To improve the quality of emotional support and mental health services, the agency will initiate an assessment of in-country mental health support to allocate agency resources based on the different levels of mental health support capabilities across countries. The agency will continue building partnerships with nongovernmental organizations and corporate sponsors in countries where Volunteers serve to develop holistic emotional support for all Volunteers and to provide healing opportunities for Volunteers who are victims of crime. The agency will expand the services provided by the Office of Victim Advocacy by hiring additional staff members.

Data Source: Annual Volunteer Survey

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 2013 Target	FY 2013 Result	Target Met
76%	76%	✓

Rationale: The top four factors that Volunteers associate with stress—their primary project, counterparts or community members, communicating in the local language, and cultural adjustments—are related to living and working in their local communities. As a result, the support provided by the agency in coping with this stress is a



critical component of the agency's emotional support and mental health services.

Discussion of Result: *The target was met.* In FY 2013, the agency made significant improvement in supporting Volunteers to cope with stress—a four percentage-point increase from last year.

The agency supports Volunteers through training on appropriate coping mechanisms and providing direct support through medical officers, country directors, program managers, and counseling staff.

In addition to providing direct emotional and mental health support to Volunteers, the agency trains Volunteers to prevent and mitigate stress with a complement of stress prevention tools and strategies. The success of this training is indicated by the increase in the percentage of Volunteers who reported they did not need support in coping with stress (45 percent of Volunteers in FY 2013, compared to 19 percent in FY 2012).

Additionally, as Volunteers' satisfaction with their worksites can be a major stressor, the agency's continuing efforts to improve site selection and preparation may also have contributed to an upward turn on this indicator.

Strengthening Future Performance: The agency will focus on improving site selection and preparation to reduce potential stress factors before Volunteers arrive. Having a well-prepared site may also reduce stress between Volunteers and their counterparts and local community members, who will be more fully aware of the Peace Corps' unique mission and approach to development. Additionally, the agency will continue evaluating its approaches to the psychological care and support of Volunteers and further improve the counseling skills of post staff.

Data Source: Annual Volunteer Survey

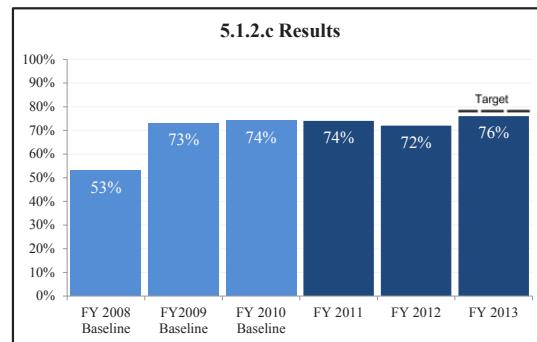
Performance Goal 5.2.1: Provide effective and responsive financial management that accurately reflects domestic and overseas operations

Indicator 5.2.1.a: Percentage of posts and headquarters offices that manage resources within approved budgets and operational plans

FY 2013 Target	FY 2013 Result	Target Met
95%	75%	✗

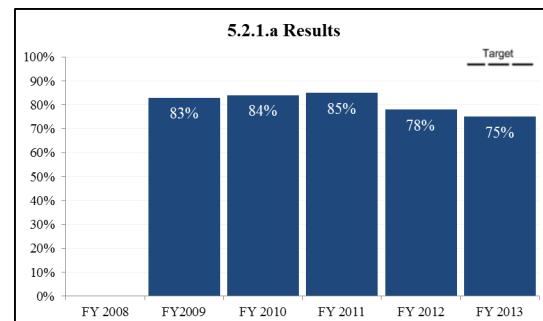
Rationale: Effective financial management includes formulating and executing budgets in a manner consistent with operational plans.

Discussion of Result: *The target was not met.* The agency under executed its budget in FY 2013 while operating under a six-month continuing resolution and facing great uncertainty about the amount of the appropriated funding for the year. The agency was ultimately appropriated a budget almost \$20 million lower than in FY 2012. Facing the constraints of the prolonged continuing resolution period and the lower appropriated level of funding, the agency executed its approved budgets and operational plans cautiously on a delayed schedule. Another factor affecting the low execution rate of the budget was that the number of Volunteers on board was lower than the projected numbers.



Strengthening Future Performance: Given that Congressional actions are outside the control of the agency, leadership will work more closely with regions, posts, and domestic offices in FY 2014 to monitor the timely execution of funds.

Data Source: Office of the Chief Financial Officer



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 2013 Target	FY 2013 Result	Target Met
98%	98%	✓

Rationale: When the activities and goals of posts and headquarters offices are aligned with the agency's strategic goals, the agency is supporting efforts that advance its mission.

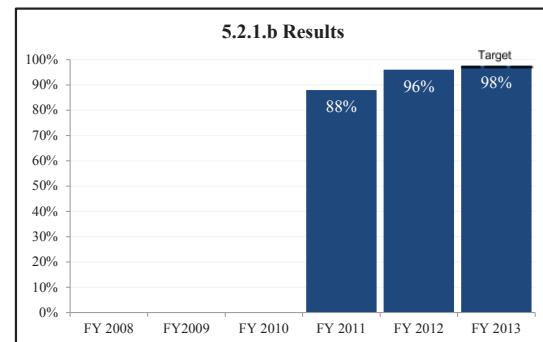
Discussion of Result: *The target was met.* In conjunction with the annual budget process, each post and headquarters office submits a multi-year strategic plan through the Integrated Planning and Budgeting System (IPBS). Posts and headquarters offices are given the opportunity to identify how their organizational goals relate to the agency's strategic goals. In FY 2013, 19 of 21 headquarters offices and all eligible posts submitted IPBS strategic plans that specified support for the agency's strategic goals.

The IPBS process was improved in FY 2013 by the roll-out of the standardized electronic IPBS strategic plan template to all posts. As a result of the standardized electronic template, the agency now has detailed information on the goals, objectives, and indicators of all offices and posts in a format that will allow for more detailed analysis.

The agency also reduced the span of time covered by IPBS strategic plans from three years to two years. This change better aligns IPBS strategic plans with the agency's budget processes.

Strengthening Future Performance: The agency will work to incorporate the IPBS strategic planning process with the other components of Peace Corps' performance management and budgeting processes, including budget formulation, operating plan development, annual performance planning, and quarterly and annual performance reporting. By more closely linking its performance and budgeting processes, the agency will ensure that policy, program, and budget decisions are rooted in the agency's strategic vision and priorities and informed by high-quality data and evidence.

Data Source: Office of Strategic Information, Research, and Planning



Performance Goal 5.2.2: Ensure the effective management of Peace Corps resources

Indicator 5.2.2.a: Conduct a Country Portfolio Review process to assess and formulate financial and Volunteer resource allocations at all posts

FY 2013 Target	FY 2013 Result	Target Met
Complete annually	Completed	✓

Rationale: Financial and Volunteer resources allocated to posts represent a significant portion of the agency's budget. By conducting a standardized, annual review of the Peace Corps' major investments, the agency is demonstrating its effective management of resources.

Discussion of Result: *The target was met.* The Country Portfolio Review process includes three major components: data collection, analysis, and the development of observations and recommendations. Each of these components was completed as part of the Country Portfolio Review process in FY 2013.

The Peace Corps uses data developed by third-party international institutions in conjunction with internal data collected by the agency. The Country Portfolio Review contains high-quality objective and subjective input, including survey data that directly incorporates the perspectives of Volunteers and staff in the field.

The Country Portfolio Review informs the agency's Volunteer and financial allocation decisions. More specific details on these decisions are provided in the Evaluation and Research: Evidence for Decision Making section.

Strengthening Future Performance: The agency is enhancing the way Country Portfolio Review data is presented to senior leadership in order to better inform Volunteer allocation decisions.

Data Source: Office of the Director

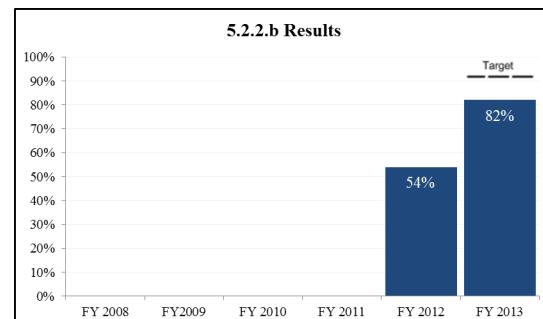
Indicator 5.2.2.b: Percentage of posts and headquarters offices that adhere to agency-wide staffing policies and procedures

FY 2013 Target	FY 2013 Result	Target Met
90%	82%	✗

Rationale: Agency-wide staffing policies and procedures are consistent with federal government standards and compatible with local labor requirements. The effectiveness of the agency's workforce is increased when employees are aware of these policies and procedures and are engaged in a meaningful performance appraisal process.

Discussion of Result: *The target was not met.* In FY 2013, 17 out of 21 headquarters offices (81 percent) fully implemented all three of the staffing policies and procedures that are measured. Additionally, 50 out of the 61 posts measured by this indicator (82 percent) fully complied with the requirement.

The agency provides regular status updates to headquarters offices regarding their mid-year reviews and end-year performance appraisals to encourage timely



submissions. New employee orientations take place during the first three days of work for all new employees and include sessions on the Peace Corps' personnel practices.

The agency made significant improvement this year as a result of a major push to encourage headquarters offices to complete mid-year performance reviews and year-end performance appraisals for all U.S. direct hire employees by the end of the year. The agency also raised the profile of employee performance management by hiring an employee and labor relations manager—a position that has been vacant for two years—to oversee the performance appraisal and management process. Additionally, the agency piloted a new performance appraisal program to better connect employees' individual goals with the goals in the agency's strategic plan.

Overseas posts also focused on implementing staffing policies and procedures to both comply with agency directives and to improve employee productivity and satisfaction. The Armenia post, for example, creates individual development plans for all personnel and reviews them twice each year. The post budgets for individual development costs for each staff member and encourages staff exchanges to share best practices and build skills. Staff in Peru take part in a candid self-assessment process during the performance appraisal process to help employees reach the next level of their personal development.

Challenges related to this indicator include allocating time to complete human resources tasks, training supervisors to properly execute the performance appraisal system, and providing opportunities for staff development.

Strengthening Future Performance: The agency will implement the new performance appraisal system based on information gathered during the pilot phase. The agency will increase its focus on employee training by hiring a training manager to oversee the training program for U.S. direct hire staff. The agency will also institute a coaching and mentoring program for supervisors to build skills in employee performance management. Finally, the agency will launch a host country staff viewpoint survey to capture the perspectives and opinions of local staff—some of whom have served the agency for decades. This new survey will provide information critical to the agency's work to identify areas for improvement.

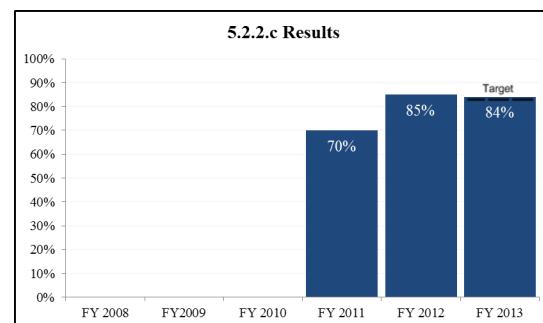
Data Source: Overseas post and headquarters office data call

Indicator 5.2.2.c: Percentage of posts and headquarters offices that benefit from collaboration with global strategic partners

FY 2013 Target	FY 2013 Result	Target Met
83%	84%	✓

Rationale: The agency collaborates with external global strategic partners to increase the reach and impact of Volunteers in the field in support of common goals and national initiatives. An increase in the percentage of posts and headquarters offices that benefit from strategic partnerships indicates the agency is leveraging these partnerships more effectively.

Discussion of Result: *The target was met.* The agency collaborated with the following global strategic partners in FY 2013:



- Food and Agriculture Organization
- Global Communities (formerly CHF International)
- Grassroot Soccer
- International Alliance for Youth Sports
- Johns Hopkins University School of Public Health
- Korean International Cooperation Agency
- Malaria No More
- Millennium Challenge Corporation
- Mondelez International
- Population Services International
- Save the Children
- Special Olympics
- United Nations Volunteers
- U.S. Centers for Disease Control and Prevention
- U.S. Agency for International Development—Global Education Framework
- U.S. Agency for International Development—Global Food Security (Feed the Future)
- U.S. Agency for International Development—Small Project Assistance
- 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 (Volunteer Service Organization) International
- Water and Development Alliance
- World Cocoa Foundation
- World Food Programme

As a result of a review of existing global strategic partnerships and opportunities for new partnerships, the agency signed memoranda of understanding with two new global strategic partners in FY 2013: the Johns Hopkins University School of Public Health and the Korean International Cooperation Agency. The agency signed memoranda of understanding with two new strategic partners at the end of FY 2012 not reported for this indicator last year: Mondelez International and the Water and Development Alliance.

Global strategic partners provide the agency with key technical support, resources for fielding Volunteers, assistance with strategic project development, and financial/in-kind support. For example, Togo was able to

hold two monitoring, reporting, and evaluation workshops with the support of partners. The Nicaragua post noted, “The small grant funding that we receive from a variety of sources serves as a kick start to much of our work. We have accomplished a lot [through these small grants].”

Common challenges reported with regard to increasing the benefits of working with global strategic partners include significant reporting requirements and high administrative costs associated with managing these partnerships locally.

Strengthening Future Performance: The agency will continue reviews of its global strategic partnerships to ensure that only those relationships where the benefit to the Peace Corps outweighs the cost are maintained. Additionally, the agency will pursue partnerships in sectors, regions, and headquarters offices where a mutually beneficial opportunity for collaboration exists. The agency will also work to reduce the reporting and administrative burden of managing partnerships.

Data Source: Overseas post and headquarters office data call

Performance Goal 5.2.3: Ensure the optimal performance of critical Peace Corps processes

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 2013 Target	FY 2013 Result	Target Met
Complete annually	Completed	✓

Rationale: Identifying and completing improvements to at least one mission-critical work process each year provides the agency with the opportunity to direct its focus toward a specific area of performance improvement, contributing to more efficient and effective operations.

Discussion of Result: *The target was met.* This indicator requires the identification of one mission-critical work process for improvement at the strategic plan performance review session for the first quarter of the fiscal year (typically held in January/February). The improvements are also required to be completed by the end of the fiscal year.

Formally announced at the quarter one strategic plan performance review session in FY 2013, the chief operating officer selected the development of an executive dashboard of key Volunteer Delivery System metrics as the mission-critical work process to improve by the end of the fiscal year.

The dashboard increases the ability of senior leaders and managers to have up-to-date access to information regarding the processes related to requesting, recruiting, selecting, and fielding Peace Corps Volunteers. The dashboard tracks key performance indicators once a month to allow agency leadership to monitor performance and adjust operations when necessary.

Strengthening Future Performance: The Volunteer Delivery System dashboard will be reviewed regularly to ensure the metrics are useful and actionable.

Data Source: Office of the Director

Evaluation and Research: Evidence for Decision Making

The demand for data and evidence to inform decision making has never been higher at the Peace Corps. Bolstered by the sustained commitment of agency leadership to improving operations, the agency's expanding culture of performance improvement is nurtured through high-quality data and evidence developed both in the field and at headquarters.

Peace Corps' Evaluation Framework

In FY 2013, the agency finalized an overarching evaluation framework to provide the agency, for the first time in its history, with a systematic framework for conducting evaluation and research activities across the agency to better demonstrate the impact of the Volunteers and generate data and evidence for performance improvement efforts. Consistent with this new framework, the agency took a series of steps in FY 2013 that have expanded the Peace Corps' capacity to monitor, evaluate, and report on progress toward agency goals, to ensure processes are operating efficiently, and to identify or develop evidence to inform resource allocation decisions:

- **Establishment of an agency-wide evaluation agenda:** The agency is in the process of developing the evaluation agenda for FY 2014. Topics may include a review of the implementation of the Focus In/Train Up strategy, performance evaluations on agency performance goals where insufficient progress has been made, and a review of the Volunteer application process. Implementing the agency-wide evaluation agenda will require coordination across offices and posts—a key step in integrating the evaluation and research activities that already occur throughout the agency.
- **New regional Monitoring, Reporting, and Evaluation conferences for key staff:** Monitoring, reporting, and evaluation conferences were held in all three regions to build the skills of programming and training staff and prepare data collection tools for Volunteers. Through these conferences, the agency strengthened the monitoring, reporting, and evaluation culture at overseas posts and made significant progress in developing the tools that Volunteers need to fully report on their activities.
- **Improved monitoring and evaluation (M&E) training and tools for Volunteers:** All posts provided standard M&E training to Volunteers in FY 2013. The training sessions include topics on how to use data collection tools, how to analyze data, and how the agency reports progress toward goals. Additionally, a redesigned Volunteer Reporting Tool, which will include a significantly improved user interface, is scheduled for completion and roll-out in early FY 2014. As the agency continues to build the capacity of Volunteers to report on their project activities and provides them with the necessary data collection tools, the volume and quality of data related to Volunteers' impact will increase.
- **Increased staff capacity for evaluation and research:** At Peace Corps headquarters and in the field, the agency is increasing staff capacity to engage in evaluation and research activities. The Director's office has restructured the office responsible for strategic planning, evaluation, and data management to focus additional attention on developing new data and evidence for decision making; the office has also hired new evaluation and survey specialists. In addition, two full-time M&E specialists (one based at Peace Corps headquarters, one field-based) have been hired to work specifically with overseas posts on M&E.
- **Focus on baseline data collection in the new strategic plan:** The agency has included a performance goal related to baseline data collection in the draft Strategic Plan (FY 2014-2018) currently under development. The performance goal will set a target for the percentage of projects where baseline data has been collected or compiled. Conducting baseline surveys or compiling baseline data from partner organizations, when combined with measurements related to Volunteer project activities, will allow the agency to demonstrate

with confidence the impact of Volunteers on specific projects. In addition, the agency is preparing to develop models for the collection of baseline data for new country entries and as components of evaluation frameworks created for pilot activities and other new initiatives.

Through these improvements, the agency is positioning itself for a major push over the next few years to improve the development and use of new and existing evidence to better demonstrate the impact of Volunteers and improve Peace Corps programs.

Major Evaluation and Research Activities in FY 2013

Evaluation and research activities are conducted at overseas posts and in a variety of headquarters offices. Agency studies completed and approved for public distribution can be found at www.peacecorps.gov/open.

In FY 2013, the agency conducted the following major evaluation and research activities:

- Annual Volunteer Survey
- Country Portfolio Review
- Standardized reports on the Host Country Impact Studies
- Counterpart Survey Pilot
- Evaluations by headquarters offices and overseas posts

The Peace Corps Office of Inspector General also conducted a variety of audits and evaluations.

While the specific purposes of the agency's evaluation and research work varied, the findings from the studies were used to assess progress toward the agency's goals and identify actions to further improve agency performance. The results informed decisions at all levels in the agency, and, in some cases, served to identify promising practices.

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. As a result of a heightened focus on using proven best practices from the online survey industry, the FY 2013 AVS recorded the highest response rate in the history of the survey, with 92 percent of Volunteers participating. This high overall response rate, and the fact that more than 97 percent of respondents completed 90 percent or more of the survey, signifies that the data is more highly representative of the total Volunteer population than ever before.

The AVS asks Volunteers to assess the impact of their work, the effectiveness of their Peace Corps' training, in-country staff support, their personal health and safety, and, their overall satisfaction with their Volunteer service. In FY 2013, the AVS included an abridged set of safety and security questions in preparation for the launch of a dedicated crime victimization survey to be conducted in early FY 2014.

Findings

The results of the FY 2013 AVS provided the agency with critical insights into Volunteers' views and their in-

country experiences. Results indicated a slight increase in satisfaction with the support provided by the Peace Corps for living and working in communities, as well as the percentage feeling safe at home and work. Some key results follow:

- Volunteers reported they effectively transferred knowledge and skills to help build the capacities of the host country individuals with whom they worked (88 percent). (Strategic Goal One)
- Two out of three Volunteers reported that their work and activities promote a better understanding of Americans among host country nationals with whom they live and work. (Strategic Goal Two)
- All (100 percent) Volunteers reported that they share their overseas experiences in the Peace Corps with Americans back home. (Strategic Goal Three)
- The percentage of Volunteers who report adequate or better satisfaction with site selection and preparation rose one point to 73 percent. (Strategic Goal One)
- The percentage of Volunteers who report adequate or better satisfaction with health services remains high, compared to other indicators of satisfaction, despite falling two points from 92 to 90 percent. (Strategic Goal Five)

Actions Taken

Findings from the FY 2013 AVS are only available at the end of the fiscal year, and actions based upon the results generally would take place in FY 2014. An exception this year, however, was the decision to conduct an analysis of high- and low-performing posts with regard to Volunteers' satisfaction with medical services. This analysis was completed in the four weeks between the availability of survey data and the end of the fiscal year in order to examine possible reasons for a two percentage point drop in what is traditionally a very high-scoring indicator as quickly as possible.

Actions taken in FY 2013 as a result of FY 2012 AVS data include a continued focus on improving emotional support through post staff training and visits to lower-performing sites by the Office of Health Services; the inclusion of a performance goal in the draft Strategic Plan (FY 2014-2018) to improve the quality and timeliness of feedback provided by project managers to Volunteers on their work, and the creation of a color-coded summary categorization of posts' strengths and weaknesses from the Volunteers' perspective by the Office of Global Operations to inform investments in quality improvement.

Country Portfolio Review

The Peace Corps completed its third annual Country Portfolio Review in the first quarter of FY 2013. The Country Portfolio Review addresses a key recommendation of the Comprehensive Agency Assessment, a major evaluation of agency operations completed in FY 2010. 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, possible country phase-outs, as well as the allocation of Volunteers and resources.

The Country Portfolio 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 operations, program impact, cost, and congruence with U.S. development priorities (Strategic Goals One, Two, and Five). Findings

were thoroughly reviewed and discussed by senior management at a retreat held in the first quarter of FY 2013.

Findings

Through the Country Portfolio Review completed in FY 2013, the agency found that it is meeting the needs of host countries with its unique approach to development. While indicating host countries' relative levels of development and candidacy for eventual graduation (closure of program), the review also identified country programs that had achieved the greatest improvements in safety and security and Volunteer support through the application of specific procedural enhancements, such as standard site visit protocols.

The review also provided evidence of the performance improvements that innovative and long-term investments can achieve in countries with heightened complexity (Indonesia) or projects undergoing significant change (several countries in Africa).

Actions Taken

The Country Portfolio Review in FY 2013 further supported the agency's earlier decision to increase the Volunteer population in Africa and to graduate (close) programs in Antigua/ Barbuda, Bulgaria, Cape Verde, Romania, St. Kitts/Nevis, Suriname, and Turkmenistan. It was also instrumental in deciding how to allocate resources for the placement of 300 Volunteers.

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 (Strategic Goals One and Two). The agency has completed 24 Host Country Impact Studies since FY 2008, interviewing approximately 3,000 beneficiaries, counterparts, and host families across all three regions in which the Peace Corps operates.

Findings

The last Host Country Impact Studies were conducted in FY 2012, and the results obtained by the local researchers were reported to the posts immediately upon completion of the field work. While there are no new findings to report for FY 2013, the agency did finalize the analysis and publish six country reports based on the work of the local researchers on the agency's website; Fiji, Ghana, Nicaragua, Paraguay, Thailand (which included two separate reports evaluating two different programs) and Togo. These reports include a thorough review of the quantitative data—supported by a careful analysis of the qualitative data—presented in a format that is standard for all the country reports. As such, it includes additional findings, conclusions, and recommendations from those contained in the reports produced by the local researchers.

In addition to these in-depth standard reports, short summary reports were also published for each study.

Actions Taken

The Host Country Impact Studies have been the agency's primary mechanism for demonstrating the longer-term impact of Volunteers. These studies are unique in that they assess the impact of the Volunteers from the perspective of host country nationals—the counterparts, beneficiaries and host families with whom the Volunteers work and live. The studies provide both qualitative and quantitative feedback on the agency's impact on Strategic Goals One and Two.

Counterpart Survey Pilot

Recognizing the value of the information provided by the Host Country Impact Studies, the agency initiated a pilot for surveying local counterparts on a larger scale in FY 2013. The Counterpart Survey pilot included questions similar to those utilized in Host Country Impact Studies to gather feedback on the impact of Volunteers on local development outcomes and building a better understanding of Americans. The pilot was conducted to determine how to best collect information on Volunteer impact directly and more regularly from counterparts compared to contracting local researchers to complete only a limited number of studies each year.

The Counterpart Survey pilot included surveying counterparts in 14 countries spread across the three regions and six sectors in which the Peace Corps operates. Interviews were conducted utilizing multiple methods—such as in-person interviews, online surveys, and phone conversations—thereby testing the pros and cons of each method. The headquarters offices and posts participating in the pilot discussed the parameters of the pilot, challenges, and promising practices throughout the process.

Feedback from the pilot will be critical to developing a survey that can be fielded globally across more than 60 countries. After analysis of the pilot is complete, the Peace Corps will launch a global counterpart survey in FY 2014.

Evaluation and research activities conducted by overseas posts

Posts conduct evaluations to improve their country programs and increase the impact of Volunteers (Strategic Goals One, Two, and Three). In FY 2013, 42 percent of posts reported completing at least one evaluation or research activity. Most activities were process evaluations and surveys of satisfaction among various categories of stakeholders, including the satisfaction of minority Volunteers in Azerbaijan, program partners in Mexico, and host country national staff in Uganda.

Findings

The evaluations conducted by posts in FY 2013 focused on the successes and challenges of meeting project objectives. While using a variety of methodologies—including on-line surveys, focus groups, and desk research of secondary sources—most evaluations relied on host country national sources to better understand their country's development needs, what works or does not work in existing project frameworks, and/or partner satisfaction with Peace Corps programming. Posts that conducted evaluations continued to cite high satisfaction from local partners with the work of the Volunteers.

While significant gains have been made in FY 2013 through regional M&E trainings and the addition of a limited number of M&E staff, posts continue to be limited in the types of evaluation and research activities they can conduct due to a paucity of M&E resources at overseas posts.

Actions Taken

Posts used information gathered from these evaluations to modify their programs and operations to better meet the Peace Corps' goals. For example, in Peru, post staff studied human development indicators for each region of the country using recent census data. They cross-referenced these findings with historical information on the Peace Corps' safety, security and project success at sites throughout the country. The results helped staff target activities to areas that held greater potential for positive impact, and assigned 85 percent of all new Volunteers to six contiguous northern regions of the country. In Sierra Leone, the post conducted an evaluation of Peace Corps Response programs in country through in-depth interviews and a focus group of partners working in institutions currently being served by the program. The review of best practices, constraints and opportunities led to the

realignment of Peace Corps Response programming in the country, and this will now become a routine part of the Project Advisory Committee process.

Evaluation and research activities conducted by headquarters offices

Peace Corps Headquarters offices conducted essential program evaluations in support of Strategic Goals One, Two, and Three, as well as cost-benefit evaluations and operational assessments related to Strategic Goals Four and Five.

Examples of evaluation activities completed by headquarters offices follow.

Findings and Actions Taken

- **In-depth analysis of Communications operations:** In FY 2013, the Office of Communications underwent a 360-degree review of its strategy and activities, including an in-depth strength, weaknesses, opportunities, and threats analysis. The review identified the prioritization of audiences and messaging as the biggest challenges. As a result, the agency has significantly redesigned the office and created a dedicated Digital Team, folding all video, photo and social media operations under the direction of a single Digital Director for maximum efficiency and impact.
- **Annual Peace Corps Response Survey:** Peace Corps Response conducts a Close-of-Service survey that is completed by each Peace Corps Response Volunteer and distributes global and post-level data to all posts participating in the program. Peace Corps Response uses the findings to continually monitor and evaluate the program's expansion and inform improvements to discrete processes, such as the design of interview questions for applicants, support tools for posts, pre-departure language tools, and pilot orientation guidelines.
- **Design of a Monitoring and Evaluation System for the Sexual Assault Response Program:** In keeping with recent legislation, the Office of Safety and Security designed an M&E system specifically for the Sexual Assault Response Liaison program, identifying best practices for conducting a crime victimization survey, moderating focus groups among Safety and Security Coordinators to evaluate and inform improvements in the global core training of Volunteers, and policy training for safety and security staff. Findings and resulting activities have been shared with the Sexual Assault Advisory Council.
- **Evaluation of the Small Project Assistance Program:** The Office of Strategic Partnerships collaborated with the U.S. Agency for International Development to support discrete projects in local communities as part of Jordan's Youth in Development and Education sector programs. Although there was clear evidence of skills transfer to beneficiaries, stakeholders called for greater involvement by communities in project design and implementation, a recommendation which has been incorporated into future Small Project Assistance programming.

Audits and Evaluations conducted by the Office of the 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 management, which then takes appropriate action to address the concerns that have been identified. Open recommendations are managed by

the agency's chief compliance officer, who is responsible for assuring that management actions are documented and advising OIG when the implementation has been confirmed. OIG audits and evaluations can be found at www.peacecorps.gov/oig.

In FY 2013, the OIG issued seven audit reports and four evaluation reports on country programs. The audits were conducted in Jamaica, South Africa, Malawi, and Zambia, in addition to a review of the Peace Corps' management of grants to Volunteer projects, the agency's 50th anniversary program, and medical inventory issues. Program evaluations were conducted in Colombia, Malawi, Namibia, and Moldova. The program evaluation reports addressed issues such as the extent to which the post developed and implemented programs that met agency goals and provided sufficient training, health care, support, and oversight to Volunteers to enable them to increase host country capacity and promote cross-cultural understanding.

The lower number of audit and evaluation reports compared to prior years is a result of the OIG's focus in FY 2013 on the implementation of the requirements of the Kate Puzey Peace Corps Volunteer Protection Act. A final report on this topic will be issued in the first quarter of FY 2014.

Program Evaluations Conducted by the Office of Inspector General

Colombia

The OIG found that the Peace Corps has successfully managed the reopening of this post since 2010, after nearly two decades of closure for security reasons, with adequate security and programmatic infrastructure in place to support an effective Volunteer Corps. The most significant challenges identified were the safety and security and community integration issues related to the concentration of Volunteers in the major urban areas along the Caribbean coast.

Major Recommendations

- Assess security conditions along Colombia's Caribbean coast and identify new sites outside of major urban areas where Volunteers can safely live and work
- Develop a strategy to mitigate and help Volunteers better manage stressors connected to their service
- Assess the viability of the community integration approach to Volunteer safety for urban sites
- Identify a host family policy that results in Volunteers having more successful host family relationships
- Assess the sufficiency of current office space and secure additional office space, if needed
- Review and complete the medical evacuation plan
- Set expectations regarding the timeliness of staff feedback to Volunteers on their work reports and ensure that staff uses the Volunteer Reporting Tool to support Volunteers and communicate project results
- Adjust training to ensure Volunteers clearly understand their role as Volunteers

Actions Taken or Planned

In response to the program evaluation, the agency has developed a comprehensive strategy to help Volunteers mitigate Colombia-specific stressors, implemented reforms to the host family policy, reviewed options for additional office space, reviewed and completed the medical evaluation plan, adopted changes to improve feedback to Volunteers, and improved Volunteer training focused on resiliency and adaptation.

Malawi

The OIG found that, after the turnover of all U.S. direct hire staff at the post in 2011, the incoming management team encountered significant funding shortfalls caused by issues with the post's financial management processes and headquarters oversight. The evaluation revealed additional management issues, including unclear and duplicate roles and responsibilities and difficulties collecting and reporting performance data. While the OIG determined that the Peace Corps program addresses some of Malawi's most pressing development needs, Ministry officials were poorly informed about Volunteers' project goals and activities. At the same time, Volunteers were very satisfied with staff support in the areas of safety and security, medical, and administrative support. In other areas, the post struggled to provide adequate support and oversight to Volunteers.

Major Recommendations

- Ensure that the post's operating plan funds essential operations with appropriated funds rather than host country contributions
- Ensure project frameworks are aligned with Volunteer Reporting Forms, train Volunteers to collect and record performance data, and require programming staff to provide timely and substantive feedback to Volunteers
- Align grant-related training with the Peace Corps approach to development
- Establish project advisory committees
- Establish, implement, and document adherence to procedures for developing, selecting, and approving sites, including Peace Corps Response sites
- Survey Volunteers to assess the effectiveness of staff communications and make adjustments if necessary
- Monitor the effectiveness of technical training and make appropriate improvements

Actions Taken or Planned

In response to the program evaluation, the agency has ensured that essential operations are not dependent on host country contributions, aligned Volunteer Reporting Forms with the project frameworks, implemented standardized training on monitoring and evaluation to improve the collection of performance data, set clear expectations with staff on providing timely and substantive feedback to Volunteers, and reviewed communication methods with Volunteers.

Namibia

The OIG found that the post is building a strong programming foundation through the Focus-In/ Train Up strategy and continues to work on aligning its projects according to the goals of this agencywide initiative. Although the post's relationships with host country stakeholders appeared generally positive, the post did not provide them with a comprehensive annual report or have project advisory committees. Additionally, key staff members were not sufficiently involved in the Volunteer site development process and the availability of medical and health resources were not fully assessed for Volunteer sites. In general, the evaluation revealed that post had developed a solid Volunteer support structure. However, issues were identified related to Volunteer safety and emergency preparedness.

Major Recommendations

- Ensure that site identification and selection is collaborative and consistent across projects through the participation of all relevant staff
- Improve the accessibility of site history files
- Develop project advisory committees for each project
- Assess technical training and make adjustments when necessary to improve the effectiveness of training for the education and health sectors
- Examine the local language training and testing program
- Ensure that medical staff conduct site visits
- Improve the completion of site locator forms
- Review emergency action planning and identify any deficiencies
- Develop a comprehensive annual report for stakeholders that addresses all projects

Actions Taken or Planned

In response to the program evaluation, the agency has continued to include key staff in the site identification and selection process, improved site history files, conducted meetings with project advisory committees, improved the technical training program, expanded language learning opportunities for Volunteers, implemented measures to improve the site locator form, developed and disseminated a comprehensive annual report for stakeholders, and completed a comprehensive update of the emergency action plan.

Moldova

The OIG found that Moldova is a strong performing post with qualified and dedicated staff that has been well-managed despite undergoing a complete turnover of all U.S. direct hire staff in 2012. The post has a strong programming foundation and has applied the Focus In/Train Up strategy to all of its projects. The post's comprehensive site selection process has placed Volunteers in meaningful assignments with strong counterparts and good host families. However, Volunteers placed in urban sites faced challenges in integrating into their communities. The training program is effective at helping trainees prepare for service, and the post has developed a solid Volunteer support structure. However, the evaluation indicated issues related to Volunteer safety and emergency preparedness.

Major Recommendations

- Ensure safety and security incidents are properly documented in site history files in a centralized location
- Establish specific criteria for placing Volunteers in urban sites
- Define how language proficiency interview results are to be used for swearing-in decisions and define a course of action for trainees who fail to meet minimum language proficiency requirements
- Develop and implement a comprehensive trainee assessment tool
- Ensure all Volunteers are familiar with consolidation points
- Establish a system to ensure that housing deficiencies are corrected before the Volunteer arrives at site

Actions Taken or Planned

In response to the program evaluation, the agency has updated the process for collecting and documenting site history information, implemented a process for review and approval of all Volunteer sites, updated the housing policy, piloted a trainee assessment tool, conducted an emergency action plan consolidation test, and modified the housing checklist.

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FINANCIAL SECTION

Message from the Chief Financial Officer

The Peace Corps is firmly committed to sustaining the highest standard for financial accountability and reporting. Kearney & Company, P.C. independent auditors, conducted their first financial statement audit of this agency during FY 2013 and issued an unmodified (clean) audit opinion. The agency has received unqualified audit opinions for the past seven consecutive years from other independent audit firms.

Our success in accountability reporting was further recognized by a sixth awarding of the coveted Association of Government Accountants' Certificate of Excellence in Accountability Reporting for the FY 2012 Performance and Accountability Report. Behind this effort is the immense amount of financial work performed not only by my own dedicated financial management staff but also other devoted financial and performance management professionals throughout the agency in 65 countries, supporting the work of the Volunteers around the world. During FY 2013, we processed more than 660 thousand financial transactions in 76 currencies.

Peace Corps appropriation of funding was negatively affected by the sequestration budget cuts, as with all federal agencies, and came in at slightly more than \$356 million for FY 2013, compared to \$375 million in FY 2012. The agency remains committed to supporting its Volunteers through their 27 months of service; however, uncertainties in future funding levels can make this challenging.

Agency managers worked through Senior Assessment Team meetings and the corrective action plan to correct the two significant deficiencies in internal control identified in the FY 2012 financial statement audit. Those significant deficiencies were Property, Plant, and Equipment (PP&E) and Information System Security both of which were prior year audit findings. FY 2013 financial statement audit work also revealed a significant deficiency in accrual validation. We will continue to focus our efforts to fully resolve both of the repeat significant deficiencies as well as the new significant deficiency.

Our independent auditor identified several accounting concerns with regards to the accounting treatment of proceeds of sale funds as well as the calculation and classification of Personal Service Contractor and Foreign Service National severance liability funds. This material weakness resulted in a restatement of Peace Corps' FY 2012 financial statements. We have corrected the accounting treatments and classifications and have taken significant steps to improve the calculation methodology of these funds. We will continue to work to establish a more sophisticated tool for assessing an accurate severance liability.

Though an agency-wide inventory of Property, Plant, and Equipment was conducted during FY 2013, unresolved asset reconciliation issues remain. Other corrective actions performed include updating and issuing Manual Section 511 on Personal Property Management and Manual Section 711, Accounting for Property, Plant, and Equipment, which will further strengthen PP&E internal controls going forward. Funding was approved for a new, commercial Property Accountability System which will be implemented in phases during FY 2014 and FY 2015. Progress made this year in addressing Information System Security includes implementing back up tape encryption and improving data center access management. Posts were provided IT contingency planning templates and corrective actions are ongoing to implement the United States Government Configuration Baseline on workstations worldwide. Additionally, our planning and strategy efforts have laid the foundation for future IT improvements.

Financial management improvements implemented during FY 2013 include the following:

- Upgraded the Oracle financial system with new sub-ledger accounting architecture, capping a two-year complex effort by the in-house financial systems team
- Implemented financial system functionality to process new taxation requirements and began issuing payments in U.S. dollars to overseas personal services contractors, treating contractors as U.S. Direct Hire personnel consistent with passage of the Kate Puzey Peace Corps Volunteer Protection Act of 2011

- Integrated the President's Emergency Plan for AIDS Relief (PEPFAR) funding into Hyperion Planning, the agency's budget formulation and financial analysis software, and generated the PEPFAR Implementation Plan for submission to Department of State
- Recovered \$10.2 million through open obligation reviews by closing or adjusting obligations in current and expired funds

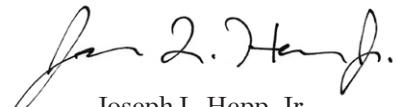
The administration's directed FY 2013 savings in agency operations related to conferences are being captured and conferences over \$100 thousand are externally reported on the agency's website, http://www.peacecorps.gov/FY2012_PC_Conferences_Spending_Report.pdf. Conference requests are subjected to varying levels of approval depending on the estimated cost of each conference. The Inspector General is notified of each conference over \$20 thousand and the Deputy Director or the Chief of Staff approves conferences with estimated total costs that exceed \$80 thousand. Conferences estimated to cost over \$500 thousand require approval from the Director. In January 2013, the last reporting period, no conferences exceeded this threshold and the agency does not expect that any single conference will exceed this threshold in the next reporting period.

Looking forward, an upgrade to the Hyperion Planning budget formulation and financial analysis software application is scheduled for completion during the second quarter of FY 2014. The system upgrade is necessary to ensure this core application continues to function as the agency upgrades IT infrastructure components.

The agency continues to operate as one program with the single purpose of providing trained Volunteers to host countries to promote world peace and friendship and, in lieu of adopting goal costing, is enhancing the use of performance and cost information in budgetary decision making.

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.

We continue to promote effective internal controls, to seek new improvements in financial management, and will further focus future efforts to resolve audit recommendations.



Joseph L. Hepp, Jr.
Chief Financial Officer
December 13, 2013

Peace Corps
Balance Sheets
As of September 30, 2013 and 2012
(In Thousands)

	<u>2013</u>	<u>2012</u> <u>Restated</u>
Assets		
Intragovernmental		
Fund Balance With Treasury (Notes 2 and 3)	\$ 188,687	\$ 180,689
Accounts Receivable (Note 4)	2,958	2,324
Total Intragovernmental	<u>191,645</u>	<u>183,013</u>
Accounts Receivable, Net (Note 4)	208	221
General Property, Plant, and Equipment, Net (Note 5)	29,987	35,176
Other		
Prepaid Volunteer Living Allowances (Note 6)	2,010	2,220
Other Assets (Note 7)	3,440	3,369
Subtotal Other	<u>5,450</u>	<u>5,589</u>
Total Assets	<u><u>\$ 227,290</u></u>	<u><u>\$ 223,999</u></u>
Liabilities		
Intragovernmental		
Accounts Payable	\$ 1,074	\$ 1,544
Other		
Unfunded FECA Liability (Note 8)	32,297	30,558
Other Liabilities (Note 9)	224	429
Subtotal Other	<u>32,521</u>	<u>30,987</u>
Total Intragovernmental	<u><u>33,595</u></u>	<u><u>32,531</u></u>
Accounts Payable	35,530	33,892
Federal Employee and Veterans Benefits (Note 8)	153,397	139,531
Other		
Other Employment Related Liability (Note 8)	98	63
Non-Entity Funds (Note 2)	23,400	27,742
Accrued Funded Payroll and Leave	2,394	5,762
Unfunded Annual Leave (Note 8)	9,755	9,415
Other Liabilities (Notes 9 and 11)	935	820
Subtotal Other	<u>36,582</u>	<u>43,802</u>
Total Liabilities	<u><u>259,104</u></u>	<u><u>249,756</u></u>
Commitments and Contingencies (Note 11)		
Net Position		
Unexpended Appropriations	129,818	114,526
Cumulative Results of Operations	(161,632)	(140,283)
Total Net Position	<u><u>\$ (31,814)</u></u>	<u><u>\$ (25,757)</u></u>
Total Liabilities and Net Position	<u><u>\$ 227,290</u></u>	<u><u>\$ 223,999</u></u>

The accompanying notes are an integral part of these statements

Peace Corps
Statements of Net Cost
For Years Ended September 30, 2013 and 2012
(In Thousands)

	<u>2013</u>	<u>2012</u>
		<u>Restated</u>
Program Costs:		
Gross Costs	\$ 381,873	\$ 401,556
Less: Earned Revenue (Notes 12 and 13)	<u>10,031</u>	<u>6,969</u>
Net Cost of Operations	<u><u>\$ 371,842</u></u>	<u><u>\$ 394,587</u></u>

The accompanying notes are an integral part of these statements

Peace Corps
Statements of Changes in Net Position
For Years Ended September 30, 2013 and 2012
(In Thousands)

	<u>2013</u>	<u>2012</u> <u>Restated</u>
Cumulative Results of Operations:		
Beginning Balances	\$ (140,283)	\$ (128,353)
Adjustments:		
Corrections of Errors	-	1,509
Beginning Balances, As Adjusted	<u>(140,283)</u>	<u>(126,844)</u>
Budgetary Financing Sources:		
Appropriations Used	339,336	366,589
Donations and Forfeitures of Cash and Cash Equivalents	387	41
Transfers-In/Out Without Reimbursement	5,280	7,757
Other Financing Sources (Non-Exchange):		
Donations and Forfeitures of Property	-	(81)
Transfers-In/Out Without Reimbursement	(154)	990
Imputed Financing (Note 20)	<u>5,644</u>	<u>5,852</u>
Total Financing Sources	350,493	381,148
Net Cost of Operations	<u>371,842</u>	<u>394,587</u>
Net Change	<u>(21,349)</u>	<u>(13,439)</u>
Cumulative Results of Operations	(161,632)	(140,283)
Unexpended Appropriations:		
Beginning Balance	114,526	97,955
Adjustments:		
Corrections of Errors	-	8,882
Beginning Balances, As Adjusted	<u>114,526</u>	<u>106,837</u>
Budgetary Financing Sources:		
Appropriations Received	375,000	375,000
Other Adjustments	(20,372)	(722)
Appropriations Used	<u>(339,336)</u>	<u>(366,589)</u>
Total Budgetary Financing Sources	15,292	7,689
Total Unexpended Appropriations	<u>129,818</u>	<u>114,526</u>
Net Position	<u>\$ (31,814)</u>	<u>\$ (25,757)</u>

The accompanying notes are an integral part of these statements

Peace Corps
Statements of Budgetary Resources
For the Years Ended September 30, 2013 and 2012
(In Thousands)

	<u>2013</u>	<u>2012</u>	
			<u>Restated</u>
Budgetary Resources:			
Unobligated Balance, Brought Forward, Oct 1	\$ 71,109	\$ 51,089	
Adjustment to Unobligated Balance Brought Forward, October 1	-	1,981	
Unobligated Balance Brought Forward, October 1, as Adjusted	71,109	53,070	
Recoveries of Prior Year Unpaid Obligations	10,237	9,590	
Other Changes in Unobligated Balance	(1,391)	(709)	
Unobligated Balance from Prior Year Budget Authority, Net	79,955	61,951	
Appropriations (Discretionary and Mandatory)	360,578	382,363	
Spending Authority from Offsetting Collections (Discretionary and Mandatory)	7,268	18,485	
Total Budgetary Resources	<u>\$ 447,801</u>	<u>\$ 462,799</u>	
Status of Budgetary Resources:			
Obligations Incurred (Note 14)	\$ 375,783	\$ 391,690	
Unobligated Balance, End of Year:			
Apportioned	60,180	58,968	
Exempt from Apportionment	4,488	4,705	
Unapportioned	7,350	7,436	
Total Unobligated Balance, End of Year	<u>72,018</u>	<u>71,109</u>	
Total Budgetary Resources	<u>\$ 447,801</u>	<u>\$ 462,799</u>	
Change in Obligated Balance			
Unpaid Obligations:			
Unpaid Obligations, Brought Forward, Oct 1	\$ 92,209	\$ 71,165	
Adjustments to unpaid obligations, start of year	-	23,131	
Obligations Incurred	375,783	391,690	
Outlays (Gross)	(360,475)	(384,187)	
Recoveries of Prior Year Unpaid Obligations	(10,237)	(9,590)	
Unpaid Obligations, End of Year (Gross)	<u>97,280</u>	<u>92,209</u>	
Uncollected Customer Payments:			
Uncollected Pymts, Fed Sources, brought forward, Oct 1	(10,371)	(1,233)	
Change in Uncollected Pymts, Fed Sources	6,360	(9,138)	
Uncollected Pymts, Fed Sources, End of Year	<u>(4,011)</u>	<u>(10,371)</u>	
Memorandum (non-add) entries:			
Obligated Balance, Start of year	\$ 81,838	\$ 93,063	
Obligated Balance, End of year	<u>\$ 93,269</u>	<u>\$ 81,838</u>	
Budget Authority and Outlays, Net:			
Budget Authority, Gross (Discretionary and Mandatory)	\$ 367,846	\$ 400,848	
Actual Offsetting Collections (Discretionary and Mandatory)	(12,912)	(8,953)	
Change in Uncollected Customer Payments from Federal Sources (Discretionary and Mandatory)	6,360	(9,138)	
Budget Authority, Net (Discretionary and Mandatory)	<u>\$ 361,294</u>	<u>\$ 382,757</u>	
Outlays, Gross (Discretionary and Mandatory)	\$ 360,475	\$ 384,187	
Actual Offsetting Collections (Discretionary and Mandatory)	(12,912)	(8,953)	
Agency Outlays, Net (Discretionary and Mandatory)	347,563	375,234	
Distributed Offsetting Receipts	(1,770)	-	
Agency Outlays, Net (Discretionary and Mandatory)	<u>\$ 345,793</u>	<u>\$ 375,234</u>	

The accompanying notes are an integral part of these statements

Notes to 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 October, 2013. 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 included in the financial statements.

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 from permanent laws are considered mandatory spending.

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, 2013, cashier imprest funds represented by cash on hand, checks on hand, interim advances, and cashier checking account balances totaled

approximately \$910,000 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 its useful life of five years. 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 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 host country resident personal services contractors (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) 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.

p) 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.

q) 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.

r) Adjustments to Maintain Inherent Account Relationship Integrity

In order to correct the relationships between the proprietary and budgetary accounts, a high-level analysis was performed. Cash balances were adjusted to align with the U.S. Treasury fund balance to permit the agency to pass edit checks and submit FACTS II reports to Treasury. All of the adjustments for FY 2013 were immaterial.

s) 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.

t) 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, 2013 (In Thousands)	September 30, 2012 (In Thousands)
Deposit Funds		
Volunteer Readjustment Allowance	22,891	26,723
Clearing Accounts	509	1,019
Total Non-Entity Assets	23,400	27,742
Total Entity Assets	203,890	196,257
Total Assets	\$ 227,290	\$ 223,999

Deposit Fund—The Volunteer readjustment allowance is an 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, 2013 (In Thousands)	September 30, 2012 (In Thousands)
Appropriated Funds	\$ 136,297	\$ 124,951
Special Funds	24,157	22,600
Trust Funds	4,833	5,396
Non-Entity Assets (Note 2)	23,400	27,742
Total	\$ 188,687	\$ 180,689
Status of Fund Balance with Treasury	September 30, 2013 (In Thousands)	September 30, 2012 (In Thousands)
Unobligated Balance		
Available	\$ 64,668	\$ 63,673
Unavailable	7,350	7,436
Obligated Balance Not Yet Disbursed	93,269	81,838
Non-Budgetary Fund Balance with Treasury	23,400	27,742
Total	\$ 188,687	\$ 180,689

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, 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
Accounts Receivable as of September 30, 2012 (In Thousands)	Accounts Receivable, Gross	Allowance for Doubtful Accounts	Accounts Receivable, Net
Intragovernmental	\$ 2,324	\$ -	\$ 2,324
Other	221	-	221
Total	\$ 2,545	\$ -	\$ 2,545

Intragovernmental receivables are due from other federal agencies for services provided per 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, 2013 and September 30, 2012.

Note 5 General Property, Plant, and Equipment, Net

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
<hr/>				
Components of Fixed Assets as of September 30, 2012 (In Thousands)	Useful Life in Years	Cost	Accumulated Depreciation	Net Book Value
Land		\$ 43	\$ -	\$ 43
Buildings	10	73	14	59
Construction in Progress		651	-	651
General Property, Plant, and Equipment	5–10	4,454	1,058	3,396
Vehicles	5	24,830	8,584	16,246
IT Hardware	3–15	14,438	10,266	4,172
Leasehold Improvements	10	6,306	715	5,591
Internal-Use Software in Development		1,382	-	1,382
Internal-Use Software	3–9	33,838	30,202	3,636
Total		\$ 86,015	\$ 50,839	\$ 35,176

As of September 30, 2013, 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. There are no restrictions on the use or convertibility of General Property, Plant, and Equipment owned by the Peace Corps. Improvements for a building owned in Swaziland totaling \$390,000 were capitalized in FY 2013.

Note 6 Prepaid Volunteer Living Allowances

	September 30, 2013 (In Thousands)	September 30, 2012 (In Thousands)
Prepaid Volunteer Living Allowances	\$ 2,010	\$ 2,220

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, 2013 (In Thousands)	September 30, 2012 (In Thousands)
Travel Advances to Employees	\$ 451	\$ 442
Relocation Advances to Employees	27	2
Prepaid Rent	2,870	2,855
Other Advances	92	70
Total Other Assets	\$ 3,440	\$ 3,369

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

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.

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, 2013 (In Thousands)	September 30, 2012 (In Thousands)
Intragovernmental Liabilities		
Unfunded FECA Liability	\$ 32,297	\$ 30,558
Liabilities		
Unfunded Annual Leave	9,755	9,415
Unfunded Employment-Related Liability	98	63
Federal Employee and Veterans Benefits	153,397	139,531
Total Liabilities Not Covered by Budgetary Resources	\$ 195,547	\$ 179,567
Total Liabilities Covered by Budgetary Resources	\$ 63,557	\$ 70,189
Total Liabilities	\$ 259,104	\$ 249,756

Unfunded FECA Liability—A liability for the direct dollar costs of compensation and medical benefits paid on the agency's behalf by the Department of Labor. 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 for U.S.-hired employees earned but not used as of September 30, 2013. Payments are charged to the appropriation current at the time of payment. The valuation of the accrued annual leave for Foreign Service National employees and the Foreign National PSCs has been estimated for this financial statement. There were approximately 150 Foreign Service Nationals and 1,900 Foreign National PSCs working for the Peace Corps at the end of the fourth 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 the Department of Labor for the agency.

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

Note 9 Other Liabilities

	September 30, 2013 (In Thousands)	September 30, 2012 (In Thousands)
Intragovernmental		
Advances from Others	\$ 224	\$ 429
Other Liabilities		
Contingent Liability (Note 11)	935	820
Total Other Liabilities	\$ 1,159	\$ 1,249

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.

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 (OA) with the General Services Administration (GSA) for its building in Washington, DC and its seven regional recruiting offices throughout the continental U.S. GSA leases commercial facilities and provides spaces in federal buildings for occupancy by the agency. OAs 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 2014	\$ 6,784
Fiscal Year 2015	6,633
Fiscal Year 2016	6,591
Fiscal Year 2017	6,196
Fiscal Year 2018	4,028
After Fiscal Year 2018	1,140
Total Future Lease Payments	\$ 31,372

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 \$935,000 as of September 30, 2013 and \$820,000 as of September 30, 2012. 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 \$150,000 as of September 30, 2013 and \$450,000 as of September 30, 2012.

Note 12 Intragovernmental Costs and Exchange Revenue

	September 30, 2013 (In Thousands)	September 30, 2012 (In Thousands)
Intragovernmental Costs	\$ 63,521	\$ 56,493
Intragovernmental Earned Revenue	9,636	6,762
Total Intragovernmental	\$ 53,885	\$ 49,731
Public Costs	\$ 318,352	\$ 345,063
Public Earned Revenue	395	207
Total Public	\$ 317,957	\$ 344,856
Total Net Cost	\$ 371,842	\$ 394,587

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.

Note 13 Exchange Revenue

	September 30, 2013 (In Thousands)	September 30, 2012 (In Thousands)
Intragovernmental Earned Revenues	\$ 9,636	\$ 6,762
Earned Revenues from the Public	395	207
Total Exchange Revenues	\$ 10,031	\$ 6,969

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 14 Apportionment Categories of Obligations Incurred: Direct vs. Reimbursable

	September 30, 2013 (In Thousands)	September 30, 2012 (In Thousands)		
	Direct	Reimbursable	Direct	Reimbursable
Category A	\$ 359,785	\$ 10,401	\$ 378,687	\$ 7,480
Exempt from Apportionment	5,597	-	5,523	-
Total Obligations Incurred	\$ 365,382	\$ 10,401	\$ 384,210	\$ 7,480

All obligations incurred are Category A or Exempt from Apportionment.

Note 15 Undelivered Orders at End of the Period

	September 30, 2013 (In Thousands)	September 30, 2012 (In Thousands)
Undelivered Orders – End of Period	\$ 63,753	\$ 56,628

The undelivered orders are budgetary obligations with and without advances/prepayments placed against federal budget authority where no goods or services have been received.

Note 16 Explanation of Differences between the SBR and the Budget of the U.S. Government

(In Millions)	Budgetary Resources	Obligations Incurred	Net Outlays
Statement of Budgetary Resources	\$ 463	\$ 392	\$ 375
Budget of the U.S. Government	\$ 486	\$ 394	\$ 368
Difference	\$ (23)	\$ (2)	\$ 7

The differences between the FY 2012 SBR and the FY 2012 actual numbers presented in the FY 2014 Budget of the United States Government are summarized in the table above. The President's Budget with actual numbers for FY 2013 has not yet been published, and is expected to be published in FY2014, and to be made available at <http://www.whitehouse.gov/omb>. The difference between the agency's SBR and the Budget of the U.S. Government is attributable to the restatement of the FY 2012 financial statements as explained in Note 18, the activities associated with the miscellaneous contribution received by Peace Corps on behalf of Volunteers, and non-reported balance for expired appropriations in the President's Budget.

Note 17 Fiduciary Activities

Schedule of Fiduciary Activity <i>(In Thousands)</i>	HCC Cash 2013	HCC Cash 2012	HCC In-Kind 2013	HCC In-Kind 2012
Fiduciary Net Assets, Beginning	\$ 804	\$ 769	\$ -	\$ -
Contributions	787	1,021	4,274	4,743
Disbursements	(704)	(986)	(4,274)	(4,743)
Increase/(Decrease) in Fiduciary Net Assets	83	35	-	-
Fiduciary Net Assets, Ending	\$ 887	\$ 804	\$ -	\$ -
Schedule of Fiduciary Net Assets <i>(In Thousands)</i>	HCC Cash 2013	HCC Cash 2012	HCC In-Kind 2013	HCC In-Kind 2012
Fiduciary Net Assets				
Cash and Cash Equivalents	\$ 887	\$ 804	\$ -	\$ -
Total Fiduciary Net Assets	\$ 887	\$ 804	\$ -	\$ -

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 \$4.2 million in fair market value were received at posts through the end of September 30, 2013, for services, supplies, equipment, and facilities. The host country cash balance is \$800,000 as of September 30, 2013.

Note 18 Restatements

Peace Corps restated its FY 2012 financial statements due to correction of errors in the reporting of the Foreign Service National (FSN) Separation Liability Trust Fund and the Agency Contributions, Host Country Resident Contractors' (PSC) Separation Liability Fund. These two distinct funds were established to provide for separation and severance pay for to host country residents (host country national and third country national) engaged with the Peace Corps. Separation pay represents the long-term liabilities that have accrued over years of service according to the local labor laws and the terms of the contracts for the PSC or the Local Compensation Plan for the FSNs. Prior to this year, the agency was classifying these funds as non-entity assets, based upon the agency's interpretation of Statement of Federal Financial Accounting Standards (SFFAS) No. 1, Accounting for Selected Assets and Liabilities. As non-entity, the balances related to the FSN and PSC Separation Liability Funds were excluded in the agency's Statement of Net Costs, Statement of Changes in Net Position, and the Statement of Budgetary Resources. Therefore, any accrued liability and payments of severance were not being reported accordingly. Classification of the PSC and FSN Liability Funds as non-entity materially misstated the financial statements in prior years.

Annually, Peace Corps calculates the estimated liability of the severance earned by the FSNs and PSCs based upon their years of service with the agency. The estimated liability is funded using government contributions from the operating or general fund account. The estimated liability for a specific year is normally funded, via contribution, based on the levels determined by the agency. The remaining amount of the liability that is yet to be funded is recognized as an unfunded employment liability. During the FY 2013 audit, the agency also identified an overstatement in the recognized unfunded employment liability at the beginning of FY 2012.

The overall impact of the restatement as it relates to the FSN Separation Liability Trust Fund and the PSC Separation Liability Funds to FY 2012 was a net increase to the agency's Net Position of \$9.2 million with an offsetting decrease in overall Total Liabilities of the agency. The agency's Gross Costs increased by \$8.8 million and Total Budgetary Resources increase by \$9.7 million.

A second restatement to correct errors involves the funds received by the agency from proceeds of sales. Purchases of assets used with proceeds of sales are not considered a use of an appropriation. Therefore, when the replacement occurs, the recordation of the appropriations used is only recorded to the extent that appropriated dollars were used for the purchase. The agency did not record the appropriate accounting transactions for assets purchased with

proceeds in accordance with U.S. Treasury's Financial Management Services' United States Standard General Ledger and but recorded the purchase as if the funds were appropriated. From FY 2007 to FY 2011, the agency purchased property using proceeds amounting to \$8.8 million and another \$2.1 million in FY 2012. The restatement for the proceeds of sales increased Unexpended Appropriations by \$10.9 million and decreased Cumulative Results of Operations.

The following schedules show the original FY 2012 and the restated FY 2012 with the corresponding adjustments related to the correction of errors for the FSN Separation Liability Trust Fund and the PSC Separation Liability Fund, presented as Restatement Adjustment #1, and the correction of errors related to the proceeds of sales, presented as Restatement Adjustment #2. As of FY 2013, the agency has corrected all errors and implemented the proper accounting treatment for any future transactions related to the two restatements.

Balance Sheet (In Thousands)				
	Original 2012	Restatement Adjustment #1	Restatement Adjustment #2	Restated 2012
Assets				
Intragovernmental				
Fund Balance With Treasury	\$ 180,689	\$ -	\$ -	\$ 180,689
Accounts Receivable	2,324	-	-	2,324
Total Intragovernmental	183,013	-	-	183,013
Accounts Receivable, Net	221	-	-	221
General Property, Plant, and Equipment, Net	35,176	-	-	35,176
Other				
Prepaid Volunteer Living Allowances	2,220	-	-	2,220
Other Assets	3,369	-	-	3,369
Subtotal Other	5,589	-	-	5,589
Total Assets	\$ 223,999	\$ -	\$ -	\$ 223,999
Liabilities				
Intragovernmental				
Accounts Payable	\$ 1,544	\$ -	\$ -	\$ 1,544
Other				
Unfunded FECA Liability	30,558	-	-	30,558
Other Liabilities	429	-	-	429
Subtotal Other	30,987	-	\$ -	30,987
Total Intragovernmental	32,531	-	-	32,531
Accounts Payable	10,559	23,333	-	33,892
Federal Employee and Veterans Benefits	139,531	-	-	139,531
Other				
Other Employment Related Liability	4,660	(4,597)	-	63
Non-Entity Funds	55,739	(27,997)	-	27,742
Accrued Funded Payroll and Leave	5,762	-	-	5,762
Unfunded Annual Leave	9,415	-	-	9,415
Other Liabilities	820	-	-	820
Subtotal Other	76,396	(32,594)	-	43,802
Total Liabilities	\$ 259,017	\$ (9,261)	\$ -	\$ 249,756
Commitments and Contingencies				
Net Position				
Unexpended Appropriations	103,531	-	10,995	114,526
Cumulative Results of Operations	(138,549)	9,261	(10,995)	(140,283)
Total Net Position	\$ (35,018)	\$ 9,261	\$ -	\$ (25,757)
Total Liabilities and Net Position	\$ 223,999	\$ -	\$ -	\$ 223,999

Statement of Net Cost (In Thousands)				
	Original 2012	Restatement Adjustement #1	Resatement Adjustment #2	Restated 2012
Program Costs:				
Gross Costs	\$ 392,669	\$ 8,887	\$ -	\$ 401,556
Less: Earned Revenue	<u>6,969</u>	<u>-</u>	<u>-</u>	<u>6,969</u>
Net Cost of Operations	<u><u>\$ 385,700</u></u>	<u><u>\$ 8,887</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 394,587</u></u>

Statement of Changes in Net Position (In Thousands)				
	Original 2012	Restatement Adjustement #1	Resatement Adjustment #2	Restated 2012
Cumulative Results of Operations:				
Beginning Balances	\$ (128,353)	\$ -	\$ -	\$ (128,353)
Adjustments:				
Corrections of Errors	-	10,391	(8,882)	1,509
Beginning Balances, As Adjusted	(128,353)	10,391	(8,882)	(126,844)
Budgetary Financing Sources:				
Appropriations Used	368,702	-	(2,113)	366,589
Donations and Forfeitures of Cash and Cash Equivalents	41	-	-	41
Transfers-In/Out Without Reimbursement	-	7,757	-	7,757
Other Financing Sources (Non-Exchange):				
Donations and Forfeitures of Property	(81)	-	-	(81)
Transfers-In/Out Without Reimbursement	990	-	-	990
Imputed Financing	5,852	-	-	5,852
Total Financing Sources	375,504	7,757	(2,113)	381,148
Net Cost of Operations	385,700	8,887	-	394,587
Net Change	(10,196)	(1,130)	(2,113)	(13,439)
Cumulative Results of Operations	(138,549)	9,261	(10,995)	(140,283)
Unexpended Appropriations:				
Beginning Balances	97,955	-	-	97,955
Adjustments:				
Corrections of Errors	-	-	8,882	8,882
Beginning Balances, As Adjusted	97,955	-	8,882	106,837
Budgetary Financing Sources:				
Appropriations Received	375,000	-	-	375,000
Other Adjustments	(722)	-	-	(722)
Appropriations Used	(368,702)	-	2,113	(366,589)
Total Budgetary Financing Sources	5,576	-	2,113	7,689
Total Unexpended Appropriations	103,531	-	10,995	114,526
Net Position	\$ (35,018)	\$ 9,261	\$ -	\$ (25,757)

Statement of Budgetary Resources (In Thousands)				
	Original 2012	Restatement Adjustment #1	Restatement Adjustment #2	Restated 2012
Budgetary Resources:				
Unobligated Balance, Brought Forward, Oct 1	\$ 51,089	\$ -	\$ -	\$ 51,089
Adjustment to Unobligated Balance Brought Forward, October 1		1,981	-	1,981
Unobligated Balance Brought Forward, October 1, as Adjusted	51,089	1,981	-	53,070
Recoveries of Prior Year Unpaid Obligations	9,590	-	-	9,590
Other Changes in Unobligated Balance	(709)	-	-	(709)
Unobligated Balance from Prior Year Budget Authority, Net	59,970	1,981	-	61,951
Appropriations (Discretionary and Mandatory)	375,000	7,363	-	382,363
Spending Authority from Offsetting Collections (Discretionary and Mandatory)	18,091	394	-	18,485
Total Budgetary Resources	<u>\$ 453,061</u>	<u>\$ 9,738</u>	<u>\$ -</u>	<u>\$ 462,799</u>
Status of Budgetary Resources:				
Obligations Incurred	\$ 386,590	\$ 5,100	\$ -	\$ 391,690
Unobligated Balance, End of Year:				
Apportioned	58,968	-	-	58,968
Exempt from Apportionment	41	4,664	-	4,705
Unapportioned	7,462	(26)	-	7,436
Total Unobligated Balance, End of Year	<u>66,471</u>	<u>4,638</u>	<u>-</u>	<u>71,109</u>
Total Budgetary Resources	<u>\$ 453,061</u>	<u>\$ 9,738</u>	<u>\$ -</u>	<u>\$ 462,799</u>
Change in Obligated Balance				
Unpaid Obligations:				
Unpaid Obligations, Brought Forward, Oct 1	\$ 71,165	\$ -	\$ -	\$ 71,165
Adjustments to unpaid obligations, start of year		23,131	-	23,131
Obligations Incurred	386,590	5,100	-	391,690
Outlays (Gross)	(379,287)	(4,900)	-	(384,187)
Recoveries of Prior Year Unpaid Obligations	(9,590)	-	-	(9,590)
Unpaid Obligations, End of Year (Gross)	68,878	23,331	-	92,209
Uncollected Customer Payments:				
Uncollected Pymts, Fed Sources, brought forward, Oct 1	(1,233)	-	-	(1,233)
Change in Uncollected Pymts, Fed Sources	(9,138)	-	-	(9,138)
Uncollected Pymts, Fed Sources, End of Year	<u>(10,371)</u>	<u>-</u>	<u>-</u>	<u>(10,371)</u>
Memorandum (non-add) entries:				
Obligated Balance, Start of year	\$ 69,932	\$ 23,131	\$ -	\$ 93,063
Obligated Balance, End of year	<u>\$ 58,507</u>	<u>\$ 23,331</u>	<u>\$ -</u>	<u>\$ 81,838</u>
Budget Authority and Outlays, Net:				
Budget Authority, Gross (Discretionary and Mandatory)	\$ 393,091	\$ 7,757	\$ -	\$ 400,848
Actual Offsetting Collections (Discretionary and Mandatory)	(8,953)	-	-	(8,953)
Change in Uncollected Customer Payments from Federal Sources (Discretionary and Mandatory)	(9,138)	-	-	(9,138)
Budget Authority, Net (Discretionary and Mandatory)	<u>\$ 375,000</u>	<u>\$ 7,757</u>	<u>\$ -</u>	<u>\$ 382,757</u>
Outlays, Gross (Discretionary and Mandatory)	\$ 379,287	\$ 4,900	\$ -	\$ 384,187
Actual Offsetting Collections (Discretionary and Mandatory)	(8,953)	-	-	(8,953)
Agency Outlays, Net (Discretionary and Mandatory)	<u>\$ 370,334</u>	<u>\$ 4,900</u>	<u>\$ -</u>	<u>\$ 375,234</u>

Note 19 Reconciliation of Net Cost of Operations to Budget

As of September 30, 2013 (In Thousands)	Direct	Reimbursable	Total
Resources Used to Finance Activities:			
Budgetary Resources Obligated:			
Obligations Incurred	\$ 365,382	\$ 10,401	\$ 375,783
Less: Spending Authority from Offsetting Collections and Recoveries	<u>14,487</u>	<u>3,018</u>	<u>17,505</u>
Obligations Net of Offsetting Collections and Recoveries	350,895	7,383	358,278
Less: Offsetting Receipts	<u>1,770</u>		<u>1,770</u>
Net Obligations	<u>\$ 352,665</u>	<u>\$ 7,383</u>	<u>\$ 360,048</u>
Other Resources			
Donations and Forfeitures of Property	\$ -	\$ -	\$ -
Transfers in/out without reimbursement (+/-)	<u>(154)</u>		<u>(154)</u>
Imputed financing from costs absorbed by others	<u>5,644</u>		<u>5,644</u>
Net resources used to finance activities	<u>\$ 5,490</u>	<u>\$ -</u>	<u>\$ 5,490</u>
Total resources used to finance activities	<u>\$ 358,155</u>	<u>\$ 7,383</u>	<u>\$ 365,538</u>
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 (+/-)	\$ (6,844)	\$ (7,382)	\$ (14,226)
Resources that fund expenses recognized in prior periods	13,866		13,866
Budgetary offsetting collections and receipts that do not affect net cost of operations	<u>5,280</u>		<u>5,280</u>
Resources that finance the acquisition of assets	<u>(4,424)</u>		<u>(4,424)</u>
Other resources or adjustments to net obligated resources that do not affect net cost of operations (+/-)	<u>154</u>		<u>154</u>
Total resources used to finance items not part of the net cost of operations	<u>\$ 8,032</u>	<u>\$ (7,382)</u>	<u>\$ 650</u>
Total resources used to finance the net cost of operations	<u>\$ 366,187</u>	<u>\$ 1</u>	<u>\$ 366,188</u>
Components Requiring or Generating Resources in Future Periods:			
Future Funded Expenses	<u>(4,143)</u>		<u>(4,143)</u>
Employer Contribution to Employee Benefits	<u>1,773</u>		<u>1,773</u>
Components not Requiring or Generating Resources:			
Depreciation and amortization	<u>7,813</u>	<u>5</u>	<u>7,818</u>
Other (+/-)	<u>206</u>		<u>206</u>
Total Components of Net Cost of Operations that will not require or generate resources	<u>\$ 5,649</u>	<u>\$ 5</u>	<u>\$ 5,654</u>
Net Cost of Operations	<u><u>\$ 371,836</u></u>	<u><u>\$ 6</u></u>	<u><u>\$ 371,842</u></u>

Note 19 Reconciliation of Net Cost of Operations to Budget

As of September 30, 2012 (In Thousands)	Direct	Reimbursable	Total
Resources Used to Finance Activities:			
Budgetary Resources Obligated:			
Obligations Incurred	\$ 384,210	\$ 7,480	\$ 391,690
Less: Spending Authority from Offsetting Collections and Recoveries	<u>13,213</u>	<u>14,862</u>	<u>28,075</u>
Obligations Net of Offsetting Collections and Recoveries	<u>370,997</u>	<u>(7,382)</u>	<u>363,615</u>
Less: Offsetting Receipts	<u>2,154</u>		<u>2,154</u>
Net Obligations	<u>\$ 373,151</u>	<u>\$ (7,382)</u>	<u>\$ 365,769</u>
Other Resources			
Donations and Forfeitures of Property	\$ (81)	\$ -	\$ (81)
Transfers in/out without reimbursement (+/-)	990		990
Imputed financing from costs absorbed by others	<u>5,852</u>		<u>5,852</u>
Net resources used to finance activities	<u>\$ 6,761</u>	<u>\$ -</u>	<u>\$ 6,761</u>
Total resources used to finance activities	<u>\$ 379,912</u>	<u>\$ (7,382)</u>	<u>\$ 372,530</u>
Resources Used to Finance Items Not Part of the Net Cost of Operations:			
Change in budgetary resources obligated for goods, services and benefits	\$ 4,419	\$ 7,383	\$ 11,802
Resources that fund expenses recognized in prior periods	6,410		6,410
Budgetary offsetting collections and receipts that do not affect net cost of operations	41		41
Resources that finance the acquisition of assets	(3,589)	45	(3,544)
Other resources or adjustments to net obligated resources that do not affect net cost of operations (+/-)	<u>115</u>		<u>115</u>
Total resources used to finance items not part of the net cost of operations	<u>\$ 7,396</u>	<u>\$ 7,428</u>	<u>\$ 14,824</u>
Total resources used to finance the net cost of operations	<u>\$ 387,308</u>	<u>\$ 46</u>	<u>\$ 387,354</u>
Components Requiring or Generating Resources in Future Periods:			
Future Funded Expenses	(2,715)		(2,715)
Employer Contribution to Employee Benefits	(234)		(234)
Components not Requiring or Generating Resources:			-
Depreciation and amortization	10,238		10,238
Other (+/-)	<u>(56)</u>		<u>(56)</u>
Total Components of Net Cost of Operations that will not require or generate resources	<u>7,233</u>		<u>7,233</u>
Net Cost of Operations	<u><u>\$ 394,541</u></u>	<u><u>\$ 46</u></u>	<u><u>\$ 394,587</u></u>

Note 20 Imputed Financing

	September 30, 2013 <i>(In Thousands)</i>	September 30, 2012 <i>(In Thousands)</i>
Federal Employees Health Benefit Program	\$ 3,926	\$ 4,260
Federal Employees Group Life Insurance Program	16	14
Civil Service Retirement System	577	787
Federal Employees Retirement System	1,091	719
Foreign Service Retirement and Disability System	34	72
Total Imputed Costs	\$ 5,644	\$ 5,852

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, Acting Director
From: Kathy A. Buller, Inspector General 
Date: December 13, 2013
Subject: Audit of Peace Corps' Fiscal Year 2013 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) 2013 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.

Audit Reports on Financial Statements, Internal Control, 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, 2013. The contract required that the audit be done in accordance with U.S. generally accepted government auditing standards, OMB audit guidance, and the *Government Accountability Office/President's Council on Integrity and Efficiency Financial Audit Manual*.

Kearney's reports for FY 2013 include: (1) an opinion on the financial statements, (2) conclusions on internal control over financial reporting, and (3) compliance with applicable provisions of laws, regulations, contracts, and grant agreements. In the audit of the Peace Corps, Kearney found:

- The financial statements were fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles.

- Kearney reported one material weakness in internal control¹ related to Financial Management Analysis and Reporting. Internal controls over financial reporting failed to prevent or detect misstatements that resulted in a restatement of the fiscal year 2012 financial statements.
- Kearney's report on internal control identified three significant deficiencies:²
 - Internal control over property, plant, and equipment needs to be improved. Improvements needed are related to recording, tracking, and physical verification of property.
 - Information system security controls need improvement. The auditor cited security program management, continuous monitoring, risk management and access controls, as areas needing improvement.
 - Internal controls over Accounts Payable need improvement. Specifically, the auditor cited the lack of controls related to the subsequent validation of accrued payables.
- Kearney noted three instances of reportable noncompliance with applicable provisions of laws, regulations, contracts, and grant agreements which are required to be reported under Government Auditing Standards or OMB guidance.
 - The Peace Corps failed to comply with OMB Circular A-11 for the reporting of the Peace Corps reporting entity, the Statement of Budgetary Resources, and the SF-132.
 - The Peace Corps does not have effective controls over financial reporting which resulted in a failure to comply with the Federal Managers' Financial Integrity Act of 1982.
 - The Peace Corps disclosed an instance of noncompliance with the 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 U.S. generally accepted government auditing standards, was not intended to enable us to express, and we do not express, opinions on Peace Corps' financial statements or conclusions

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.

about the effectiveness of internal control or conclusions on compliance with applicable provisions of laws, regulations, contracts, and grant agreements. Kearney is responsible for the attached auditor's reports dated December 13, 2013 and the conclusions expressed in the reports. However, our review disclosed no instances where Kearney did not comply, in all material respects, with U.S. generally accepted government auditing standards.

We would like to extend our thanks to the Peace Corps staff involved in issuing the financial statements within the established OMB milestones. Their professionalism, courtesy, and cooperation 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 Bradley Grubb, at 202-692-2914.

Attachment

cc: Stacy Rhodes, Chief of Staff
Joseph Hepp, Chief Financial Officer
Dorine Andrews, Chief Information Officer
Daljit Bains, Chief Compliance Officer

Auditor's Report



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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 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 the financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 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 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 financial statements referred to above present fairly, in all material respects, the financial position of the Peace Corps as of September 30, 2013, and its net cost of operations, changes in net position, and budgetary resources for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Other Matters

As part of our audit of the 2013 financial statements, we also audited the adjustments described in Note 18 that were applied to restate the fiscal year (FY) 2012 financial statements. In our opinion, such adjustments are appropriate and have been properly applied. We were not engaged to audit, review, or apply any procedures to the FY 2012 financial statements of the Peace Corps other than with respect to the adjustments. Accordingly, we do not express an opinion or any other form of assurance on the FY 2012 financial statements as a whole.

The Peace Corps' financial statements as of September 30, 2012 were audited by other auditors whose report, dated November 8, 2012, expressed an unqualified opinion on those statements.

Other Reporting Responsibilities

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 financial statements. Such information, although not a part of the financial statements, is required by OMB and the Federal Accounting Standards Advisory Board, who consider it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, and/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. These procedures included inquiries of management about the methods used in preparing the information and comparing it for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit. 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 audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The Inspector General's Statement on the Peace Corps' Management and Performance Challenges, Summary of Financial Statement Audit and Management Assurance Tables, the information in the Improper Payments Information Act section, the Message from the Director of the Peace Corps, the information in the Performance section, and the Message from the Chief Financial Officer are presented for purpose of additional analysis and are not required



parts of the financial statements. Such information has not been subject to the auditing procedures applied in the audit of the financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Independent Auditor's Report on Internal Control Over Financial Reporting and Compliance with Applicable Provisions of Laws, Regulations, Contracts, and Grant Agreements

In accordance with *Government Auditing Standards* and OMB Bulletin No. 14-02, we have also issued a report, dated December 13, 2013, on our consideration of the Peace Corps' internal control over financial reporting and our tests of the Peace Corps' compliance with certain provisions of laws, regulations, contracts, and grant agreements, for the year ended September 30, 2013. The purpose of that report 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. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and OMB Bulletin No. 14-02, and in considering the entity's internal control over financial reporting and compliance.

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

Alexandria, Virginia
December 13, 2013



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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 Acting Director and Inspector General of the Peace Corps

We have audited the accompanying financial statements of the United States Peace Corps (Peace Corps), which comprise the consolidated balance sheet as of and for the year ended September 30, 2013, the related consolidated statements of net cost and changes in net position, and the combined statement of budgetary resources (hereinafter referred to as the "financial statements") for the year then ended, and have issued our report thereon, dated December 13, 2013. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; 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 audit of the 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 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.

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. However, as described in the accompanying Schedule of Findings, we identified certain deficiencies in internal control that we consider to be a material weakness and significant deficiencies.

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 financial statements will not be prevented or detected and corrected on a timely basis. We consider one of the deficiencies described in the accompanying Schedule of Findings to be a material weakness.



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. We consider the deficiencies described in the accompanying Schedule of Findings 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' financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. We also tested 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 these provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance that are required to be reported under *Government Auditing Standards*, and are described in the accompanying Schedule of Findings.

Peace Corps' Response to Findings

The Peace Corps' management has provided its response to our findings in a separate memorandum attached to this report. The Peace Corps' response was not subject to the auditing procedures applied in the audit of the 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.

Alexandria, Virginia
December 13, 2013



Schedule of Findings

Material Weakness

I. Financial Management Analysis and Reporting (New Condition)

The Peace Corps' internal control over financial reporting was not properly designed to prevent or detect material misstatements. During fiscal year (FY) 2013, the audit process identified errors related to the reporting of fund balances, separation liabilities, proceeds of sales, financial reporting and analysis, and budgetary reporting, some of which necessitated a restatement of prior year amounts and material adjustments to current year amounts. These material adjustments and restatements are discussed below.

Reporting of Fund Balances

The Peace Corps did not report two Treasury Account Symbols (TAS) in accordance with OMB Circular A-11 guidance and the Department of the Treasury's (Treasury) fund definition. The Peace Corps reported the two TASs on the Balance Sheet as non-entity cash and an offsetting non-entity liability. The Peace Corps funds both TASs with expenditure transfers from appropriated funds, as required by Public Law.

OMB Circular A-11 requires that the Peace Corps report the two TASs in its basic financial statements and accompanying footnotes based on fund classification as trust and special funds. Statements of Federal Financial Accounting Concepts (SFFAC) No. 2 provides conclusive criteria for the definition of the reporting entity, as those funds are reported under the organization in "Federal Programs by Agency and Account," which is a section of the Analytical Perspectives included in the Budget of the United States Government.

The Peace Corps failed to report these funds, which resulted in material misstatements, including an approximately \$8.9M understatement of gross costs on the Statement of Net Cost and an approximately \$9.2M overstatement of cumulative results of operations. On the Statement of Budgetary Resources, the Peace Corps understated its budgetary resources and unpaid obligations by approximately \$9.7M and \$23.3M, respectively.

Separation Liabilities

The Peace Corps had not reviewed the methodology used to estimate the separation liabilities for Foreign Service Nationals (FSN) and Personal Service Contractors (PSC) since 2007. Kearney & Company, P.C.'s (Kearney) audit testing revealed inconsistencies in the calculation of separation liabilities. The Peace Corps updated the personnel information, local laws and regulations, and compensation plan parameters, upon which the liabilities calculations are based. Upon review and update of the estimation methodology, the Peace Corps determined that the FY 2013 separation liabilities, which were originally estimated at \$34.4M, were overstated by approximately \$9.7M. Additionally, the FY 2012 separation liabilities, totaling \$33.6M, were overstated by approximately \$9.5M.



Proceeds of Sales

The United States Standard General Ledger (USSGL) states that agencies should record the use of appropriated funds when the amounts are appropriated from the General Fund of the Treasury via Treasury Appropriation Warrants, or received via allocation transfers from TASs appropriated by the General Fund of the Treasury. The Peace Corps incorrectly recorded asset purchases utilizing appropriated funds when the funding for the purchase of the asset originated from proceeds from asset sales. This resulted in approximately \$11M in overstatements to unexpended appropriations and cumulative results of operations balances as of FY 2012.

Financial Reporting and Analysis

The Peace Corps does not have sufficient controls related to the review and approval of its financial statements. Further, underlying data analysis did not prevent or detect errors in financial reporting. During the course of the FY, the Peace Corps failed to identify the following errors:

- An invalid TAS was active within the Peace Corps' financial management system, Odyssey
- A difference of \$2.5M between the assets and the sum of the liabilities and net position on certified financial statements
- The absence of footnote disclosures required by OMB Circular A-136
- An error on the Statement of Budgetary Resources, Distributed Offsetting Receipts line of approximately \$600,000
- The root cause(s) of approximately \$900,000 in unsupported adjustments recorded by the Peace Corps in order to pass Federal Agency Centralized Trial Balance System (FACTS) II edit checks.

Budgetary Reporting

The Peace Corps did not estimate collections for the FY on its Standard Form (SF)-132, *Apportionment and Reapportionment Schedule*, in accordance with OMB Circular No. A-11 requirements.

Effects: The Peace Corps cannot ensure complete and accurate financial reporting, including the following:

- Inability to prevent or detect material misstatements or operational anomalies
- Inability to comply with applicable laws, regulations, and other guidance, including OMB A-11, OMB A-136, and the USSGL
- Improper classification of funds or improper inclusion/exclusion of funds from the financial statements may lead to misstatements and inconsistent reporting in the financial statements.

* * * *



Significant Deficiencies

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

The Peace Corps' property, plant, and equipment (PP&E) internal control structure contains several weaknesses, including review and approval of asset additions, accurate capitalization of acquisition costs, reconciliation between asset listings, and timely recognition of property disposals and impairment. Despite organizational efforts to improve inventory management, the Peace Corps does not account for PP&E in an accurate, consistent, and timely manner. Specific PP&E internal control weaknesses include the following:

- **Review of Fixed Asset Entries** – The Peace Corps maintains detailed property records within the Fixed Assets Module of the Odyssey financial system. The Office of Accounting and Financial Reporting (AFR) does not have a formal process to review and approve entries in the Fixed Assets Module. Review and approval of entries is necessary in order to facilitate the timely identification of errors and inaccuracies, in addition to preventing fraudulent entries. During our audit, Kearney noted the following issues:
 - The Peace Corps did not properly capitalize 17 new additions, as of June 30, 2013, in the Fixed Assets Module within Odyssey in a timely manner. Differences between the reporting periods when the asset was placed into service and when it was capitalized in Odyssey ranged from two to three reporting periods after the acquisition date, with a total cost of approximately \$289,000 and a book value of approximately \$267,000
 - The Peace Corps did not record 15 of 22 new additions, as of September 30, 2013, in the Fixed Assets Module within Odyssey in a timely manner. Differences between the reporting periods when the asset was placed into service and when it was capitalized in Odyssey ranged from four to 15 reporting periods after the acquisition date. As of September 30, 2013, the total cost of the additions not recorded timely was approximately \$796,000 and the net book value was approximately \$655,000. Further, the total cost of the additions of approximately \$318,000 and the book value of approximately \$218,000 were recorded in FY 2013 but should have been recorded in FY 2012
 - The Peace Corps recorded a duplicate asset in the amount for approximately \$886,000. The duplicate asset was corrected within one accounting period; however, the correction was not processed using the appropriate general ledger (GL) accounts. The final correction was not processed for eight accounting periods
 - The Peace Corps lacked documentation to support the allocation of a \$30,000 purchase price between land and buildings
 - The Peace Corps could not provide supporting documentation for costs related to leasehold improvements, representing a total cost of approximately \$402,000 with a net book value of approximately \$111,000.
- **Reconciliation of Property Records** – The Peace Corps also maintains a detailed vehicle tracking system (Vehicle Management Information System [VMIS]), a “master” vehicle tracking spreadsheet, and personal property inventory maintained in BarTracks.



Data between the inventory management tracking system and the asset management system (i.e., the Fixed Assets Module within Odyssey) is not automatically interfaced, which requires the involvement of multiple offices to assess the completeness and accuracy of asset management records.

- **Vehicle Cost** – The Peace Corps does not have an effective control structure to ensure it captures all capitalizable costs related to vehicle acquisition, including clearing agents, freight costs, etc., and receives appropriate supporting documentation in order to facilitate vehicles' entry into the Fixed Assets Module. Failure to identify all capitalizable costs may result in understated PP&E balances and inaccurate financial reporting.
- **Asset Impairment and Obsolescence Procedures** – The Peace Corps has no 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 financial statements. Current year procedures identified impaired/obsolete assets in two of five Post visits that were not reflected in the accounting records. Further, our procedures identified property in the Fixed Assets Module for Posts no longer supporting volunteer activity and closed country programs where the Peace Corps no longer conducts mission activities. For example:
 - One asset (Asset Number C0070) should have been disposed, as it has not been in use since late 2010. The book value of the asset was approximately \$22,000 as of June 30, 2013. As of September 30, 2013, the asset had been removed from the Fixed Assets Module
 - The Peace Corps has seven country programs and a Regional Recruiting Office (RRO) that are partially or fully closed; however, the assets have not been removed from the Fixed Assets Module, whether through transfer to another Post or the Department of State for disposal. This resulted in:
 - o Approximately 130 information technology (IT) hardware, IT software, generators, and disposed vehicle assets assigned to a closed Post and a closed RRO remained on the fixed assets listing as of September 30, 2013 with a total cost of approximately \$288,000 and a book value of \$188,000. The relevant Post and regional location were closed between FYs 2011 and 2012
 - o Approximately 592 IT hardware, IT software, generators, and disposed vehicle assets assigned to six suspended/closed Posts remained on the fixed assets listing as of September 30, 2013 with a total cost of \$978,000 and a book value of \$197,000. The relevant Posts were closed between FYs 2012 and 2013, based on congressional notification of Posts' ceasing operations; however, the Peace Corps did not estimate asset impairments and potential losses in the period in which the assets were removed from service
 - The Peace Corps did not remove eight assets from the Fixed Assets Module within Odyssey in the corresponding accounting period, ranging from two to three months, in which the disposal was recorded
 - The Peace Corps could not provide disposal forms for five IT hardware asset disposals tested.



Effects: The Peace Corps cannot ensure complete and accurate financial information regarding PP&E. The inability to address these control deficiencies provides the following:

- The opportunity for fraud, waste, and abuse
- Loss of asset accountability, which introduces operational risk related to the ability to execute the Peace Corps' mission
- Decreases in the uniformity and standardization of procedures, resulting in inconsistent treatment of assets and increasing the difficulty in completing consolidated reports
- Increase in the likelihood of financial reporting misstatements due to improperly capitalized costs or delayed recognition of asset impairments, as well as incomplete or inaccurate property data used in making management and budgeting decisions
- Decrease in the likelihood of identification of risks and proper mitigation of those risks.

III. Information Technology Security (Repeat Condition)

The Peace Corps' IT internal control structure, both for the General Support Systems (GSS) 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:

- The Peace Corps has not implemented an agency-wide continuous monitoring program, including no processes effectively implemented to periodically conduct assessments of selected security controls or security metrics used for reporting and monitoring the security posture of the system to appropriate organization officials
- The Peace Corps did not consistently perform vulnerability scans during the FY ending September 30, 2013, and the Peace Corps could not demonstrate consistent application of vulnerability scans across all servers and network devices applicable to the Peace Corps' financial systems. Without proper implementation of policy and defined procedures that govern vulnerability scans, there is a higher likelihood that the Peace Corps' financial information systems may be exposed to unknown/undetected security weaknesses/vulnerabilities, which increases the risk of successful exploitation
- The Peace Corps did not implement an agency-wide risk management program to manage information security risks. Specifically, the Peace Corps did not provide guidance on how to assess, respond, and monitor information security risk at the agency level. Further, the Peace Corps did not effectively manage its system inventory and ensure that the Security Assessment and Authorization process was properly performed for its information systems
- The Peace Corps' Domestic Active Directory User Listing, dated August 13, 2013, included:
 - 374 generic, service, or test accounts have not been disabled
 - 13 user accounts were not accessed in over 90 days
 - 10 user accounts remained active after the employees associated with the accounts had separated from the Peace Corps. One of the 10 user accounts accessed Active



Directory after the employee associated with the account had separated from the Peace Corps.

Effects: IT 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. Specifically, the following could occur:

- The lack of a continuous monitoring strategy prevents the Peace Corps from clearly understanding the security state of its information systems over time. Failure to implement a comprehensive Information Security Continuous Monitoring (ISCM) strategy that considers key application-level and GSS controls increases the risk that inappropriate or unusual activity could go undetected, possibly allowing fraudulent or unauthorized transactions
- Out-of-date security patches/software versions could expose the application to vulnerabilities that may be exploited, which may impact the integrity of the Odyssey application and financial data. Inconsistently applied vulnerability scanning procedures could increase the risk of exposure to undetected/unknown security weaknesses and vulnerabilities
- The lack of a formal risk management program that considers the impact of mission and business processes could leave the Peace Corps' management unaware of information security risks affecting organizational processes and supporting systems. Without this knowledge, management may not identify and prioritize risks to business transaction flows as they relate to its financial systems and data
- Inactive and separated user accounts are candidates for internal and external hackers. These accounts may also be exploited for use by unauthorized individuals to circumvent segregation of duties or least privilege controls. Ultimately, ineffective account management practices may lead to unauthorized or illegal access to Peace Corps resources. Additionally, the failure to disable unnecessary accounts could result in security breaches, corrupted data integrity, or impaired availability of data to support financial reporting and operations.

IV. Accounts Payable Accrual (New Condition)

The Peace Corps does not have adequate internal controls in place to ensure that accounts payable accruals are reasonably estimated and validated. Agencies need to estimate liabilities for goods and services received for which they have not yet received an invoice by the financial statement date. Agencies must accumulate sufficient, relevant, and reliable data on which to



base accrual estimates, and agency management should ensure that adequate documentation is available to support the estimates. Further, agencies should perform a validation to ensure that the estimate is reasonable. The Peace Corps did not perform testing or other analyses to validate the predictive accuracy of estimation models against actual data. This lack of formal validation limits the Peace Corps' ability to ensure that its current estimation methodology is consistent with actual events.

Effect: Failure to validate estimations may result in erroneous financial statements and failure to timely identify emerging financial risks.

* * * *



Noncompliance and Other Matters

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

The recognition and measurement of budgetary information reported in the Statement of Budgetary Resources and the SF-132, *Apportionment and Reapportionment Schedule*, should be based on budget terminology, definitions, and guidance in OMB Circular No. A-11, *Preparation, Submission, and Execution of the Budget*. However, as discussed in our report on internal control, we found that the Peace Corps does not have effective controls over external financial reporting. Specifically, the Peace Corps failed to comply with OMB Circular A-11 for the reporting of the Peace Corps reporting entity, the Statement of Budgetary Resources, and the SF-132.

VI. Federal Managers' Financial Integrity Act of 1982 (New Condition)

FMFIA requires the implementation of internal accounting and administrative controls that provide reasonable assurance that:

- Obligations and costs are in compliance with applicable laws
- Funds, property, and other assets are safeguarded against waste, loss, unauthorized use, or misappropriation
- 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 maintain accountability over the assets.

However, as discussed in our report on internal control, we found that the Peace Corps does not have effective controls over financial reporting.

VII. Federal Information Security Management Act of 2002 (FISMA)

FISMA requires agencies to develop, document, and implement an agency-wide information security program to provide information security for the information and information systems that support the operations and assets of the agency, including those provided or managed by another agency, contractor, or other source.

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 FINDINGS

In the Independent Auditor's Report on the United States Peace Corps (Peace Corps) fiscal year (FY) 2012 financial statements¹, the predecessor auditor noted two deficiencies related to internal control over financial reporting. The table below presents a summary of the current year status of these issues.

Table 1 – Prior Year Significant Internal Control Deficiencies

Control Deficiency	FY 2012 Status	FY 2013 Status
Property, Plant, and Equipment	Significant Deficiency	Significant Deficiency
Information Technology Security	Significant Deficiency	Significant Deficiency

¹ *Independent Auditor's Report on the Peace Corps 2012 and 2011 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.



OTHER INFORMATION

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

Office of Inspector General

TO: Carrie Hessler-Radelet, Acting 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 27, 2013

In accordance with the Reports Consolidation Act of 2000, 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 PAR for FY 2013. OIG has concluded that the following six areas present significant challenges at the Peace Corps.

This year's challenge areas are:

- IT Security Management (first reported in FY 2009)
- Business Processes and Information Systems (FY 2011)
- Volunteer Safety and Security (reported under Business Processes and Information Systems in FY 2011)
- Excessive Personnel Turnover (FY 2012)
- Programming and Volunteer Training (FY 2012)
- Accountability of Medical Supplies (FY 2012)

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

Peace Corps' Management and Performance Challenge Areas

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 and provides for significant enhancements in the capability to prevent serious information security incidents from occurring. A cornerstone of IT security in the federal environment is the Federal Information Security Management Act (FISMA).¹ Its overall goals include the development of a comprehensive framework to protect the government's information, operations, and assets. Since Fiscal Year (FY) 2009, OIG has reported in its management and performance challenges that the Peace Corps has not achieved full compliance with FISMA. OIG continues to find that FISMA compliance is a management and performance challenge for the Peace Corps.

Progress in Addressing the Challenge

Management has not progressed in strengthening the Peace Corps' IT security management programs through greater FISMA compliance and in some cases has regressed since FY 2012. Several issue areas associated with FISMA compliance that were discussed in prior year challenges statements have not been fully resolved. For example, some processes for configuration management have not been completely implemented; various contingency plan testing weaknesses still exist at both overseas posts and headquarters; performance of required risk assessments is not being consistently accomplished; and systems security planning documentation has not been completely updated. Further, the Peace Corps is lacking an effective Plan of Action and Milestones process. Absent an effective Plan of Action and Milestones process it cannot efficiently track and remediate known security weaknesses or cross-reference them to the agency's budget system as required by the Office of Management and Budget (OMB). Other identified high risk deficiencies include an ineffective information security risk management framework and lack of a program for performing continuous monitoring of agency systems.

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 establishing a program that ensures the agency's information, operations, and assets are adequately protected. The Peace Corps needs to place greater emphasis on improving FISMA compliance and timely remediation of IT security weaknesses that have been identified through internal, OIG FISMA, and other reviews. This will require sufficiently prioritizing agency time and resources to eliminate weaknesses and improve its IT security program.

¹ Pub. L. No. 107-347. The law was passed by Congress and signed by the President as part of the E-Government Act of 2002.

Key OIG Resources

[Peace Corps FY 2012 Performance and Accountability Report](#)
[OIG Semiannual Report to Congress, October 1, 2012 to March 31, 2013](#)

Challenge Business Processes and Information Systems**Why This Is a Challenge**

Although the Peace Corps continues to streamline operations and improve the technology that supports key business and Volunteer support processes, it is constrained by limited resources and inadequate planning. A responsive management team that provides quality support services to Volunteers will require enhanced business processes and modern information systems. Agency business processes must also support effective internal controls and access to reliable data. OIG's work disclosed some common problems related to maintaining effective internal controls. According to OMB Circular A-123, "Management is responsible for establishing and maintaining internal control to achieve the objectives of effective and efficient operations, reliable financial reporting, and compliance with applicable laws and regulations." It is imperative that agency management implements the necessary automated and manual controls throughout its processes to ensure the desired results are achieved.

Property Management

The Peace Corps reported having property valued at \$35.2 million in FY 2012. Accountability over Peace Corps property, such as vehicles, furniture, and computer equipment, continues to present challenges for management. The agency implemented a new property accountability system in FY 2012. However, OIG audits found problems with the implementation, including incorrect information loaded into the system from the start. In addition, OIG's external auditor continues to report internal control gaps over property, plant, and equipment.

Data Management

As the agency automates business processes, proper data management is essential to ensure the accessibility, usefulness, and accuracy of data. OIG audits and evaluations have identified several essential functions that remain largely paper-based, such as travel, medical supply management, payment vouchers, and several human resource functions (for example, leave approval, performance appraisals, and travel compensation time). As a result, data is more prone to human error and less easily analyzed for management decisions, and data management processes are less efficient than an automated workflow.

In addition, offices should carefully consider what controls are automated and how to gain efficiency as they automate more functions. For example, the agency implemented an automated system for posts to request Volunteer payments. When the system was implemented, the process for making non-recurring payments to Volunteers no longer required the full review of a financial management officer (FMO). Although the FMO examined a selection of the payments, it was not a sufficient number or statistical sample as required by federal regulation. As a result, payments totaling \$2.8 million were made to Volunteers from FY 2010 to FY 2013 that were not properly certified.

Progress in Addressing the Challenge

This challenge relates to various agency functions that are managed by different offices. Progress improving processes or systems is dependent on the managing offices' priorities and resources. Several offices have placed high importance on reviewing their processes, identifying key controls, and developing sustainable procedures and system solutions to ensure efficient and effective operations. For example, the agency realigned several offices that manage small grants into one office, the Office of Strategic Partnerships. In doing so, the agency aligned processes, re-evaluated controls, and implemented new procedures to ensure posts and Volunteers received clear and consistent guidance on using small grants to further their work. The agency is also developing a grants management enterprise system to automate workflow and maintain data. Another example is the Volunteer Delivery System, which automated and modernized the recruitment, placement, and medical clearance processes. As a result, the applicant processing time was shortened, paperwork was significantly reduced, and staffing resources were saved by adding automated controls and reviews. In addition, by automating many of the paper files containing personally identifiable information, the agency has reduced the risk of personal and medical information being lost or stolen.

In FY 2014 the agency plans to continue streamlining operations and improving the technology that supports key business processes, including a customer relationship management database that supports several offices and functions and a medical supply management system.

What Needs To Be Done

The agency must continue to assess its operations and identify ways to streamline and improve its business processes. Competing agency priorities requires that senior management must prioritize initiatives and coordinate efforts. Proper prioritization and coordination will help management to allocate the appropriate resources and manage the changes in an efficient and effective manner.

Key OIG Resources

[OIG FY 2014 Annual Plan](#)

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

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

Challenge Volunteer Safety and Security

Why This Is a Challenge

While Peace Corps service is often a fulfilling, life-defining opportunity, there are inherent safety risks, including the risk of sexual assault or other serious crime incidents. The agency has identified Volunteer safety and security as a primary objective and a responsibility of staff, Volunteers, and trainees. In 2011, sexual assault victims, agency officials, and subject matter experts testified before Congress, and victims called on the agency to adopt the highest standards for response and care. During the past two years the agency has developed policies, response

protocols, and Volunteer safety and security training programs mandated by Congress under the Kate Puzey Volunteer Protection Act of 2011 (Kate Puzey Act).²

The Kate Puzey Act required that the agency enter into a memorandum of understanding (MOU) specifying the duties and obligations of the Peace Corps and the Department of State Bureau of Diplomatic Security (DOS/DS) with respect to the protection of Volunteers and staff members, including investigations of safety and security incidents and crimes committed against Volunteers and staff. The need for formal agreement between the agency and DOS/DS to clarify roles and responsibilities when crimes are committed against Volunteers was cited by OIG in its 2010 Audit of the Volunteer Safety and Security Program and in testimony by the Inspector General before Congress as an important element to ensure that a thorough response effort is carried out. While the execution of the MOU in 2012 was an important milestone, how the agreement is implemented will determine whether it enhances Volunteer safety and security.

Additionally, despite improvements, posts continue to struggle to fully and consistently implement agency safety and security policies and procedures. Further, the agency has not developed a system to ensure safety and security recommendations are implemented by posts. During FY 2014 OIG will perform a follow-up review of OIG's FY 2010 audit to determine if progress has been made.

Many of the policies and Volunteer training modules mandated by the Kate Puzey Act were developed, issued and implemented during FY 2013, along with staff training on roles and responsibilities related to Volunteer sexual assault and serious crime. Some significant elements of the policy went into effect on September 1, 2013, such as a process for victims to make restricted reports and assigning a Sexual Assault Response Liaison at every post. Given the considerable changes made to these policies, the decentralized nature of the Volunteer safety and security program, and the number of headquarters and overseas personnel with safety and security roles, it will be a management challenge to adequately train and oversee staff to ensure compliance with agency policies and delivery of required services to victims of crime.

Progress in Addressing the Challenge

In 2011 the agency issued a seven-point Commitment to Sexual Assault Victims statement to Volunteers and staff that spelled out a framework for response to sexual assault victims predicated on compassion, safety, open communication, and respect for privacy. A victim advocate was hired and an office established to work with Volunteers, post and headquarters staff to enhance response and care. As noted, the agency made progress by entering into an MOU with DOS/DS, defining roles and responsibilities for responding to staff and Volunteer safety and security incidents overseas. Additionally, as required by the Kate Puzey Act, Volunteer sexual assault risk reduction and response (SARRR) training was developed incorporating best practices in the field and consultation with subject matter experts. Initial Volunteer survey results indicated that it was effective. The agency has trained some, but not all overseas staff, on the sexual assault policies, and intends to train all relevant staff once the comprehensive sexual assault policies have been finalized.

² Pub. L. No. 112-57.

The agency developed the Coordinated Agency Response System (CARS) to assist in the coordination of appropriate services to Volunteers who are victims of crime. CARS is also intended to enhance post and headquarters-level compliance and implementation of sexual assault policies and procedures in support of Volunteers who are victims of crime.

The agency has addressed high crime environments in Latin America by making significant programmatic and support changes in the field. For example, in 2011 the agency identified posts in Latin America at greater risk for serious crime incidents. The agency used that data to initiate programming changes in key areas, including transportation, geographic distribution of Volunteers and, in some cases, post closures. The agency reported that their actions resulted in a 30% decrease in serious crimes against Volunteers in the region.

What Needs To Be Done

The majority of the 60 posts OIG visited from 2009-13 struggled to fully implement agency safety and security policies and procedures. While the agency continues to improve aspects of its safety and security program, it has not yet established some critical processes. One such process is a system to ensure safety and security recommendations are implemented by posts, specifically with regards to emergency action plans and consolidation points, Volunteer housing, and site locator forms. The agency has established instructions to assist in these areas; however, additional training and monitoring would ensure more consistent implementation at posts. Volunteer SARRR training was implemented in 2011 and all Volunteers who received Pre-Service Training (PST) received SARRR training. However, SARRR training is not provided consistently to Peace Corps Response Volunteers, who do not receive PST.³ The agency will need to update its written guidelines and provide applicants and Volunteers with the required information and training once the comprehensive sexual assault policies have been finalized. The agency will need to ensure that all overseas staff have been trained on its sexual assault policies and carefully track completion of on-line training.

Additionally, the agency does not use a centralized case management system to verify that sexual assault response requirements have been fulfilled, assess performance, and make process improvements. In addition to providing training and guidance on implementation of the MOU to agency staff, the agency should ensure that country directors engage with U.S. Embassy's regional security officers to review field implementation of the MOU, including support services available under the agreement.

Key OIG Resources

[OIG FY 2014 Annual Plan](#)

[Final Evaluation Report: Peace Corps Sexual Assault Risk Reduction and Response Training](#)

[Final Evaluation Report: Peace Corps Volunteer Sexual Assault Policy](#)

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

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

[IG's Congressional Testimony House Committee on Foreign Affairs](#)

[IG's Congressional Testimony Senate Foreign Relations Subcommittee](#)

³ Peace Corps Response provides qualified professionals the opportunity to undertake short-term assignments in various programs around the world.

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

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 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 by allowing 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.⁴

Progress in Addressing the Challenge

In March 2013, the agency revised certain policies related to the administration of its personnel system. These changes included: appointing new hires for a period of five years rather than thirty months, adjusting probationary periods relative to the longer appointments (with a goal of generally converting current employees to five-year appointments), and clarifying procedures for separating employees during their probationary period.

⁴ 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.

These recent policy and procedural changes will need to be assessed against their intended purposes, i.e., reduced turnover and enhanced recruitment.

What Needs To Be Done

Although the Peace Corps concurred with the five recommendations OIG made to reduce the negative effects the FYR has had on agency operations, all five remain open. The open recommendations are: (1) that the Director carry out the necessary reforms to the FYR to reduce the rate of employee turnover and increase the average length of employment of the agency's direct hire employees; (2) that the Director identify which functions should be subject to periodic turnover to meet the needs of the agency, and implement a process to manage turnover so that the agency retains qualified personnel on the basis of merit and performance; (3) that the Director identify the agency's core business functions and positions that currently suffer from frequent staff turnover and lack of continuity, and determine and implement a process for acquiring and retaining qualified personnel to perform those functions on the basis of merit and performance; (4) that the agency raise expectations among supervisors to actively address employee performance issues and provide supervisors with the training and support to correct inadequate performance and separate employees who do not improve; and (5) that the agency put in place more robust processes and systems to 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.

Key OIG Resources

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

Challenge Programming and Volunteer Training

Why This Is a Challenge

Programming and Volunteer training are at the heart of the Peace Corps' operations and enable the agency to achieve its primary mission. In 2012 OIG issued the report, *Recurring Issues: OIG Post Audits and Evaluations Fiscal Years 2009 - 2011*, which identified recurring management and performance challenges associated with the agency's ability to effectively place, train, and support Volunteers. OIG has continued to identify and report challenges related to programming and Volunteer training in its country program evaluation reports issued in FY 2012 and FY 2013, with common problem areas being site development, the adequacy and applicability of Volunteer training, and coordination with host country ministries and project partners.

Site Development

Placing Volunteers in sites where they are safe, healthy, and productive is essential to their success. Insufficient site development can result in inappropriate sites where Volunteers struggle to achieve programming goals. Seventy-three percent of OIG evaluation reports issued in FYS 2009-13 contained recommendations related to site development. Posts frequently had not established or documented clear site development processes, nor ensured that staff had been sufficiently trained to carry out their site development responsibilities. Many posts also failed to ensure that Volunteer housing had been thoroughly inspected and adhered to housing criteria.

Volunteer Training

Training provides Volunteers with important knowledge and skills needed for productive and fulfilling service. Seventy-three percent of the posts OIG evaluated in FYs 2009-13 had training deficiencies. Language and technical training were two areas commonly in need of improvement. In some posts, technical training lacked relevance to Volunteers' sites or was not practical enough to prepare them to carry out primary assignments. Some posts needed to make improvements in language training, particularly in local language instruction or access to tutors or other self-directed language training methods during service. Posts frequently needed better methods to assess training effectiveness and take well-informed steps to improve training.

Host Country/Project Partner Coordination

Sixty-two percent of the posts OIG evaluated in FYs 2009-13 reported that post relationships with host country ministries and project partners needed improvement. Some posts have not adequately engaged key project partners in programming, including project design and implementation. Others have not sufficiently communicated project results and Volunteer achievements to host partner ministries and organizations. Not all posts had established formal communication methods that brought multiple parties together, such as project advisory committees. Furthermore, some posts had not developed and maintained memoranda of understanding with host country ministries and project partners. Without a structured way to work with project partners, posts were not able to take full advantage of their partners' expertise.

Progress in Addressing the Challenge

The agency has demonstrated an awareness of these issues and has taken several steps to increase its focus on them.

Site Development

In 2012, the agency added an indicator in its annual performance plan that measures Volunteers' satisfaction with site selection and preparation. The performance plan stated that the agency was going to improve guidance to posts and set appropriate expectations with Volunteers regarding site selection and preparation. The Inter-America and the Pacific region developed standardized site development and monitoring guidance in 2012 and in 2013 both the Europe, Mediterranean, and Asia and Africa regions issued versions of standardized site development and monitoring guidelines. As these guides are implemented the agency hopes to see improvements to site development and progress with Volunteer satisfaction regarding site selection and preparation.

Volunteer Training

Since 2011, the agency has been implementing a "Focus In/Train Up" initiative designed to improve programming and Volunteer training. The agency reports Focus In/Train Up is on track to reduce the number of total projects from 211 in FY 2009 to 161 in FY 2014, a 24 percent reduction. The agency has developed standardized learning objectives that are currently being piloted and are expected to be rolled out globally in FY 2014. The agency has also provided monitoring and evaluation training to overseas programming and training staff to better measure the effectiveness of programming and training. Although progress has been made, posts are still implementing important components of these initiatives designed to improve the delivery and assessment of Volunteer training.

Host Country/Project Partner Coordination

The agency created the Office of Strategic Partnerships in February 2012 to assist posts in developing and implementing partnerships. In addition, the FY 2012-14 annual performance plans include an indicator that measures the percentage of project managers who meet with local partners as part of a project advisory committee (PAC). According to the *2012 Performance and Accountability Report*, PAC use increased from 33 percent of all projects in FY 2011 to 69 percent of projects in FY 2012. The agency reports that in FY 2013, the level of PAC use increased to 85 percent.

What Needs To Be Done

There are a variety of factors that contribute to issues with site development, Volunteer training, and host country/project partner coordination. In some cases, improved staff training would help make sure that staff are knowledgeable of important manual sections and guidance they need to follow. In other cases, headquarters needs to provide posts with the management tools, information technology, and oversight that will help them carry out agency policy and procedures.

Key OIG Resources

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

[Country Program Evaluation Reports FY 2009-13](#)

Challenge Accountability of Medical Supplies

Why This Is a Challenge

The Peace Corps maintains medical supplies to provide Volunteers with needed vaccinations, medications, and emergency medical support. Posts must maintain appropriate levels of medical supply inventory to provide quality Volunteer medical care. Peace Corps policy establishes the controls over the procurement, receipt, storage, dispensation, and disposal of medical supplies. The controls are designed to ensure Volunteers' medical needs are met in a timely manner, that medical supplies are not expired and are authentic, and that medical supply inventory records are accurate and complete. Failure to fully implement medical supply policies creates opportunities for theft, diversions, waste, or other abuses at the posts that could have a serious negative impact on Volunteers' health.

OIG first began reporting medical supply accountability as a systemic weakness in FY 2008. At that time, the Peace Corps substantially revised its medical supply policies and procedures to provide adequate separation of duties; track the purchasing, dispensing, and disposing of medical supplies; and mitigate the risk of loss or theft. However, consistent implementation of these medical supply policies across all posts has been a recurring issue. OIG post audits and investigative work repeatedly found that posts did not fully comply with agency policy and were not ensuring medical supplies were properly secured. Specifically, OIG found that posts were not consistently establishing proper separation of duties, physically safeguarding medical supplies, and implementing an effective process to track and record medical supplies as they were received, transferred, dispensed, and disposed.

Progress in Addressing the Challenge

During FY 2013 the Office of Health Services (OHS) continued to provide training and support to posts that struggled to implement the policy. In addition, OHS enhanced its oversight and analyses of medical supply inventory submissions from posts by identifying posts with significant discrepancies and conducting follow-up. The agency reported its follow-up included twenty-three full site assessments, seven site assisted trainings, on-going review of Special Designated Drugs inventory, individual country feedback on policy adherence and overseas staff training for medical officers and country directors. Two of OIG's four post audits issued in FY 2013 found that post was generally in compliance with the Peace Corps' medical supply policies; an improvement over prior years.

OHS has contracted for an electronic medical record system. The requirements for this system includes an electronic medical inventory tracking component that will index and track medical inventory and provide reports for management to use in overseeing the supplies across the world. Management anticipates that this system will help improve medical supply accountability. The system is expected to be rolled-out for FY 2015, and in early 2016, OHS will begin tracking and analyzing base line data.

What Needs to Be Done

Because of the limited number of staff at posts, several key medical supply responsibilities are assigned to staff that have other primary duties. As a result, these responsibilities may not receive the priority and attention to detail necessary to identify errors and stop theft or fraud. Headquarters and post management must provide sufficient training and oversight of staff to ensure policy is followed.

When the Peace Corps implements an automated medical supply inventory system, it must develop a work process that maintains the necessary separation of duties, tracks the supplies at a transaction level, and reports on lost or stolen supplies. The agency must clearly communicate the roles and responsibilities regarding the information system and train staff on its use. In the meantime, the agency must continue to train post staff on the various roles and responsibilities, emphasize to posts the importance of following policy, and hold posts accountable when controls are not in place and operating effectively.

Key OIG Resources

[OIG FY 2014 Annual Plan](#)

[Capstone Report: 2012 Medical Inventory Issues](#)

[Management Advisory Report: Breakdown of Internal Controls of PC/Burkina Faso Medical Unit](#)

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

Summary of Financial Statement Audit and Management Assurances

TABLE 1: Summary of Financial Statement Audit

Audit Opinion	Unmodified					
Restatement	Yes					
Material Weaknesses	Beginning Balance	New	Resolved	Consolidated	Reassessed	Ending Balance
Total Material Weaknesses	0	1	0	0	0	1

TABLE 2: Summary of Management Assurances

Effectiveness of Internal Control over Financial Reporting (FMFIA § 2)						
Statement of Assurance	Qualified					
Material Weaknesses	Beginning Balance	New	Resolved	Consolidated	Reassessed	Ending Balance
Total Material Weaknesses	0	1	0	0	0	1
Effectiveness of Internal Control over Operations (FMFIA § 2)						
Statement of Assurance	Qualified					
Material Weaknesses	Beginning Balance	New	Resolved	Consolidated	Reassessed	Ending Balance
Total Material Weaknesses	0	1	0	0	0	1
Conformance with Financial Management System Requirements (FMFIA § 4)						
Statement of Assurance	Systems conform to financial management system requirements					
Non-Conformances	Beginning Balance	New	Resolved	Consolidated	Reassessed	Ending Balance
Total Non-Conformances	0	0	0	0	0	0

Financial Statements

Improper Payments Information Act

The Improper Payments Information Act of 2002, P.L. No. 107-300, as amended by the Improper Payments Elimination and Recovery Act of 2010, P. L. No. 111-204, requires agencies to annually report information on improper payments to the President and Congress. OMB Circular A-123 Appendix C, Requirements for Effective Management and Remediation of Improper Payments, defines “significant improper payments” as improper payments that exceed both 1.5 percent of program payments and \$10 million of all program or activity payments or \$100 million (regardless of the error rate). Generally, an improper payment is any payment that should not have been made or that was made in an incorrect amount under statutory, contractual and administrative or other legally applicable requirements. Incorrect amounts are overpayments and underpayments (including inappropriate denials of payment or service). Improper payments include any payment that was made to an ineligible recipient or for an ineligible service, duplicate payments, payments for services not received, and payments that are for the incorrect amount.

As a small agency with only one program, the Peace Corps has no activities that are risk-susceptible to the amounts in the above specified thresholds, including the change from 2.5 percent of program payments to 1.5 percent which became effective in FY 2013. All payments are subject to review although the review can be different based on the dollar amount and type of the payment. The requesting official who wants the goods or services and later certifies that the goods or services have been received performs the initial review of payment documentation. The requesting official’s supervisor later reviews the payment prior to payment release. Then, the budget officer or administrative officer performs another review in conjunction with ensuring funds have been obligated. Once these steps are completed, payment is examined and determined to be legal, proper, and correct by an authorized certifying officer to issue the payment. Recipients of pre-payments and pre-award of contracts are matched against the “Do Not Pay List” network of databases established in accordance with OMB Memorandum M-12-11, Reducing Improper Payments through the “Do Not Pay List,” dated April 12, 2012 and prior Executive Orders and Memorandums. Payments made by overseas posts are examined through a selective voucher sampling process in the headquarters. Those payments are processed through the International Treasury Services program of the Department of State’s Global Financial Services Centers. Further, payments made in the United States are processed through the U.S. Treasury, Kansas City Finance Center. Finally, all payments in the amount of \$250,000 and above are reviewed extensively through a semi-annual system-generated report.



APPENDICES

Appendix 1

Status of Material Weakness and Significant Deficiencies

External independent auditor, Kearney & Company, P.C. issued the FY 2013 financial statement audit report which begins on page 116, transmitted through the Inspector General. The report identifies one Material Weakness and three Significant Deficiencies: Material Weakness 1, Financial Management Analysis and Reporting; Significant Deficiency 1, Property, Plant, and Equipment; Significant Deficiency 2, Information Technology Security; and Significant Deficiency 3, Accrual Validation.

The first table identifies the anticipated resolution dates for the Material Weakness and confirms the status as of the end of FY 2013. This is a new finding and is related to an insufficient calculation of severance liabilities, a restatement of FY12 financial statements, and financial reporting and analysis issues:

Material Weakness	Status at End of FY 2013	Anticipated Resolution Date
Financial Management Analysis and Reporting	Open	June 2014

This year's accomplishments (corrective actions) are shown in the second table along with the planned corrective actions for FY 2014 for each Significant Deficiency:

Material Weakness		Corrective Actions
Financial Management Analysis and Reporting	FY 2013 Accomplishment	1. Corrected current year accounting treatment for proceeds of sale funds
	FY 2014 Accomplishments	1. Completed a restatement of FY12 Financial Statements 2. Corrected accounting treatment of severance liability funds 3. Corrected prior year accounting treatment of proceeds of sale funds
FY 2014 Planned Actions		1. Develop and implement a more rigorous methodology and calculation tool for a monthly assessment of Peace Corps' severance liability 2. Record severance liability into a separate liability account for display on financial statements 3. Design and implement system control edit checks for self-balancing accounts in agency trial balance and accurate financial statements 4. Develop a research methodology for properly identifying and resolving reconciling items 5. Implement a more thorough review process for accounting adjustments and financial statement preparation 6. Institute standard operating procedures to ensure coordination of all CFO offices when recording financial statements

The third table identifies the anticipated resolution dates for the three Significant Deficiencies and confirms their status as of the end of FY 2013. Two of the Significant Deficiencies (Property, Plant, and Equipment and Information Security Technology) have been open in previous years of with numerous corrective actions being accomplished each year followed by the identification of new audit recommendations in these Significant Deficiencies annually. One Significant Deficiency, Accrual Validation is a new finding:

Significant Deficiencies	Status at End of FY 2013	Anticipated Resolution Date
Controls over Property, Plant and Equipment Need Improvement	Open	Sep 2014
Information Technology Security	Open	Sep 2014
Accrual Validation	Open	Sep 2014

This year's accomplishments (corrective actions) are shown in the fourth table along with the planned corrective actions for FY 2014 for each Significant Deficiency.

Significant Deficiencies	Corrective Actions
Controls over Property, Plant, and Equipment Need Improvement	
FY 2013 Accomplishments	1. Updated Manual Section 511, Personal Property Management 2. Approved Funding for New Property Accountability System 3. Updated Manual Section 711, Accounting for Property, Plant, and Equipment 4. Conducted Agencywide Inventory with Reconciliation Issues 5. Generated Exception Reports to facilitate Inventory Reconciliation
FY 2014 Planned Actions	1. Procure New Property Accountability System 2. Validate System's Internal Controls 3. Conduct Data Verification and Clean-up 4. Implement and deploy Property Accountability System
Information System Security Controls Need Improvement	Corrective Actions
FY 2013 Accomplishments	1. Implemented back up Tape Encryption 2. Improved Data Center Access Management 3. Provided Posts IT Contingency Planning Templates 4. Updated Manual: <ul style="list-style-type: none"> • Section 545, Mobile Information Technology Device Policy • Section 547, Use of Government Technology Services and Equipment 5. Completed 97% Employee and Contractor Annual Security Based Training 6. Improved internal and boundary vulnerability scans 7. On-going Actions to implement the configuration baselines

FY 2014 Planned Actions	<ol style="list-style-type: none"> 1. Complete implementation of the Agency's Risk Management Framework 2. Expand disaster recovery testing 3. Formally sign agency Memorandum of Understandings with Third Party System Providers 4. Obtain agency approval for the following Forms and Guide: <ul style="list-style-type: none"> • Remote Access and Mobile IT Device Use Guide • Remote Access Request Form • User Verification Form (For Initial IT Training)
Accrual Validation	Corrective Actions
FY 2013 Accomplishments	<ol style="list-style-type: none"> 1. Established and performed substantive testing to assess the accuracy of estimated accruals
FY 2014 Planned Actions	<ol style="list-style-type: none"> 1. Continue to perform and refine the accrual testing process 2. Provide training to CORs and CFO staff for better understanding of accrual process

Appendix 2

Glossary of Acronyms

AC-2	Account Management*
AVS	Annual Volunteer Survey
BIA	Business Impact Analysis
CARS	Coordinated Agency Response System
CCB	Change Control Board
CM-1	Configuration Management Policy and Procedures*
CM-2	Baseline Configuration*
CP-4	Contingency Plan Testing and Exercises*
DOL	Department of Labor
DOS	Department of State
EAP	Emergency Action Plan
FDCC	Federal Desktop Core Configurations
FECA	Federal Employees Compensation Act
FISMA	Federal Information Security Management Act
FITU	Focus In/Train Up
FMFIA	Federal Managers' Financial Integrity Act
FMO	Financial Management Officer
FSN	Foreign Service National
FYR	Five-Year Rule
GSA	General Services Administration
GPRA-MA	Government Performance and Results Modernization Act of 2010
IAP	Inter-America and the Pacific Region
IPBS	Integrated Planning and Budgeting System
IT	Information Technology
KCO	Kearney & Company
MD&A	Management's Discussion and Analysis
M&E	Monitoring and Evaluation
MOU	Memorandum of Understanding
MP-5	Media Transport*
NIST	National Institute of Standards and Technology
NIST SP	National Institute of Standards and Technology Special Publication
OCFO	Office of the Chief Financial Officer
OCIO	Office of the Chief Information Officer
OGE	U.S. Office of Government Ethics
OHS	Office of Health Services
OIG	Office of Inspector General
OMB	Office of Management and Budget
OPM	Office of Personnel Management
OSIRP	Office of Strategic Information, Research, and Planning
PAC	Project Advisory Committee
PAR	Performance and Accountability Report
PE-2	Physical Access Authorizations*

PEPFAR	President's Emergency Plan for AIDS Relief
POA&M	Plan of Actions and Milestones
PP&E	Property, Plant, and Equipment
PSC	Personal Services Contractor
PST	Pre-Service Training
RA-3	Risk Assessment*
RA-5	Vulnerability Scanning*
SARRR	Sexual Assault Risk Reduction and Response
TIS	Technical Information Subcommittee
USGCB	U.S. Government Configuration Baseline

*NIST SP 800-53

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Peace Corps
Congressional Budget
Justification Fiscal Year 2013

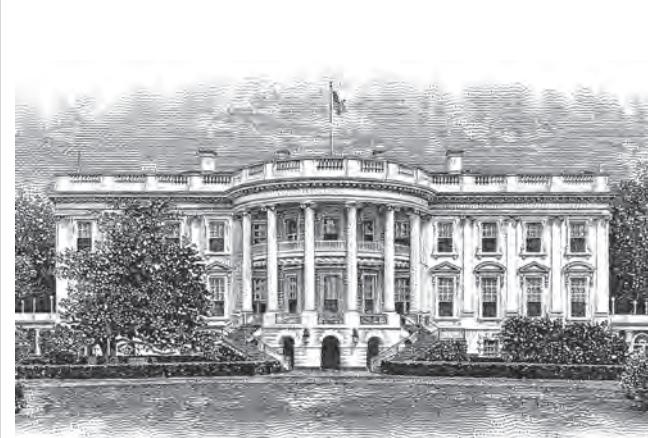


Peace Corps Congressional Budget Justification Fiscal Year 2013

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F I S C A L Y E A R 2 0 1 3

BUDGET

O F T H E U . S . G O V E R N M E N T

PEACE CORPS FY 2013 BUDGET REQUEST

The Peace Corps budget request for FY 2013 is \$374,500,000, a decrease of \$65,100,000 from the FY 2012 request of \$439,600,000. The FY 2013 request will enable the Peace Corps to provide support to Americans serving as Volunteers in approximately 70 countries worldwide in FY 2013. The Peace Corps' FY 2013 budget request will allow the Peace Corps to meet its statutory requirements 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' FY 2013 budget request of \$374.5 million. This fiscally responsible funding level will allow the Peace Corps to meet its statutory requirements while continuing the comprehensive reforms and improvements that have been put in place over the past few years.

In 1961, President John F. Kennedy launched an innovative program to spearhead progress in developing countries and to promote friendship between the American people and peoples overseas. Over fifty years later, the agency's mission and goals are more important than ever in an increasingly complex world.

I am committed to ensuring that the Peace Corps and the outstanding Americans who serve as Volunteers around the globe continue to prosper for another fifty years. That is why the Peace Corps is working to improve all aspects of agency operations, particularly when it comes to ensuring the health, safety, and security of our Volunteers, who are the heart of the Peace Corps.

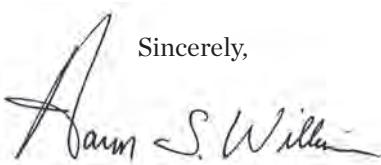
On November 21, 2011, President Obama signed into law the Kate Puzey Peace Corps Volunteer Protection Act of 2011, which codifies a number of the recent steps that the Peace Corps has taken to better protect and support Volunteers. Those measures include enhanced training for staff and Volunteers, better support for Volunteers who are victims of crime, and new procedures to ensure Volunteers' concerns are handled appropriately. The Peace Corps will continue these and other reforms in FY 2013.

The Peace Corps will also continue to implement the strategies and recommendations from the Comprehensive Agency Assessment, which was submitted to Congress in June 2010. The recommendations of the Comprehensive Agency Assessment were formally integrated into the Peace Corps' Annual Performance Plan, and they provide a roadmap to move the Peace Corps toward a more focused, innovative, and dynamic future.

Peace Corps Volunteers are America's best and most effective grassroots development workers, building relationships from the ground up as partners with communities across the globe. The skills that Volunteers acquire while serving abroad—whether fluency in a foreign language, complex problem-solving, or familiarity with a foreign culture—are invaluable to the United States, as is the commitment to public service that the Peace Corps instills. Ultimately, the investment that we make in our Volunteers is re-paid many times over, at home and abroad.

I recognize the considerable challenges that you and your congressional colleagues confront in determining the federal budget for FY 2013. I appreciate your consideration of the Peace Corps' budget request to sustain the important work of Volunteers and thank you for your continued support of the Peace Corps. 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 2013 budget and appropriations process.

Sincerely,



Aaron S. William
Director



Congressional Budget Justification | Fiscal Year 2013 Executive Summary

Mission and Goals

In 1961, President John F. Kennedy launched an innovative program to spearhead progress in developing countries and to promote a mission of world peace and friendship between the American people and peoples overseas. From its start, the Peace Corps has had 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 people served.
3. To help promote a better understanding of other peoples on the part of Americans.

Over fifty years later, the agency's mission and goals are more important than ever in an increasingly complex world. The agency's approach to achieving these goals is unique in the U.S. government. Volunteers spend 27 months living and working in areas that other programs are often unable to reach. During their service, Volunteers do not just work with the community; they become part of it. They eat the same food, live in the same kind of housing, speak the same language, and use the same transportation as other members of the community. By doing so, Volunteers build mutual trust and respect, and are able to advance the development needs of the host country – and promote a positive view of Americans – more effectively.

Volunteers serve only in those countries where the Peace Corps has been invited by the host government. Currently, more than 9,000 Peace Corps Volunteers serve in over 70 countries in Africa, Asia, the Caribbean, Eastern Europe, Central Asia, Latin America, North Africa, Middle East, and the Pacific Islands.

Around the world, Volunteers' projects fall into six sectors:

- Agriculture
- Business Development
- Education
- Environment
- Health and HIV/AIDS
- Youth Development

The medium and long-term development outcomes of these projects contribute to more stable communities, build strong people-to-people relationships, and expand sustainable partnerships between the United States and other countries. These partnerships foster collaboration on a range of critical global issues, building a crucial foundation for peace and friendship for years to come.

Volunteers' service to our country 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, complex problem-solving, familiarity with a foreign culture, or expertise in agricultural practices – are invaluable to the United States, as is the commitment to public service that the Peace Corps instills. Ultimately, the investment that we make in our Volunteers is re-paid many times over, at home and abroad.

The Peace Corps' FY 2013 budget request will support key initiatives, including:

Protecting and Supporting Volunteers

The health, safety, and security of Peace Corps Volunteers are the agency's top priority. The Peace Corps provides its Volunteers with extensive training and support to ensure that their service is rewarding, productive, and safe. Over the past two years, the Peace Corps has put in place new policies and procedures to minimize the risks faced by Volunteers and to improve the way it responds to victims of crime. For more information on those reforms, see the *Protecting and Supporting Volunteers* section. While the Peace Corps cannot eliminate every risk Volunteers may face during their service, the Peace Corps is committed to doing everything it can to protect Volunteers and provide effective, compassionate support to them and their families when a tragedy does occur.

The Peace Corps is fully committed to implementing the Kate Puzey Peace Corps Volunteer Protection Act of 2011, which helps ensure that Peace Corps Volunteers continue to receive the support and protection they need. The new law codifies and expands a number of the reforms the agency has put in place to enhance safety and security and ensure a compassionate and effective response and support for all Volunteers.

In FY 2013, the agency will work to further strengthen Volunteer health, safety, and security systems. Partnerships with key organizations such as the Department of Defense, the Department of Justice, and the Rape, Abuse and Incest National Network will be deepened and expanded. Additionally, the agency will begin the development of an electronic medical records system and continue to make improvements to medical services under the guidance of the Health Care Quality Assurance Council.

The Peace Corps Comprehensive Agency Assessment

The Comprehensive Agency Assessment, submitted to Congress in June 2010, sets forth a six-point strategic vision for the agency. Hard work on the part of both headquarters offices and Peace Corps' overseas posts has already produced significant progress in making this vision a reality. In particular, important advances with regard to the Focus In/Train Up strategy and the Country Portfolio Review process have been achieved.

In 2011, the strategies and recommendations of the Assessment were formally integrated into the agency's new Annual Performance Plan. Beginning in FY 2012, the Peace Corps will measure and promote performance improvement through this new plan.

In FY 2013, the Comprehensive Agency Assessment will continue to provide a blueprint for improving Peace Corps operations and advancing agency objectives in key areas including:

Peace Corps' Country Portfolio Review

The Country Portfolio Review responds to a recommendation in the FY 2010 Comprehensive Agency Assessment to “[t]arget 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 Comprehensive Agency Assessment recommended that the portfolio review take place prior to the start of the annual planning and budgeting cycle and be used to inform, in one integrated process, decisions on potential new country entries, possible country phaseouts, and the allocation of Volunteers.

The Peace Corps completed an inaugural Country Portfolio Review in the first quarter of FY 2011. Data were collected in areas such as country needs, safety and security, and host country commitment and engagement. The agency used the review to inform decisions about country phase-outs, as well as the allocation of Volunteers among regions and within each region. This annual review has now been integrated into Peace Corps' standard operating procedures.

Peace Corps is currently in the process of phasing out six countries. In FY 2012, the Peace Corps will close programs in Kazakhstan, Antigua, and St. Kitts and in FY 2013 the agency plans to close programs in Romania, Bulgaria, and Suriname. The Peace Corps is also committed to opening new country programs where Peace Corps can achieve long-lasting results. While the Peace Corps was not able to launch any new programs in FY 2011, the agency will be reentering Tunisia and Nepal in FY 2012.

Focus In/Train Up

The Assessment also recommended that the agency focus on a smaller number of highly effective, targeted technical interventions and improve training to prepare Volunteers for their work. This initiative, entitled “Focus In/Train Up,” will be the major focus of programming and training in FY 2012 and future fiscal years.

Peace Corps is working aggressively to focus on key development sectors and train Volunteers for excellence. The most highly effective projects will be scaled up to maximize the skills of Peace Corps Volunteers, 85 percent of whom are young professionals. In support of this initiative, the Peace Corps is designing world-class training and comprehensive support to prepare its Volunteers in these sectors. The Focus In/Train Up initiative will institute standard global development indicators to better gauge the impact of development work abroad. The agency is making strategic investments to improve training for Volunteers at every stage, to ensure they are well prepared to excel in meaningful jobs.

Volunteer Delivery System

The agency is developing innovative ways to adapt its Volunteer recruitment and assignment models in order to better meet host country skill needs and offer Volunteer opportunities to a greater number of Americans. The redesign of the Volunteer Delivery System is anticipated to reach a major milestone in FY 2012 when the new platform for the Peace Corps and Peace Corps Response Volunteer applications become electronically available to applicants. The new system, the Database of Volunteer Experience (DOVE), will improve the transparency, speed, and efficiency of the application process. It will also ensure that the agency has better information regarding Volunteer requests from overseas posts and that overseas posts are better informed about the available applicant supply. In FY 2013, the Peace Corps will begin work on the second phase of the DOVE system, which will integrate all formal and informal Volunteer-related business processes for medical screening of Peace Corps applicants. Full integration of the core business processes of the medical screening and care systems will promote efficiency and better protect the personal information of applicants.

Elevate the Third Goal

The Assessment emphasized the need to elevate the third goal of the Peace Corps: to help promote a better understanding of other peoples on the part of Americans. The third goal is a critical component of the Peace Corps’ mission and it entails returned Peace Corps Volunteers sharing their overseas experiences with Americans during and after their service. The agency has developed several new strategic approaches to reaching out to the American public. The new “Engage. Expand. Enlighten.” campaign encourages returned Volunteers to share their Peace Corps experiences in elementary, secondary, and post-secondary classrooms in their communities and help recruit the next generation of Volunteers through local recruitment events.

In FY 2012, the Peace Corps also created the Office of the Third Goal and Returned Volunteer Services. The establishment of this office is a critical step in elevating the third goal, a cornerstone of the Peace Corps mission, to its rightful place in the agency’s organization. From this office, a comprehensive strategy will be developed whereby third goal activities will become part of the life of the Volunteer from invitation through service and beyond.

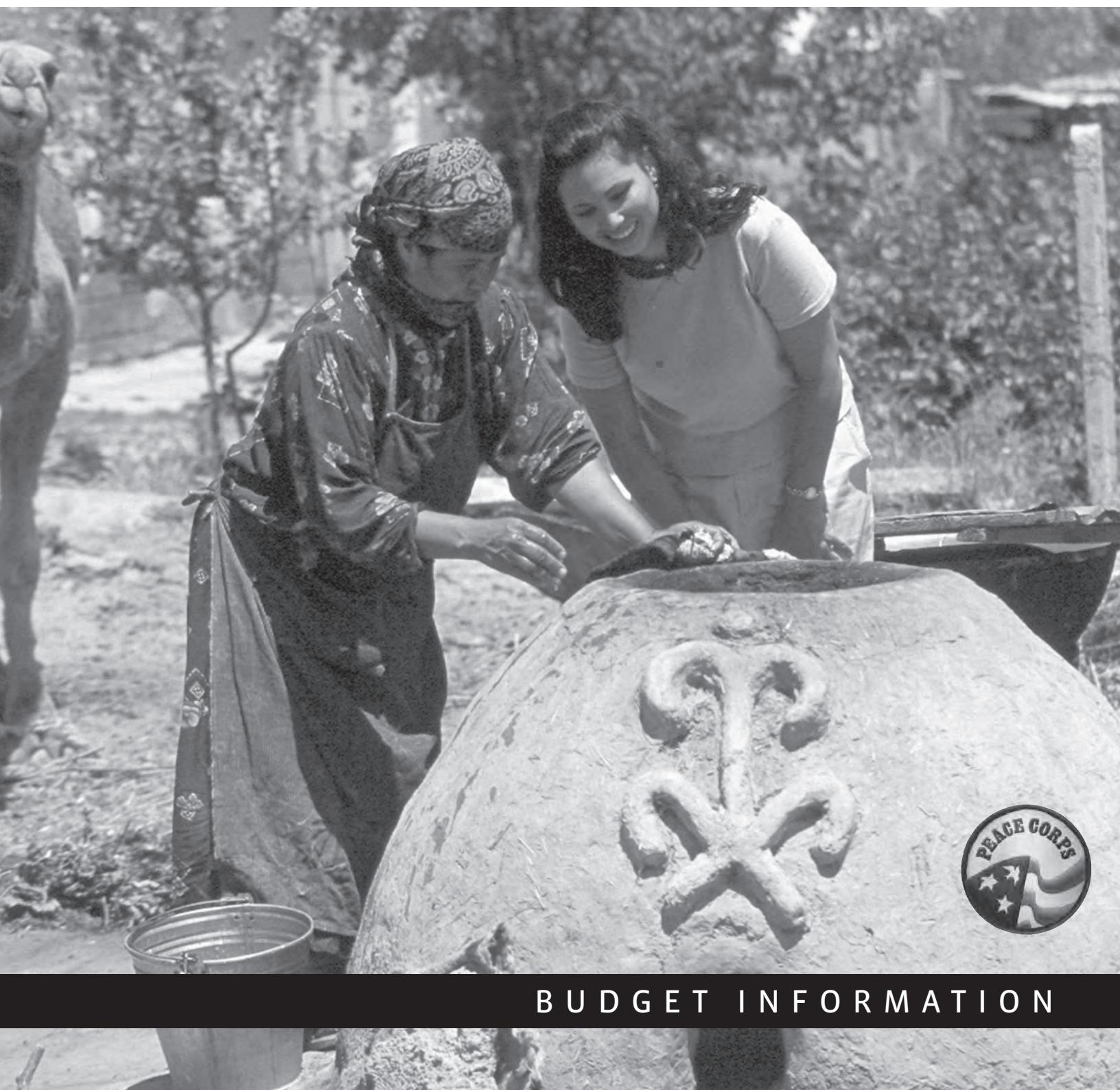
Peace Corps Response Pilot Program

The agency’s Peace Corps Response program provides posts with highly skilled Volunteers for short-term, high-impact assignments. Currently, the program is open only to returned Volunteers. Moving forward, Peace Corps Response opportunities will be expanded beyond the returned Volunteer community, based upon a Comprehensive Agency Assessment recommendation. Short-term assignments will be offered to individuals with more than 10 years of professional experience and the unique specialized skills host countries are requesting. Opening Peace Corps Response to all skilled and experienced Americans will help the agency better respond to the need for higher technical skills. In addition, this move will provide service opportunities to people who are skilled and motivated to serve but who cannot devote two years to service.

Peace Corps Appropriations Language

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, \$374,500,000, of which \$5,000,000 is for the Office of Inspector General, to remain available until September 30, 2014: 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.

BUDGET OF THE UNITED STATES GOVERNMENT, FISCAL YEAR 2013



BUDGET INFORMATION

Peace Corps Budget Request by Program Operations

(in thousands of dollars)

	FY 2011 Actual	FY 2012 Estimate	FY 2013 Estimate
DIRECT VOLUNTEER OPERATIONS			
Overseas Operational Management			
Office of Global Operations	1,000	1,100	1,100
Africa	89,200	88,700	88,300
Europe, Mediterranean, and Asia	59,500	61,000	58,800
Inter-America and Pacific	71,300	70,700	70,400
Office of Global Health and HIV	300	400	400
Overseas Program and Training Support	4,700	6,300	6,300
Peace Corps Response	2,900	3,500	3,500
Subtotal, Overseas Operational Management	228,900	231,700	228,800
 Overseas Operational Support			
Centrally Processed Overseas Equipment and Supplies	3,700	4,400	4,400
Federal Employees' Compensation Act	11,300	13,100	14,500
Medical Services Centrally Shared Resources	8,800	13,600	15,500
Office of Strategic Partnerships	800	1,200	1,200
Reimbursements to Department of State	7,700	9,900	11,000
Volunteer Readjustment Allowance	29,400	29,600	25,700
Volunteer Recruitment and Selection	18,400	17,500	17,300
Volunteer Support	6,200	9,000	8,900
Subtotal, Overseas Operational Support	86,400	98,300	98,500
SUBTOTAL, DIRECT VOLUNTEER OPERATIONS	315,300	330,000	327,300
 VOLUNTEER OPERATIONS SUPPORT SERVICES			
Third Goal Programs	1,800	1,800	1,900
Agency Administration			
Acquisitions & Contracts	1,700	1,700	2,000
Communications	2,200	2,300	1,700
Congressional Relations	300	400	400
Director's Office	4,400	3,900	4,000
General Counsel	1,500	1,700	1,700
Office of Management	5,500	5,300	5,400
Office of Management Centrally Managed Resources	15,400	13,400	13,200
Office of the Chief Financial Officer	10,900	10,500	10,600

(continued)

Peace Corps Budget Request by Program Operations

(in thousands of dollars)

Office of the Chief Financial Officer Centrally Managed Resources	4,000	5,300	5,500
Office of the Chief Information Officer	9,200	10,300	10,100
Office of the Chief Information Officer Centrally Managed Resources	8,600	7,100	8,100
Office of Strategic Information, Research, and Planning	1,100	1,200	1,300
Safety and Security	1,900	2,600	3,200
Safety and Security Centrally Managed Resources	1,500	1,800	2,000
Subtotal, Agency Administration	68,400	67,600	68,900
SUBTOTAL, VOLUNTEER OPERATIONS SUPPORT SVCS	70,200	69,400	70,800
SUBTOTAL, DIRECT VOLUNTEER OPERATIONS & VOLUNTEER OPERATIONS SUPPORT SVCS	385,500	399,400	398,100
Inspector General ^{/1}	4,100	5,150	5,000
GRAND TOTAL AGENCY	389,500	404,550	403,100

Unobligated balance, carried forward, start of year	49,000	46,000	22,450
New budget authority (gross)	374,250	375,000	374,500
Resources available from recoveries of prior year obligations	11,000	6,000	6,000
Unobligated balance transferred from foreign currency fluctuations account	1,300	-	-
Total budgetary resources available for obligation	435,600	427,000	403,000
Total new obligations	389,500	404,550	403,000
Unobligated balance carried forward, end of year	46,000	22,450	-

*Detail may not add due to rounding.

^{/1}Pursuant to the requirements of Section 6(f)(1) of the Inspector General Act of 1978, the FY 2013 request for Office of Inspector General (OIG) is \$5,000,000 in the aggregate for OIG operations; of which \$62,740 is for training and \$14,200 (.284% of \$5,000,000) is to support the Council of the Inspectors General on Integrity and Efficiency.

PEACE CORPS
FY 2012–13 Volunteers and Program Funds

Regions	<i>Volunteers and Trainees on Board on September 30 *</i>		<i>Program Funds (\$000)</i>	
	<i>FY 2012</i>	<i>FY 2013</i>	<i>FY 2012</i>	<i>FY 2013</i>
Africa	2,920	2,620	88,700	88,300
Europe, Mediterranean, and Asia	2,280	1,850	61,000	58,800
Inter America and Pacific	2,440	1,950	70,700	70,400
REGIONAL TOTAL	7,640	6,420	220,400	217,500
Peace Corps Response Volunteers	200	200	3,500	3,500
GRAND TOTAL	7,840	6,620	223,900	221,000

Volunteers and Program Funds by Post

Country	<i>Volunteers and Trainees on Board on September 30 *</i>		<i>Program Funds (\$000)</i>	
	<i>FY 2012</i>	<i>FY 2013</i>	<i>FY 2012</i>	<i>FY 2013</i>
Albania	70	70	2,500	2,600
Armenia	70	70	2,500	2,300
Azerbaijan	140	120	2,800	2,800
Belize	30	20	2,000	2,100
Benin	110	110	4,200	4,300
Botswana	30	20	2,000	1,900
Bulgaria	30	0	2,400	1,800
Burkina Faso	140	130	4,400	4,400
Cambodia	110	100	2,200	2,200
Cameroon	210	180	5,000	4,800
Cape Verde	50	30	2,200	2,000
China	150	140	3,000	2,900
Colombia	40	60	2,200	2,700
Costa Rica	120	100	3,500	3,500
Dominican Republic	200	150	4,500	4,200
Eastern Caribbean	80	30	3,400	3,000

*see note b, page 9

PEACE CORPS
FY 2012-13 Volunteers and Program Funds

Country	Volunteers and Trainees on Board on September 30 *		Program Funds (\$000)	
	FY 2012	FY 2013	FY 2012	FY 2013
Ecuador	160	130	4,300	4,200
El Salvador	100	100	3,200	3,400
Ethiopia	130	130	3,000	3,200
Fiji	50	40	2,100	2,200
Gambia, The	70	60	2,200	2,200
Georgia	80	70	2,300	2,300
Ghana	130	130	3,800	3,900
Guatemala	200	140	5,200	4,700
Guinea	80	100	2,400	2,700
Guyana	50	40	2,300	2,400
Honduras	130	110	3,900	3,900
Indonesia	70	90	2,800	3,000
Jamaica	50	40	2,900	3,000
Jordan	50	50	2,300	2,400
Kazakhstan	0	0	2,700	0
Kenya	100	80	3,300	3,300
Kyrgyz Republic	60	60	2,000	1,900
Lesotho	40	50	2,700	2,800
Liberia	50	70	2,300	2,500
Macedonia	100	100	2,500	2,600
Madagascar	120	100	3,200	3,200
Malawi	90	80	2,700	2,600
Mali	150	130	5,300	5,100
Mexico	100	70	2,800	2,800
Micronesia and Palau	40	40	1,800	2,000
Moldova	100	90	2,800	2,800
Mongolia	120	110	3,200	3,200
Morocco	250	210	5,100	4,900
Mozambique	160	150	2,900	3,000

*see note b, page 9

PEACE CORPS
FY 2012-13 Volunteers and Program Funds

Country	Volunteers and Trainees on Board on September 30*		Program Funds (\$000)	
	FY 2012	FY 2013	FY 2012	FY 2013
Namibia	110	100	3,200	3,200
Nepal	20	40	1,200	1,900
Nicaragua	220	160	3,600	3,200
Niger	0	0	400	0
Panama	230	190	4,600	4,500
Paraguay	250	220	5,100	5,000
Peru	290	250	5,900	5,700
Philippines	220	120	4,200	4,000
Romania	30	0	2,300	2,000
Rwanda	100	80	2,500	2,500
Samoa	20	10	1,300	1,400
Senegal	300	270	6,100	6,200
Sierra Leone	80	70	2,600	2,700
South Africa	150	120	5,800	5,700
Suriname	20	0	1,900	1,800
Swaziland	50	40	2,400	2,400
Tanzania	130	110	3,300	3,200
Thailand	100	90	3,000	3,000
Togo	100	100	3,000	3,000
Tonga	20	10	1,400	1,500
Tunisia	20	60	1,400	3,000
Turkmenistan	40	30	1,400	1,600
Uganda	80	40	2,400	2,200
Ukraine	450	300	6,200	6,000
Vanuatu	60	50	2,900	3,100
Zambia	150	150	5,200	5,300
TOTAL	7,840	6,620	223,900	221,000

*see note b, page 9

Peace Corps Authorizations and Appropriations | FY 1962–FY 2013
(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 2013
 (in thousands of dollars)

Fiscal Year	Authorized	Budget Request ^{a/}	Appropriated ^{a/}	Trainee Input	Volunteers and Trainees On Board ^{b/}
2000	270,000 ^{q/}	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	374,300	3,813	8,460
2012	—	439,600	375,000	3,500 ^{est}	7,800 ^{est}
2013	—	374,500	—	3,100 ^{est}	6,600 ^{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 30 September 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 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.

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PEACE CORPS OPERATIONAL AREAS

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Direct Volunteer Operations

Direct Volunteer Operations includes funding for offices that manage and oversee the recruitment and placement of applicants and provide Volunteer training and support. Direct Volunteer Operations also includes components related to overseas post management.

Office of Global Operations (OGO)

This office provides overarching strategic support and management for several aspects of 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 the Peace Corps overseas operations. In addition to the Peace Corps' three geographic regions (Africa; Europe, Mediterranean, and Asia; and Inter-America and the Pacific), OGO also includes the Office of Overseas Programming and Training Support, the Office of Global Health and HIV, and Peace Corps Response.

Sahel

Cape Verde, 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

Since 1961, more than 70,000 Peace Corps Volunteers have served in countries throughout Africa. At the end of FY 2011, 3,523 Volunteers were working in 26 countries in the region. Programs in Africa cover all six of the agency's program sectors — agriculture, business development, education, environment, health and HIV/AIDS, and youth. Many Volunteers work across sectors by incorporating girls' education, malaria prevention, maternal and child health, and food security. In addition to French and Portuguese, the Peace Corps provides training in more than 130 local languages and in sign language in Kenya. (See Appendix C for details).

Agriculture: Volunteers work to improve agricultural practices, providing assistance in sustainable agriculture, agroforestry, and gardening technologies. They help rural communities and groups improve soil fertility and production by training farmers in natural resource management and conservation techniques and promote micro-gardening innovations in urban areas. These new methods ensure greater food security.

Business Development: Volunteers work with savings and credit clubs, handicraft associations, and agribusiness cooperatives to improve business practices and the viability of commercial activities. They teach business skills to youth, farmers, artisans, nongovernmental organizations, credit institutions, and information and communications technology-related businesses. Volunteers train associations and cooperative members to market crafts and agribusiness products, such as locally produced soap and shea butter.

Education: Education remains one of the Peace Corps' largest program sectors in Africa. Among subjects taught are English, mathematics, science, the arts, and life skills. Volunteers use community content-based instruction to incorporate health

and HIV/AIDS, environmental, and gender-specific themes into their lesson plans and presentations.

Environment: Volunteers in the environment sector work to reduce degradation of natural resources and promote environmentally friendly farming methods. Volunteers and their local counterparts promote environmental education in schools, educate farmers about sustainable practices, develop eco-tourism opportunities, and work with national park conservation.

Health and HIV/AIDS: The Peace Corps trains all Volunteers serving in Africa, regardless of their primary assignment, in HIV/AIDS prevention and awareness. Volunteers are uniquely suited to educate others about HIV/AIDS because they live and work in the communities where they serve. They are trained to communicate AIDS prevention messages in local languages and share information in a culturally sensitive manner. Volunteers also help build capacity for local service organizations to support people living with HIV/AIDS and to care for orphans and vulnerable children who are greatly affected by the pandemic.

Youth: Volunteers coach and mentor youth in many areas and often focus on gender equity and inclusion of women. Volunteers at many posts organize annual GLOW (Girls Leading Our World) camps. The content of each camp is adapted to reflect the realities of the participants. These camps include activities designed to develop leadership skills and improve self-esteem. GLOW camps help foster equitable and sustainable capacity building for girls, increasing their participation in the economic, social, and political lives of their communities and countries.

Peace Corps Response Volunteers served in 15 Africa countries in FY 2011: Benin, Burkina Faso, Guinea, Kenya, Lesotho, Liberia, Madagascar, Mali, Malawi, Namibia, Senegal, South Africa, Tanzania, Uganda, and Zambia.

Balkans and North Africa	Albania, Bulgaria, Republic of Macedonia, Morocco, Tunisia
Central and Eastern Europe	Moldova, Romania, Ukraine
Middle East and the Caucasus	Armenia, Azerbaijan, Georgia, Jordan
Central Asia	Kazakhstan, Kyrgyz Republic, Turkmenistan
Asia	Cambodia, China, Indonesia, Mongolia, Nepal, Philippines, Thailand



Europe, Mediterranean, and Asia

Since the Peace Corps was established in 1961, more than 57,000 Volunteers have served in the Europe, Mediterranean, and Asia (EMA) Region. At the end of FY 2011, EMA had 2,740 Volunteers and trainees working in 20 countries.

Volunteers serve in five of the agency's six program sectors – business development, education, environment, health and HIV/AIDS, and youth. In addition, many Volunteers work across sectors by incorporating information and communication technology, girls' education, or food security into their work with communities, schools, clinics, businesses, local nongovernmental organizations (NGOs), municipal governments, and universities. Volunteers in EMA trained in more than 20 languages during FY 2011 (see Appendix C for details). This intensive training enables Volunteers to integrate successfully into the communities where they live and work.

Business Development: Over the past decade, EMA Volunteers' efforts in the business sector have evolved from direct consulting with new enterprises, to emphasizing sustainability, transparency, community volunteerism, and leadership training in community economic development. This includes working directly with women's groups, entrepreneurs, governmental organizations and NGOs, educational institutions, and community groups.

Education: Education remains the largest sector in the EMA region, with classroom-based Teaching English as a Foreign Language (TEFL) as 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.

Environment: Working with schools, youth groups, and NGOs, Volunteers promote a greater understanding of local ecology and environmental issues. Volunteers increase awareness through eco-clubs, camps, tree-planting campaigns, and similar community efforts. They also address ecological issues such as safe water, erosion, and overuse of pesticides and fertilizers.

Health and HIV/AIDS: Volunteers educate individuals, households, service providers, and communities about the importance of health promotion and disease prevention. Their main focus is health education – whether in schools, teaching institutions, or communities – using preventative health care approaches. Most Volunteer projects incorporate some aspect of HIV/ AIDS prevention and life skills education.

Youth: Youth development activities are important in the EMA region, where half the population is under the age of 25. Volunteers work with community partners on life skills training for employment, conflict resolution, entrepreneurship, leadership training, and promoting tolerance and self-esteem.

Peace Corps Response Volunteers served in 11 EMA countries in FY 2011: Armenia, Bulgaria, China, Georgia, Kazakhstan, Macedonia, Mongolia, Morocco, Romania, the Philippines, and Ukraine.

TUNISIA — From 1962 to 1996, more than 2,000 Peace Corps Volunteers served in Tunisia. In September 2011, following a request from the government of Tunisia, the Peace Corps sent an assessment team to explore the viability of reopening a program. The results of the assessment were positive and the first group of Peace Corps Volunteers is scheduled to arrive in Tunisia in 2012. Volunteer assignments will focus on English language training and youth skills development.

NEPAL — From 1962 to 2004, nearly 4,000 Peace Corps Volunteers served in Nepal. At the request of the government of Nepal, the Peace Corps sent an assessment team in July 2011 to explore the viability of reopening a program. The results of the assessment were positive and the first group of Peace Corps Volunteers is scheduled to arrive in 2012 and will be assigned to agriculture and health projects.



Central America Belize, Costa Rica, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama

Caribbean Dominican Republic, Eastern Caribbean (Antigua and Barbuda, Dominica, Grenada and Carriacou, St. Kitts and Nevis, St. Lucia, St. Vincent and Grenadines), Jamaica

South America Colombia, Ecuador, Guyana, Paraguay, Peru, Suriname

Pacific Federated States of Micronesia and Palau, Fiji, Samoa, Tonga, Vanuatu

Inter-America and Pacific

More than 80,000 Volunteers have served in the Inter-America and Pacific (IAP) region since the Peace Corps' inception in 1961. At the end of FY 2011, 2,832 Volunteers were working in 22 posts in 28 nations.

Volunteers in IAP work in all six agency programmatic sectors — agriculture, business development, education, environment, health and HIV/AIDS, and youth. In addition, Volunteers work across sectors by incorporating 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. In addition to Spanish, the Peace Corps provides training in more than 25 languages, enabling Volunteers in the IAP region to effectively live and work at the grassroots level. (See Appendix C for details).

Agriculture: Through the introduction of sustainable agriculture techniques, Volunteers help communities improve the living conditions of rural families. They also help communities improve their farming practices and reduce the destruction of forests, soils, and watersheds. Implementing improved and sustainable agricultural techniques also helps ensure food security in surrounding communities, which is a particularly critical focus in Central America.

Business Development: Volunteers coordinate activities with nongovernmental and governmental counterparts to promote integrated and sustainable community development. Volunteers teach business management skills and provide other technical assistance to individual entrepreneurs and to organizations.

Education: Volunteers seek to improve the professional development of host country teachers by intro-

ducing new teaching methodologies and curricula, particularly in the area of English teaching. They also help create libraries and resource centers, promote adult literacy, and encourage parents and communities to become more involved in the education of children.

Environment: Environmental degradation impacts air and water quality in communities where IAP Volunteers serve. Therefore, 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.

Health and HIV/AIDS: 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 education, disease prevention, and ways to access water and sanitation systems. By integrating HIV/AIDS awareness and prevention messages into their work, Volunteers help their communities gain a better understanding of HIV/AIDS and avoid high-risk behaviors.

Youth: Youth under the age of 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, leading sessions on self-esteem, healthy life skills, HIV/AIDS awareness and prevention, leadership, and personal development.

Peace Corps Response Volunteers served in 14 IAP posts in FY 2011: Belize, Colombia, Eastern Caribbean, El Salvador, Fiji, Guatemala, Guyana, Jamaica, Mexico, Panama, Peru, Samoa, Suriname, and Tonga.

Overseas Operational Management (Continued)

Office of Global Health and HIV (OGH/H)

This office formulates agency-level policy and provides leadership and direction for all programmatic work by Volunteers in the fields of health and HIV. The office is responsible for coordinating the agency's participation in the President's Emergency Plan for AIDS Relief (PEPFAR) and serves as the principal point of contact for the Global Health Initiative.

The OGH/H mission is to secure and manage world class human, financial, and technical resources that promote excellence in health and HIV programming. OGH/H supports headquarters offices and overseas posts in their efforts to strengthen and enrich the service of Volunteers and improve the health and well-being of individuals, families, and communities where Volunteers serve.

Health has been a primary area of focus for the Peace Corps since its founding and is currently the second largest sector, after education.

For more than two decades, Peace Corps Volunteers have worked with populations affected by HIV/ AIDS, turning hope into action by promoting behavior change and the development of sustainable, culturally appropriate responses to the pandemic. In FY 2011, Volunteers worked with over 55,000 service providers to stage interventions in nearly 9,000 communities. The tireless efforts and dedication of Volunteers and staff have made the Peace Corps a key partner in national responses to HIV/ AIDS around the world, while the unique reach of the Peace Corps has enabled Volunteers to mobilize isolated communities and populations that would otherwise remain at increased risk for HIV.

Office of Overseas Programming and Training Support (OPATS)

This office provides training resources to support overseas staff in preparing and supporting Volunteers throughout their 27 months of service. OPATS develops global programming and training guidance, standardized training sessions, and global outcome indicators and tools for monitoring and evaluation. These resources direct and support the work of field

staff and Volunteers working in six sectors — agriculture, business development, education, environment, health and HIV/AIDS, and youth — and four cross-cutting priority areas: information and communication technology; women in development/gender and development; HIV/AIDS; and youth in development. A discussion of technical area objectives and examples of Volunteer activities appear in Appendix D.

OPATS collects and analyzes data from Peace Corps projects and training events to facilitate the sharing of promising practices across posts. OPATS is applying new technology as it continues to explore ways to provide training and professional development opportunities to overseas staff.

Peace Corps Response

Over the past 15 years, Peace Corps Response has helped to meet the demand from developing countries for highly skilled Volunteers. Since 1996, the program has recruited and placed over 1,500 seasoned professionals in short-term, high-impact assignments in more than 50 countries.

Peace Corps Response has grown from fielding 78 Response Volunteers in 11 countries in FY 2009 to placing 235 Response Volunteers in 40 countries in FY 2011. The program anticipates placing 280 Response Volunteers in 55 countries in FY 2012, and expects to sustain these numbers throughout FY 2013.

Peace Corps Response has been available only to returned Peace Corps Volunteers. Beginning in FY 2012, the program will also welcome applications from other highly skilled professionals who may not have previously served with the Peace Corps, but have at least 10 years of professional experience in their fields, along with the language and technical skills required for the assignment. By expanding its applicant pool, Peace Corps Response will be able to better meet the rising demand for Volunteers with higher-level skills and experience.

Peace Corps Response Volunteers provide technical expertise to existing projects in the Peace Corps sector areas of agriculture, business development, education, environment, health and HIV/AIDS, and youth. The agency also turns to Peace Corps Response to facilitate new country entries or re-entries, as well as to explore new geographic regions within

countries. Because of their specialized skills, Peace Corps Response Volunteers are well positioned to help address priority agency initiatives, such as the Stomping Out Malaria in Africa initiative and the Saving Mothers' Lives initiative in Zambia. Peace Corps Response Volunteers also provide critical humanitarian assistance following disasters and other crises.

Peace Corps Response Volunteers are expected to accomplish concrete deliverables in a condensed period of time; assignments range from three months to one year in duration. Selected applicants already possess the necessary language, technical, and cross-cultural skills needed to excel in their assignments and only require one to two weeks of orientation.

Overseas Operational Support

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.

Federal Employees' Compensation Act (FECA)

Under FECA, 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.

Medical Services Centrally Shared Resources

These are direct Volunteer medical expenses outside of those accrued in each post's health unit. This includes 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.

Office of Strategic Partnerships

Inter-Governmental Affairs and Global Partnerships (IGAP)

This office is responsible for building and maintaining relationships with other U.S. government agencies, nongovernmental organizations, private sector entities, and multilateral organizations, in order to cultivate new agreements and partnerships. IGAP also serves as the agency's partnership coordinator, identifying potential partners and synergies to maximize the Peace Corps' contribution to ongoing international development efforts. The office assists both headquarters and field posts in drafting statements of work and budgets for agreements, interpreting agency guidance on agreements, monitoring implementation, and reporting on activities.

Office of Grants and Gift Management

This office maintains donor relations and seeks to broaden its donor base for small grants programs. It also oversees and manages the solicitation and acceptance of monetary gifts for the Peace Corps Partnership Program (PCPP) and other authorized purposes.

The Peace Corps Partnership Program is one of the main ways for Peace Corps Volunteers and their host communities to obtain private support for small-scale development projects. Projects often meet immediate needs, such as providing clean drinking water, building a health center, or supplying desks for a classroom. For example, a Volunteer in El Salvador worked with his community to reduce the use of open-fire cooking in 100 village homes. Each household installed a clean cook stove, which produces little to no smoke and cuts down on the use of wood by 60 percent. This project resulted in a significant decrease in burn accidents and in health problems related to smoke inhalation.

PCPP ensures contributions are in compliance with relevant agency policies and procedures. All donations are tax deductible and 100 percent of donations made to the program are used for project purposes.

Partnership Program projects have had a tremendous impact in communities across the globe since being launched in 1964. In FY 2011, PCPP received donations from 12,079 donors, totaling \$2,143,181. These funds were applied to 822 community-initiated projects in 64 countries. A minimum 25 percent com-

munity contribution is required for a project to receive Partnership Program assistance. In FY 2011, the actual community contributions totaled approximately 47 percent of the total project costs, with \$1,890,239 in cash and in-kind community contributions.

Reimbursements to the Department of State (ICASS)

These are payments the Peace Corps makes to the Department of State 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 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. The allowance was increased in FY 2010 from \$225.

Volunteer Recruitment and Selection (VRS)

This office is responsible for recruiting, assessing, selecting, and placing Volunteers needed to provide the technical assistance requested by host countries.

VRS strives to recruit and place qualified men and women who represent the diversity of the United States to serve in Peace Corps' overseas programs. It also seeks to provide excellent service at every point of the recruitment, placement, and staging process and to promote the Peace Corps and educate the public on the agency's mission and accomplishments.

VRS manages every step of the process to become a Volunteer, from prospect inquiry to pre-departure orientation prior to departing for pre-service training. For more information on the Peace Corps' application process and phases of Volunteer service, see Appendix F.

Peace Corps Regional Recruitment Offices promote public interest in the agency and recruit qualified, suitable applicants to fill host country requests for Volunteers. These offices reach out to targeted populations of potential Volunteers, publicizing the agency and its mission while promoting university and community-based Peace Corps recruitment programs. Regional

offices assist candidates during the initial stages of the application process and then interview and nominate applicants for further consideration.

Within VRS, the Office of Diversity Recruitment and National Outreach supports activities to attract and retain diverse applicants.

The Placement Office is responsible for collecting and reviewing relevant legal documentation to determine an applicant's eligibility for Volunteer service and then assessing applicants for suitability and skill level in order to invite the most qualified applicants to Peace Corps service.

Immediately prior to departing for Peace Corps service, all trainees participate in a U.S.-based pre-departure orientation coordinated by the Staging Unit.

Office of Volunteer Support (VS)

This office 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, VS provides initial and ongoing training for overseas medical staff and contractors. Sub-offices of Volunteer Support include the Office of Medical Services and the Counseling and Outreach Unit.

Office of Medical Services (OMS)

This office supports medical care for Volunteers through the services of a dedicated headquarters and overseas staff. To achieve this mission, OMS supports a comprehensive, accountable, and high-quality Volunteer health care program. OMS includes offices of Pre-service Screening, In-service Field Support, and Post Service Support. 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.

Counseling and Outreach Unit (COU)

This office 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, including the death of Volunteers.



VOLUNTEER OPERATIONS SUPPORT SERVICES

Volunteer Operations Support Services includes standard components found in the administration of most federal agencies, such as administrative and human resources, public outreach, and budgeting and acquisitions. 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.

Third Goal Programs

Office of the Third Goal and Returned Volunteer Services

This office supports initiatives that help achieve the Peace Corps' third goal: To help promote a better understanding of other peoples on the part of Americans. In fulfilling this goal, the Peace Corps aims to engage 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.

Returned Volunteer Services (RVS)

This program develops and implements the agency's career and transition support services that help returned Peace Corps Volunteers transition back to the United States. In FY 2011, 1,524 returned Volunteers all around the world participated in Peace Corps' regional, national, and online career conferences and events, and thousands more utilized RVS job bulletins and resources.

Coverdell World Wise Schools (CWWS)

Through the CWWS Correspondence Match program, currently serving Volunteers share their Peace Corps experiences with America's elementary and secondary schools through monthly exchanges of letters, photos, telephone calls, and emails. In FY 2011, more than 6,300 Volunteers shared their Peace Corps experiences with students in all 50 states and the District of Columbia.

Returned Peace Corps Volunteers share their Peace Corps experiences through the CWWS Speaker's Match program, visiting and speaking in elementary, secondary, and postsecondary schools in their communities. In FY 2011, more than 850 returned Volunteers shared their experiences with students in communities all across the United States.

To help America's schoolchildren better understand the people and cultures of other countries, CWWS' website offers educators and their students free, online curriculum materials and multimedia resources that highlight Volunteer experiences and projects. CWWS cutting edge resources provide educators with lesson plans aligned with national standards to promote cross-cultural understanding.

University and Domestic Partnerships

This office manages formal partnerships with national service and higher education organizations that are helping the Peace Corps promote its Volunteer, education, and career opportunities across the country.

Master's International (MI)

This program includes 86 graduate schools offering 154 academic programs throughout the country. Master's International 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. In FY 2011, pre-service (on campus) and currently serving MI students reached an all-time high of 701.

Paul D. Coverdell Fellows Program

This program includes graduate schools across the country that provide financial assistance to returned Peace Corps Volunteers who work in underserved American communities while they pursue their graduate degrees. In FY 2011, 537 returned Volunteers were enrolled in 198 academic programs at 64 Coverdell Fellows Program partner graduate schools in 30 states and

the District of Columbia. Since the program's inception in 1985, nearly 4,000 returned Volunteers have earned graduate degrees while working to improve the lives of Americans across the country.

Agency Administration

Office of Acquisitions and Contract Management (OACM)

This office 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. Staff members consist primarily of 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, contract award, contract administration, contract closeout, and policy and procedures development. The office is also responsible for contractor performance monitoring and suspension and debarment determinations.

Office of Communications

This office manages all official agency communications, including marketing and advertising, video production and photography, an external website, social media, press relations, and agency publications. In addition, the office produces recruitment tools that support the Office of Volunteer Recruitment and Selection (VRS). The office provides editorial guidance for the agency and manages design, production, and delivery of all recruitment and other promotional products, including national advertisements and all collateral materials. The Office of Communications also works with public affairs specialists in the agency's regional recruitment offices to coordinate marketing and press initiatives

Office of Congressional Relations

This office develops the Peace Corps' legislative strategy, coordinates activities related to all legislative issues and interests, and serves as the official liaison between the Peace Corps Director 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 also includes the Office of American Diversity Programs, the Office of Innovation, the Compliance Office, and the Office of Victim Advocacy.

American Diversity Program (ADP)

This office is responsible for providing leadership and guidance on all civil rights, equal employment opportunity, and diversity management matters. ADP encourages management, employees, and Volunteers to value diversity and to build a culture that values inclusion of all employees and Volunteers.

Office of Innovation

This office works closely with senior management and across the agency to introduce fresh approaches that enable the Peace Corps to operate more efficiently and effectively. This includes analysis of current headquarters and field operations, looking at external models and trends, identifying and sharing best practices, implementing "smarter government" initiatives, streamlining processes, breaking down silos, aligning objectives and organizational structure, and allocating resources strategically.

Chief Compliance Officer

The chief compliance officer serves as a liaison between Peace Corps headquarters and the Peace Corps Office of Inspector General (OIG), as well as with other federal regulators. The chief compliance officer is engaged in coordinating the agency's response to OIG audits, evaluations, and, where applicable, investigative reports that impact both Peace Corps headquarters and Peace Corps posts overseas.

Office of Victim Advocacy

The Peace Corps is committed to providing all Volunteers who have been the victim of 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 Peace Corps in cases of sexual assault, stalking, or other crimes. The office also facilitates Volunteers' access to such services and helps develop and update the Peace Corps' sexual assault policy and the sexual assault risk-reduction and response training program.

Office of the General Counsel (GC)

This office provides legal advice and services to the Director and overseas and domestic staff and assists in the development of agencywide policies.

Office of Management (M)

This office provides administrative, logistics, human resources management, and general operations support to all headquarters offices, regional recruiting offices, and the agency's field posts. The offices within the Office of Management are: Office of Human Resources Management (HRM); Office of Administrative Services; and Freedom of Information/Privacy Act/Records Management Office.

Functionally, HRM manages the range of personnel support functions, including staff recruitment and hiring, position classification, performance management, pay and compensation, and employee and labor relations. Administrative Services functions include 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 specified 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 emergency medical supplies.

Office of the Chief Financial Officer (OCFO)

This office oversees all financial management activities relating to the programs and operations of the agency; maintains an integrated agency 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, but also include foreign currency fluctuation.

Office of the Chief Information Officer (OCIO)

This office provides global information, communications and technology infrastructure assets, support services and application solutions that enable the Peace Corps to achieve its mission and fulfill its strategic goals. This is done in collaboration with staff, Volunteers, and agency partners.

OCIO leads the development of the agency's IT strategy and governance. It is responsible for enterprise architecture, the development of agency IT policies and practices, and the continual modernization of the agency's IT infrastructure to meet agency needs. 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, and Peace Corps' disaster recovery site.

Office of Strategic Information, Research, and Planning (OSIRP)

The mission of this office is to advance evidence-based management at Peace Corps by guiding agency 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, government-wide initiatives. These key agency-level functions are designed to improve performance and to link performance to strategic planning and agency resources

Office of Safety and Security (SS)

The mission of this office is to ensure a safe and secure operating environment for Peace Corps Volunteers and staff, both in the United States and overseas. The office serves as the liaison with other agencies and organizations in security-related matters.

The Overseas Operations division oversees the overall safety and security programs at posts, including the physical security of Peace Corps offices and U.S. staff residences, threat analysis, and 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. SS 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 (PCSSOs). The PCSSOs act as security advisors for country directors, providing training, threat assessment, physical security guidance, crisis manage-

ment, response, and support to Volunteers who have been victims of crime. SS also is responsible for the technical oversight and professional development of safety and security positions assigned to the Office of Global Operations.

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. The Peace Corps is a leader among federal agencies in the efficient and thorough delivery of background investigations.

Safety and Security Centrally Managed Resources

These resources are primarily for domestic security guard contracts with the Department of Homeland Security. Crime response funds are also managed within this account. Such funds can be directed to any part of the world where crimes against Volunteers require a swift response.

Office of Inspector General (OIG)

This office provides independent oversight in accordance with the Inspector General Act of 1978, as amended. Through audits, evaluations, and investigations the Office of Inspector General 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.



PROTECTING AND SUPPORTING VOLUNTEERS



PROTECTING AND SUPPORTING VOLUNTEERS

"Our most important reforms lie in the area of Volunteer safety and support. Nothing is more important to me, as Director of the Peace Corps and as a returned Volunteer, than the health, safety, and security of every member of the extended Peace Corps family. Peace Corps Volunteers represent the best America has to offer, and we owe them our best in return."

Aaron S. Williams
Director of the Peace Corps

The health, safety, and security of Peace Corps Volunteers are the agency's highest priorities. The Peace Corps devotes significant resources to providing Volunteers with the training, guidance, and support they need to remain healthy, safe, and productive throughout their service.

Peace Corps' Approach to Protecting and Supporting Volunteers

The Peace Corps takes a comprehensive approach to ensuring the safety and security of Volunteers. Each post has a detailed emergency action plan that has been developed in coordination with Peace Corps headquarters, the regional security office of the U.S. Embassy, and Peace Corps' host country counterparts. Volunteers receive extensive training in best practices for safety and security, with emphasis placed on strategies to minimize risk.

The safety and security program is built on three concepts: Integration, Mitigation, and Response. These three elements overlap and work together to provide a comprehensive strategy to support the Volunteers.

INTEGRATION reflects the principle that Volunteers are safest when they are in their respective communities and when they have established relationships with community members, host families, and others to create an effective support network. Peace

Corps staff plays a key role in helping Volunteers integrate into their community through training and site preparation. Much of the training that occurs during pre-service training is designed to help Volunteers integrate, especially through language, cross-cultural, and technical training.

Site assessment and preparation are also critical. By ensuring that Volunteers are placed in communities that are welcoming and supportive, staff helps ensure that community integration is possible for Volunteers.

MITIGATION reflects all the actions taken to reduce the likelihood of a safety and security incident or the impact if one does occur. Through comprehensive risk assessments and effective site preparation, posts work to identify areas where Volunteers can serve with relative safety. Housing that is consistent with the rest of the community can help ensure that Volunteers do not become easy targets for criminals. Well-developed transportation policies help reduce the risk of incidents occurring when Volunteers travel from their sites. Training and information sharing help make Volunteers aware of the risks they face and provide them with strategies to counter those risks.

RESPONSE strategies are in place in the event that there is a specific threat to the well-being of Volunteers. Emergency Action Plans (EAPs) provide posts

with flexible strategies to address a variety of crises that may arise. Posts also have plans that enable them to respond rapidly to medical emergencies affecting Volunteers. If a Volunteer has the misfortune of being a victim of a crime, there are procedures in place to provide support quickly and throughout the entire criminal justice process. Because Volunteers themselves must be able to respond quickly and properly to any number of emergencies, training is provided throughout their service. Volunteers must react quickly and follow the established procedures when a post initiates the EAP.

Comprehensive Health, Safety, and Security Training and Policies

Since 2009, the Peace Corps has taken many steps to better protect and support Volunteers. The agency has:

- Trained overseas staff in how to respond appropriately when Volunteers bring allegations of wrongdoing to their attention. Peace Corps staff members must take appropriate measures to ensure the Volunteers' safety and confidentiality and ensure the allegation is given serious consideration, including referral to Peace Corps' Office of Inspector General, as appropriate.
- Prepared training for Volunteers on policies and procedures for bringing confidential communications and allegations to the attention of appropriate staff.
- Improved the medical care we provide Volunteers by giving our medical professionals at headquarters overall responsibility for hiring, credentialing, and managing Peace Corps medical officers (PCMOs) at every post, by providing enhanced guidance to those PCMOs on how to handle serious medical issues, and by establishing the Health Care Quality Assurance Council to monitor and report on ongoing health care issues.
- Issued guidance to overseas staff on the specific procedures to follow when Volunteers express concerns about their safety, or in any other situation that may threaten the well-being of Volunteers.

- Given the Office of Safety and Security at headquarters greater authority to oversee Peace Corps' global safety and security programs.
- Developed standard operating procedures for our overseas safety and security coordinators (SSCs), who are responsible for coordinating the safety and security programs that support Volunteers at each post.
- Revised notification procedures for serious incidents to ensure key staff is rapidly informed of major crimes against Volunteers.

Protecting Volunteers against Sexual Assault and Supporting Victims of Sexual Assault

The Peace Corps has made a number of improvements to better protect Volunteers from rape and sexual assault, and to better support Volunteers who are victims of those terrible crimes. Since 2009, the Peace Corps has:

- Issued Peace Corps' Commitment to Sexual Assault Victims, a set of core principles to ensure we provide timely and compassionate support to sexual assault victims. We have made it clear to our staff around the world that we will treat all Volunteers with dignity and respect, and that no one deserves to be a victim of sexual assault.
- Developed new Guidelines for Responding to Rape and Sexual Assault (Guidelines) that outline our victim-centered approach to supporting Volunteers. The Guidelines set forth the procedures staff must follow to respond promptly and effectively to an incident and provide support to a victim. We have conducted staff training on the Guidelines at all posts.
- Hired a nationally recognized leader in victims' rights to serve as the agency's first victim advocate and Director of the Office of Victim Advocacy. Victims of crime, including sexual assault and stalking, can now turn to the Office of Victim Advocacy, led by a skilled and experienced Peace Corps staff member dedicated to making certain they receive the emotional, medical, legal, and other support they need both during and after their service.

- Prepared new standardized and comprehensive training for Volunteers on sexual assault awareness, risk reduction strategies, Peace Corps reporting and response protocols, and bystander intervention, and trained key staff from posts on how to deliver this training.
- Signed a Memorandum of Understanding with the Rape, Abuse, and Incest National Network (RAINN), the nation's largest anti-sexual violence organization, to collaborate and share resources on sexual assault prevention and response.
- Created the Peace Corps Volunteer Sexual Assault Panel, composed of outside experts and former Volunteers who were victims of sexual assault. Individual members of this panel provide advice and input on Peace Corps' sexual assault risk reduction and response strategies.
- Provided Peace Corps medical professionals overseas with training on enhanced sexual assault forensic examination procedures, and revised the agency's medical guidelines for the clinical management of sexual assault to comply with the National Protocol for Sexual Assault Medical Forensic Examinations.

Compassionate Support for Families of Fallen Volunteers

The Peace Corps has put in place new policies to better reflect our commitment to the families of fallen Volunteers. The agency has:

- Formalized the agency's existing practice of sending a Peace Corps staff member to be with the family of a fallen Volunteer within 24 hours of the notification of the death of the Volunteer, unless the family requests otherwise. That staff member serves as the agency's primary liaison with the family.
- Standardized procedures for returning possessions of fallen Volunteers to their families by requiring that all personal effects of a fallen Volunteer be personally delivered to the family, unless requested otherwise.
- Partnered with the Federal Employee Education and Assistance Fund to establish the Peace Corps Emergency Relief Fund, which provides assistance to Peace Corps Volunteers and their families in the event of natural or man-made disasters, as well as uninsured personal crises.



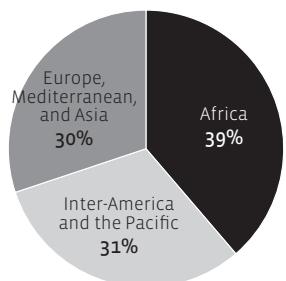
APPENDICES

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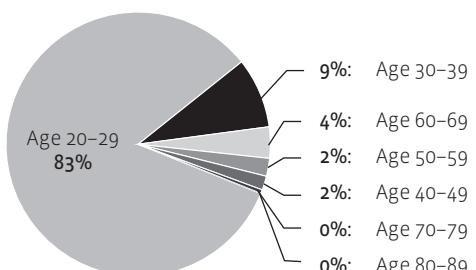
APPENDIX A

Volunteer Statistics

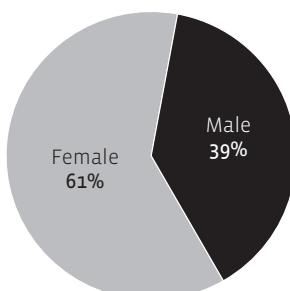
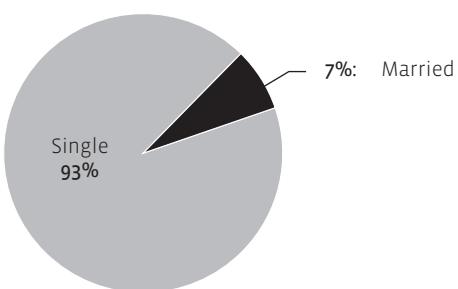
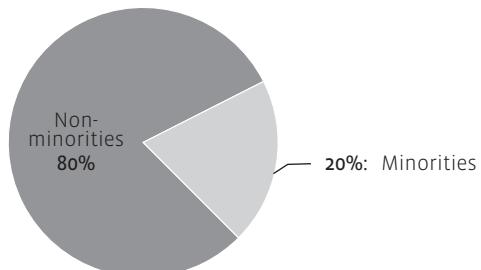
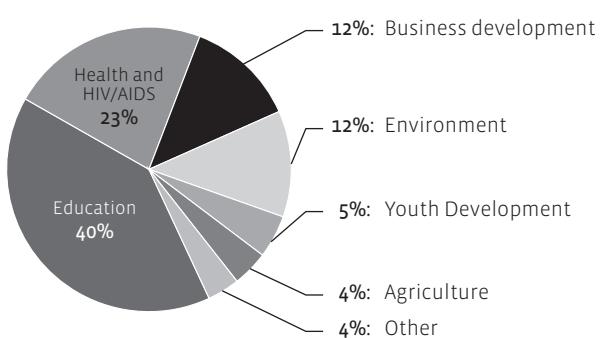
Volunteers by Region



Volunteer Profile



Volunteer Projects



All data current as of September 30, 2011.

APPENDIX B

Home States* of Peace Corps Volunteers

State	Currently Serving	Total Since 1961	State	Currently Serving	Total Since 1961
Alabama	68	1,041	Montana	67	1,327
Alaska	29	937	Nebraska	69	1,287
Arizona	178	3,313	Nevada	48	925
Arkansas	48	917	New Hampshire	88	1,596
California	1,202	27,913	New Jersey	214	4,687
Colorado	297	6,630	New Mexico	66	2,067
Connecticut	152	3,145	New York	490	12,657
Delaware	28	473	North Carolina	247	3,891
District of Columbia	51	2,181	North Dakota	21	555
Florida	356	7,164	Ohio	332	6,728
Georgia	222	3,090	Oklahoma	54	1,245
Guam	1	74	Oregon	275	5,787
Hawaii	36	1,361	Pennsylvania	390	7,457
Idaho	53	1,234	Puerto Rico	13	379
Illinois	397	7,990	Rhode Island	41	969
Indiana	149	3,063	South Carolina	89	1,422
Iowa	100	2,204	South Dakota	26	610
Kansas	85	1,633	Tennessee	95	1,605
Kentucky	84	1,424	Texas	424	6,812
Louisiana	44	1,052	Utah	45	1,027
Maine	69	1,771	Vermont	47	1,422
Maryland	249	5,530	U.S. Virgin Islands	2	76
Massachusetts	286	7,820	Virginia	359	6,972
Michigan	336	6,713	Washington	372	8,631
Minnesota	260	6,182	West Virginia	22	630
Mississippi	28	460	Wisconsin	229	5,630
Missouri	140	3,069	Wyoming	14	492

* 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, 2011.

APPENDIX C

Languages Taught to Peace Corps Volunteers: Africa

BENIN	Adja, Bariba, Boo, Dendi, Fon, French, Goun, Idatcha, Nagot, Nateni, Nyende, Sahoue, Tori
BOTSWANA	Setswana
BURKINA FASO	Bissa, Dioula, Gourematche, Lobiri, Lyele, Mooré, Nuni, Sissala
CAMEROON	French, Fulfuldé, Pidgin English
CAPE VERDE	Barlavento Kriolu, Portuguese, Sotavento Kriolu
ETHIOPIA	Amharic, Oromo, Tigrigna
THE GAMBIA	Jola, Mandinka, Pulaar, Soninke, Wolof
GHANA	Buili, Dagaare, Dagbani, Ewe, Gurune, Kasem, Nzema, Sissali, Twi,
GUINEA	French, Malinke, Pulaar, Soussou
KENYA	Dholuo, Kenyan Sign Language, Kikuyu, Kiswahili
LESOTHO	Sesotho, Xhosa
LIBERIA	Gola, Kpelle, Liberian English, Mano, Mende, Vai
MADAGASCAR	Antandroy, Antanosy, Antesaka, Betsileo, Betsimisaraka, Malagasy, Sakalava
MALAWI	Chichewa, Chitongo, Chitumbuka

MALI	Bambara, Bomu, Dogon, French, Fulfuldé, Malinke
MOZAMBIQUE	Ajwa, Bitonga, Cicopi, Cimanika, Cimakonde, Cindau, Cinygue, Cisena, Citswa, Citwe, Echuabo, Elomwe, Emakwa, Nianja, Portuguese, Xichangana, XiTsonga
NAMIBIA	Afrikaans, Damara/Nama, Oshikwanyama, Oshindonga/Ndonga, Oshikwanyoma/Kwanyama, Otijherero/Herero, Rukwangali, Silozi, Thimbukushu
RWANDA	Kinyarwanda
SENEGAL	French, Fulakunda, Jaxanke, Malinke, Mandinka, Pulaar du Nord, Pulafuta, Seereer, Wolof
SIERRA LEONE	Krio, Kuranko, Limba, Mandinka, Mende, Susu, Temne
SOUTH AFRICA	Afrikaans, isiZulu, Sepedi, Setswana, Tshi Venda, XiTsongo, Xhosa
SWAZILAND	siSwati
TANZANIA	Kiswahili
TOGO	Adja, Anufo, Bassar, Ewe/Watchi, French, Gourma, Ifè (Ana), Kabiyé, Kotokoli, Mina
UGANDA	Achioli, Alur, Lango, Luganda, Lugbara, Lugwere, Lunyole, Lusoga, Runyakore, Runyoro-Rutoro
ZAMBIA	Bemba, Kaonde, Lunda, Mambwe, Nyanja, Tonga, Tumbuka

Languages Taught to Peace Corps Volunteers: Europe, Mediterranean, and Asia

ALBANIA	Albanian	KYRGYZ REPUBLIC	Kyrgyz, Russian
ARMENIA	Armenian	MACEDONIA	Albanian, Macedonian
AZERBAIJAN	Azerbaijani (Azeri)	MOLDOVA	Romanian, Russian
BULGARIA	Bulgarian	MONGOLIA	Mongolian, Kazakh
CAMBODIA	Khmer	MOROCCO	Darija (Moroccan Arabic), Tamazight, Tashelheet
CHINA	Mandarin	PHILIPPINES	Cebuano, Ilokano, Tagalog
GEORGIA	Azeri, Georgian	ROMANIA	Hungarian, Romanian
INDONESIA	Bahasa Indonesian, Javanese, Madurese	THAILAND	Thai
JORDAN	Jordanian Arabic	TURKMENISTAN	Russian, Turkmen
KAZAKHSTAN	Kazakh, Russian	UKRAINE	Russian, Ukrainian

Languages Taught to Peace Corps Volunteers: Inter-America and the Pacific

BELIZE	Kriol, Q'ueqchi, Spanish
COLOMBIA	Spanish
COSTA RICA	Spanish
DOMINICAN REPUBLIC	Spanish, Haitian Kreyol
EASTERN CARIBBEAN	French Creole (Kweyol)
ECUADOR	Kichwa, Spanish
EL SALVADOR	Spanish
FIJI	Fijian, Hindi
GUATEMALA	Kakchiquel, K'iche, Mam, Qe'qchí, Spanish
HONDURAS	Spanish
JAMAICA	Patois
MEXICO	Spanish
NICARAGUA	Spanish
PANAMA	Embera,, Naso, Ngabe, Spanish, Wounaan
PARAGUAY	Guaraní, Spanish
PERU	Spanish
SAMOA	Samoan
SURINAME	Aucan, Saramaccan, Sranan Tongo
TONGA	Tongan
VANUATU	Bislama

APPENDIX D

Volunteer Activities by Program Area

Agriculture

Agriculture Volunteers are on the frontline of efforts to address food security and climate change. Volunteers' projects promote environmentally sustainable and organic farming practices by focusing on the long-term productivity of farmers' fields. Volunteers work with farmers to maintain and improve soils and manage water resources, using techniques that incorporate local and natural inputs to control pests and erosion.

Sustainable production practices also promote food security by promoting crop diversification and encouraging production of more nutritious foods. Volunteers work with men and women on their field crops, vegetable gardens, small animal husbandry projects, fisheries, and beekeeping facilities. Using a value chain approach, Volunteers assist in developing new value-added products, securing the storage and marketing of these products, and helping communities and farmers implement agroforestry techniques that conserve soils.

At the end of FY 2011, there were 372 agriculture Volunteers providing assistance through 10 projects worldwide.

Notable Agriculture Activities:

Organic Certification: Peace Corps Volunteers in Ecuador were trained by an organic certification agency in organic agriculture techniques. With this training, Volunteers helped communities achieve low-cost certification. Volunteers also planned and organized community fairs with value-added products such as peanut butter, achiote (annatto) paste, fresh cheese, yogurt, goat milk, honey, and recycled paper.

Moringa Association: In Benin, Peace Corps Volunteers helped launch an association to promote moringa and its nutritional and economic benefits. Association members include local farmers, health workers, and nutrition experts. Moringa is a fast-growing plant that provides strong nutritional benefits, and can be ground into powder, which is easily mixed into diets for a nutritional boost. By promoting the benefits of moringa, the association offers a

local solution to malnutrition problems and helps reduce dependence on foreign aid and imported medicines.

Beekeeping Production: In several communities throughout Paraguay, Peace Corps Volunteers teach beekeeping practices. Beekeeping has become a viable part of the diversification of crops in the country and also is a source of income for many families. Agriculture Volunteers in Paraguay teach a wide variety of farming techniques, such as pest management and soil conservation, in order to increase the quality and efficiency of agriculture practices throughout the country.

Business Development

Business Development Volunteers train and advise entrepreneurs and managers in business planning, marketing, financial management, product design and distribution, and customer service. They counsel cooperatives, assist with microcredit programs and village savings and loan associations, and teach business and financial literacy workshops, courses, and camps. Volunteers also help community members launch or expand businesses, including small-scale agribusiness (fruits, vegetables, and small livestock) and ecotourism ventures. Volunteers help small businesses develop market linkages, and use websites and social media for product marketing.

At the end of FY 2011, there were 1,140 business development Volunteers providing assistance through 42 projects worldwide.

Notable Business Development Activities:

Creating Business Efficiencies: Peace Corps Volunteers in Ghana worked with a local NGO to train women farmers in basic business practices in an effort to eliminate middlemen and promote Ghanaian ground nuts businesses. Farmers were also trained in organizational techniques, enabling the women's groups to advocate and work with the Ghanaian Ministry of Food and Agriculture. In the future, the women's groups would like to create a market surveillance system for ground nuts and thereby increase income for local farmers.

National Entrepreneurship Curriculum: The Nicaraguan Ministry of Education integrated Peace Corps' *La Empresa Creativa* business course into the national high school curriculum. The guide that Peace Corps developed was so well regarded that it was edited and officially added to the technical and vocational classes for all public and private schools for 10th and 11th grade students to learn how to start their own businesses, generate income, and create employment. Peace Corps is working on a training workshop for teachers, and developing a certification of teachers who have been trained by Peace Corps Volunteers.

Craft Fairs: Peace Corps Volunteers in Morocco organized craft fairs entitled *March Maroc* in major cities throughout Morocco. Artisans who participate in the craft fairs target a new customer base and also attend business development workshops. Each artisan receives an individual product quality consultation for feedback on the requirements for export. The fairs attract potential buyers from the tourism and retail communities who want to support traditional handicrafts, meet and buy directly from the artisans, and support fair wages for artisans.

Education

Education Volunteers assist teachers, schools, and communities in better educating their students. Volunteers directly teach students or work with local teachers to co-teach and work with students in after-school activities. They provide workshops for teachers that focus on participatory and experiential learning, classroom management, and resource development and they promote strong Parent-Teachers' Associations and community involvement in education.

At the end of FY 2011, there were 3,654 education Volunteers providing assistance through 57 projects worldwide.

Notable Education Activities:

Teaching English as a Foreign Language: Teaching English as a Foreign or Second Language (TEFL/TESL) is a growing area for the Peace Corps. In 2010, Indonesia, Samoa, Costa Rica, and Colombia each added new TEFL Education projects. All around the globe, Volunteers teach conversational English, English as a foreign language, or content-based English in primary, middle, and high schools

through team-teaching with a host country teacher. Some Volunteers also instruct in their own classroom. Volunteers also teach English as a vehicle for personal and professional development for students and teachers.

People with Disabilities: Peace Corps Kenya reports that the national examination at primary and secondary level was, for the first time, offered in Kenya Sign Language (KSL). This is after many years of Peace Corps Volunteers' involvement in teaching KSL. Deaf Education Volunteers in Kenya were entrusted with the responsibility of supporting this important assignment. At the same time, KSL has been recognized in the new constitution as a language for learning and used by the deaf community. This is a culmination of work that previous and present Volunteers have done in supporting and equipping their students and counterparts in this important area.

Teacher Training: In Belize, Peace Corps Volunteers have partnered with a non-government organization that works in under-resourced and low-performing rural schools. Peace Corps Volunteers serve as teacher trainers and work with counterparts to support school-wide action plans for literacy instruction and to develop outreach activities with community members to promote early childhood learning and school readiness programs.

Environment

Peace Corps Environment Volunteers are leaders in grassroots efforts to protect the environment, including producing and cultivating trees, improving soils, and protecting fields from erosion. They train teachers to integrate more interactive teaching methods that focus on the environment while collaborating with schools and other organizations to promote environmental education through clubs, camps, and awareness campaigns. Increasingly, Volunteers help communities manage solid waste. Environment Volunteers also help develop income generation activities such as ecotourism, non-wood forest products, and crafts that create incentives for conservation of natural resources.

At the end of FY 2011, there were 1,098 environment Volunteers providing assistance through 28 projects worldwide.

Notable Environment Activities:

Conservation: Volunteers in Fiji working in marine conservation successfully implemented and supported marine protected areas with their community partners. Nearby villages realized a spillover of marine resources such as fish and other marine life that had not been observed in the past 10 years.

Environmental Action: For several years, Peace Corps Volunteers in the Dominican Republic have been creating *Brigadas Verdes* (Green Brigades), environmental youth groups. They have since evolved to become a national movement by uniting with a national youth leadership and service organization, *Sirve Quisqueya*, and serving as the organization's environmental arm. The *Brigadas* help youth develop leadership and life skills while serving their community by protecting the environment. There are currently 125 groups throughout the country.

Recycling and Livelihoods: In the Philippines and Mali and a number of other countries, Volunteers have helped women and youth groups turn plastic bags into purses. They collect and wash discarded plastic bags and crochet them into colorful handbags and change purses. As a result of these projects, women have gained financial independence and turned trash into sustainable products.

Health and HIV/AIDS

Nearly one quarter of all Peace Corps Volunteers have health as a primary project, making it the second largest sector of emphasis globally. Volunteers assist local partners in rural and peri-urban communities to improve health outcomes, where conditions tend to be the most severe. Their contributions are supplemented by secondary health projects undertaken by another fifteen percent of Volunteers. Volunteers help with problem-solving, introduce innovation and technology, and leverage appropriate resources to address health needs.

With the Peace Corps an implementing partner of the President's Emergency Plan for AIDS Relief (PEPFAR), a growing number of Peace Corps Volunteers work on HIV/AIDS prevention, care, and support. Life skills training continues to be at the center of many of Volunteers' HIV/AIDS prevention work, particularly when targeting orphans and vulnerable children and other youth at risk. Volunteers are frequently assigned to

HIV/AIDS-related NGOs to help increase their technical, managerial, and administrative capacities. The Peace Corps-PEPFAR relationship is increasingly valued by both parties, acknowledging the "last mile" reach of Volunteers because they live and work in local communities, can present information in culturally sensitive ways, and are often present on an continuing basis where others are only occasionally visible.

At the end of FY 2011, there were 2,054 health and HIV/AIDS Volunteers providing assistance through 52 projects worldwide.

Notable Health and HIV/AIDS Activities:

HIV/AIDS: Peace Corps Volunteers across the world address the health needs of their communities. In Mozambique, traditional healers received training in HIV/AIDS prevention and treatment. Volunteers also provide support for Orphans and Vulnerable Children and People Living with HIV/AIDS. In Honduras, Volunteers assisted their communities in the installation of water treatment plants and trained community members on proper water, sanitation, and hygiene practices. In the Philippines, Volunteers conducted trainings on the United Nations Convention on the Rights of the Child that highlighted HIV/AIDS awareness and prevention and anti-human trafficking. Volunteers in Guyana led seminars for parents on topics concerning Maternal and Child Health and helped health center staff to track and advise parents each week on the health of their children.

Malaria Control: In collaboration with the President's Malaria Initiative (PMI), Peace Corps developed the "Stomp Out Malaria" campaign. More than 3,000 Volunteers in 17 high-incidence countries in Africa mobilized to engage in the fight to reduce the incidence of malaria by half. Volunteers distributed insecticide-treated bed nets and boosted indoor residual spraying. They became involved in grassroots awareness campaigns on prevention and treatment, community-level planning and mobilization for universal bed net distribution, and surveillance and data collection and analysis for monitoring and evaluation. The campaign takes full advantage of Peace Corps' unique "delivery capacity" at the grassroots level. Volunteers and staff participated in a two-week "malaria boot camp" in Senegal, with training provided by experts from PMI, the Centers for Disease Control and Preven-

tion, the U.S. Agency for International Development, Malaria No More, Johns Hopkins University, the University of South Florida, and other partner organizations.

Infant and Young Child Nutrition: Since 2002, Peace Corps Volunteers serving in Africa have been implementing the Positive Deviance/Hearth Nutrition Model, aimed at addressing malnutrition among children and changing infant and young child nutritional practices. Nutritional rehabilitation results collected by Peace Corps in Mali, Burkina Faso and Guinea reveal that, on average, 42 percent of children gain at least 200 grams during the 12 day Hearth period. At one month from the start date, 66 percent of children had gained at least 200 grams, with the average weight gain being 448 grams. These results indicated that care providers continued to use their new behaviors well after the end of the Hearth activity.

Youth Development

Youth development is a critical component of the Peace Corps' work. Recent figures estimate that 68 percent, or roughly two-thirds, of all the people with whom Volunteers work are young men and women under the age of 25. Volunteers work with youth in all sectors, but youth development is unique in the Peace Corps as it is both a project sector area—designed to support the capacities of young people—and an agency initiative that promotes an asset-based approach that can be used to strengthen the overall impact of the Volunteers' work in a community.

The agency's model for working with young people emphasizes valuing youth as resources to be developed, rather than as problems to be solved; including youth in all aspects of an activity; and building on existing capacities.

At the end of FY 2011, there were 444 youth Volunteers providing assistance through 18 projects worldwide.

Notable Youth Development Activities:

Improved Civic Awareness: Peace Corps Youth Development Volunteers in Moldova work on a civic education project called "The Village." "The Village" develops children's understanding of democracy and civil society through a practical and interactive approach. The project helps youth develop initiatives and equips them with the skills necessary to identify and address community needs. As a result of implementing this project, the local NGO working with Peace Corps expanded its vision from reaching more than 10 kids with the program to expanding throughout Moldova. It has since trained 25 Volunteers and more than 20 community facilitators.

Peace Corps Youth Development Volunteers in Morocco are working at the national level with host country counterparts to develop a standardized curriculum to be used in youth centers throughout the country. The curriculum focuses on life skills development, work preparation, and volunteer service development. Youth Development Volunteers in Tonga supported the development of an NGO, the Tonga National Youth Congress (TNYC), which promoted national youth service by Tongans. The TNYC is the only NGO active, staffed, and funded in all island groups of Tonga.

Camp GLOW: Peace Corps Volunteers on the Rural Education Development project in Zambia organized a Camp GLOW (Girls Leading Our World) event held at the Peace Corps office in Lusaka. Volunteers worked with girls from the village to create and perform skits and dances. As a result, 18 girls developed leadership skills and self confidence and were challenged to think beyond traditional gender roles. This event was one of several GLOW camps held around the country this year.

APPENDIX E

Volunteers Working in HIV/AIDS Activities During FY 2011

Africa		Europe, Mediterranean, and Asia		Inter-America and the Pacific	
<i>Country</i>	<i>Volunteers</i>	<i>Country</i>	<i>Volunteers</i>	<i>Country</i>	<i>Volunteers</i>
Benin	46	Albania	19	Costa Rica	36
Botswana	120	Armenia	22	Dominican Republic	44
Burkina Faso	96	Azerbaijan	9	Eastern Caribbean*	54
Cameroon	87	Bulgaria	56	Ecuador	79
Cape Verde	20	Cambodia	14	El Salvador	69
Ethiopia	42	China	10	Fiji	34
Ghana	51	Kazakhstan	41	Guatemala	63
Guinea	3	Kyrgyz Republic	42	Guyana	36
Kenya	71	Macedonia	12	Honduras	74
Lesotho	58	Moldova	21	Jamaica	16
Malawi	130	Mongolia	31	Micronesia and Palau	14
Mali	15	Morocco	101	Nicaragua	82
Mozambique	80	Philippines	38	Panama	22
Namibia	69	Romania	8	Paraguay	62
Rwanda	25	Thailand	28	Peru	124
Senegal	58	Turkmenistan	6	Suriname	25
South Africa	93	Ukraine	119	Tonga	14
Swaziland	35	TOTAL	577	Vanuatu	42
Tanzania	94			TOTAL	890
The Gambia	39				
Togo	76				
Uganda	104				
Zambia	139				
TOTAL	1,551				

Grand Total: 3,018

NOTES

* Eastern Caribbean includes Antigua and Barbuda, Dominica, Grenada, Carriacou, St. Kitts and Nevis, St. Lucia, St. Vincent and the Grenadines

APPENDIX F

Peace Corps Application Process and Phases of Volunteer Service

Peace Corps Application Process

The Peace Corps application process usually takes six to 12 months to complete, but may take longer in certain cases. This is due to 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 to be a more competitive candidate. After receiving an invitation, most people depart for their country assignment within two to six months.

Step One: Application

Interested applicants provide preliminary information by filling out the online application. Most people complete the application within two weeks. A completed application includes two essays, three references, employment history, resume, 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 obligations, and a complete Health Status Review form.

Step Two: Interview

Potentially qualified applicants are contacted for an interview once they have submitted all of their application materials (including all references). During the interview, applicants have a discussion with a recruiter about their skills and interests, available Volunteer job opportunities, and 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 medical, legal, suitability, and competitive reviews. After an interview is complete 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 appli-

cant 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 mailed a medical forms package that outlines requirements for physical, dental, and eye exams. While the majority of applicants are deemed medically qualified for Peace Corps service, some applicants may be disqualified, deferred, or limited to placement in certain countries. After the medical review, applications are reviewed for eligibility based on the Peace Corps' legal guidelines.

Medically qualified 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.

Step Five: Invitation

Placement and assessment specialists extend invitations in writing to all competitive and qualified applicants. The invitation is to a specific country and provides a detailed Volunteer assignment description. Invitations are sent a minimum of eight weeks in advance of the program departure date. Once the invitation has been accepted, a background investigation is conducted. It is important to note that second invitations are rarely issued in the event an applicant declines his or her first assignment.

Step Six: Preparation for Departure

The Peace Corps travel office will issue an electronic ticket for travel to the pre-service orientation site (also known as staging). Two to three days prior to leaving for a country of service, Peace Corps trainees meet in the United States to prepare for their departure. Once the staging is complete, trainees will fly together to their country of service to begin in-country training.

Phases of Volunteer Service

Trainee

Orientation (Staging)

Staff members conduct a one-day staging before trainees depart for their overseas assignments. Safety and security training is a component of this orientation.

Pre-Service Training

Staff prepares trainees for service by conducting two to three months of 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

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

The Peace Corps' in-country staff ensures that Volunteers have suitable assignments and adequate and safe living arrangements.

Living Allowance

The Peace Corps provides Volunteers with a monthly allowance to cover housing, utilities, household supplies, food, clothing, and transportation.

Health

The Peace Corps' in-country medical officers provide Volunteers with health information, immunizations, and periodic medical exams.

Volunteer Safety

Peace Corps headquarters and post staff work with the U.S. State Department to assess and address safety and security risks and to ensure Volunteers are properly trained in safety and security procedures.

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.

Returned Volunteer

Career, Education, and Re-Entry Planning

Information on career, higher education, and re-entry is provided to Volunteers before the end of their service, as well as upon their return.

Readjustment Allowance

At the end of service, Volunteers receive \$275 per month served to help finance their transition to careers or further education.

Health Insurance

Volunteers are covered by a comprehensive health insurance plan for the first month after service and can continue the plan at their own expense for up to 18 additional months.

Returned Volunteer Services

The Peace Corps provides career, educational, and transitional assistance to Volunteers when they return to the United States following their Peace Corps service. Returned Volunteers are also encouraged to further the Peace Corps' Third Goal by sharing their experiences abroad with fellow Americans.

Peace Corps Response

Headquarters staff recruits and places experienced Volunteers in short-term disaster relief and humanitarian response positions.

APPENDIX G

The Peace Corps' Educational Partnerships in the United States

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
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
Indiana	Indiana University Valparaiso University	Indiana University 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–Baltimore University of Maryland–Baltimore County University of Maryland–College Park	Johns Hopkins University University of Maryland–Baltimore University of Maryland–Baltimore County University of Maryland–College Park
Massachusetts	Boston University Wheelock University	Brandeis University Clark University

The Peace Corps' Educational Partnerships in the United States

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 Western Michigan University	University of Michigan
Minnesota	University of Minnesota-Twin Cities	St. Catherine University University of Minnesota-Twin Cities
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		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	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
North Carolina	Appalachian State University North Carolina A&T State University North Carolina Central University North Carolina State University	Duke 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	Carnegie Mellon University Duquesne University Seton Hill University University of Pennsylvania Villanova University
South Carolina	Clemson University College of Charlestown South Carolina State University University of South Carolina	University of South Carolina

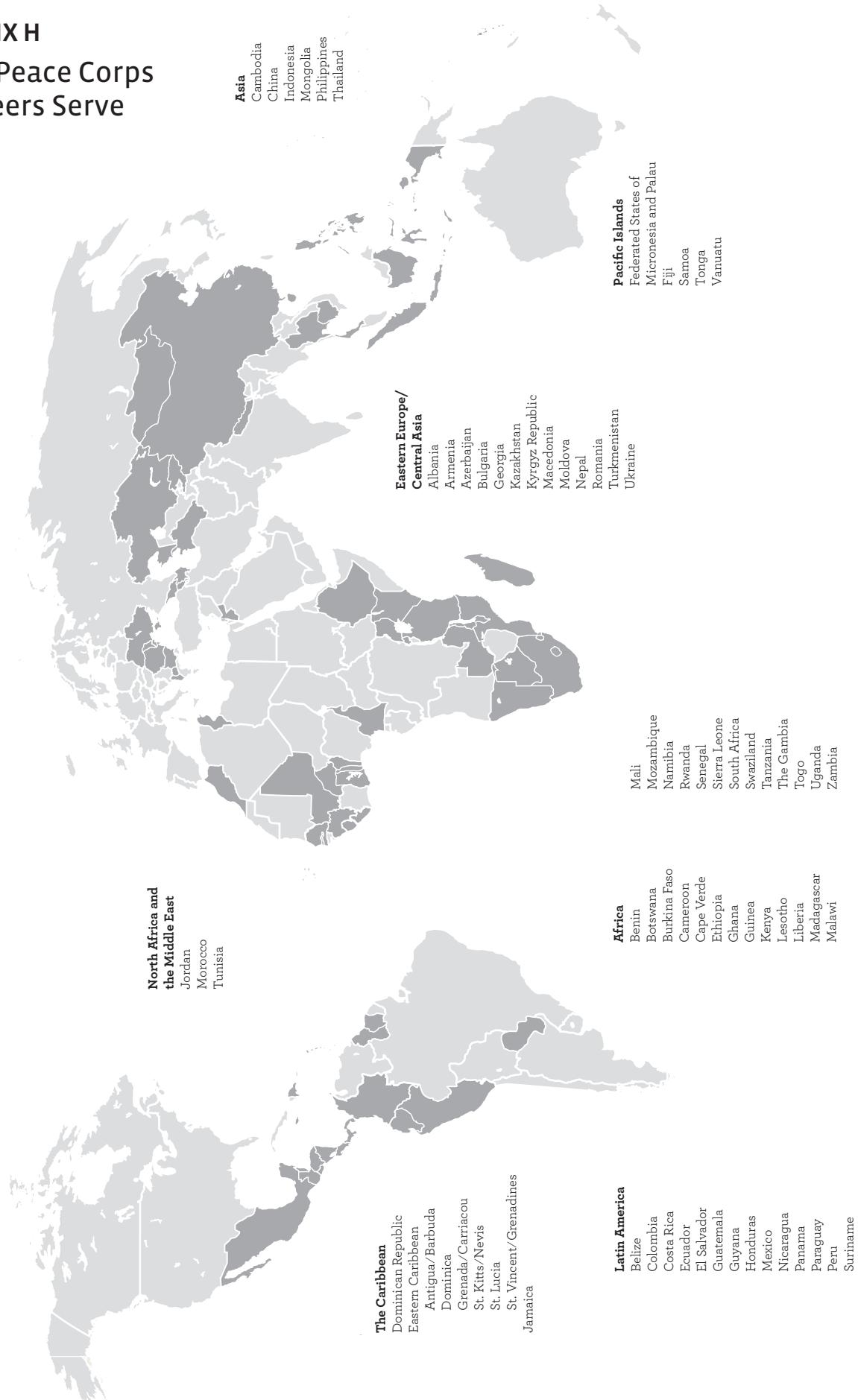
The Peace Corps' Educational Partnerships in the United States

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 at Corpus Christi Texas Tech University	
Utah	Utah State University	
Vermont	SIT Graduate Institute St. Michael's College	University of Vermont
Virginia	George Mason University University of Virginia Virginia Polytechnic Institute and State University	George Mason University
Washington	Gonzaga University University of Washington Washington State University	University of Washington
West Virginia	West Virginia University	
Wisconsin	University of 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

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APPENDIX H

Where Peace Corps Volunteers Serve



APPENDIX I

Africa Region

Sahel	Cape Verde, 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 2010.



Benin

CAPITAL	Porto-Novo
POPULATION	8.8 million
GROSS NATIONAL INCOME PER CAPITA	\$1,580
PROGRAM DATES	1968–present
PROGRAM SECTORS	Business Development Education Environment Health and HIV/AIDS

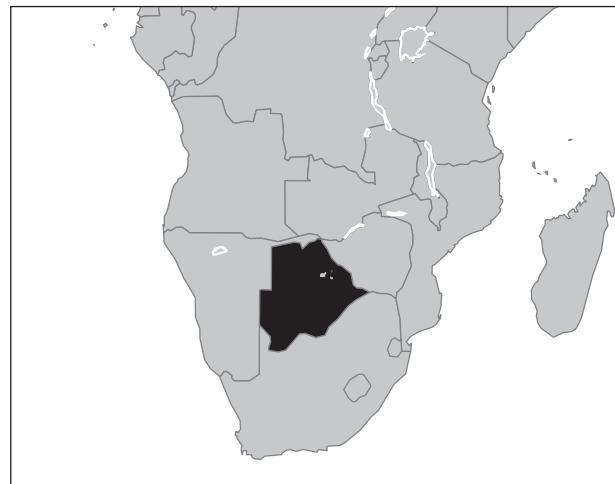


ANTICIPATED NUMBER OF VOLUNTEERS

Calculated September 30 each year

	FY 2012	FY 2013
Volunteers	110	110
Program funds (\$000)	4,200	4,300

Botswana



CAPITAL	Gaborone
POPULATION	2.0 million
GROSS NATIONAL INCOME PER CAPITA	\$13,710
PROGRAM DATES	1966–1997 2003–present
PROGRAM SECTORS	Health and HIV/AIDS

ANTICIPATED NUMBER OF VOLUNTEERS

Calculated September 30 each year

	FY 2012	FY 2013
Volunteers	30	20
Program funds (\$000)	2,000	1,900

Burkina Faso

CAPITAL	Ouagadougou
POPULATION	16.5 million
GROSS NATIONAL INCOME PER CAPITA	\$1,250
PROGRAM DATES	1967–1987 1995–present
PROGRAM SECTORS	Business Development Education Health and HIV/AIDS



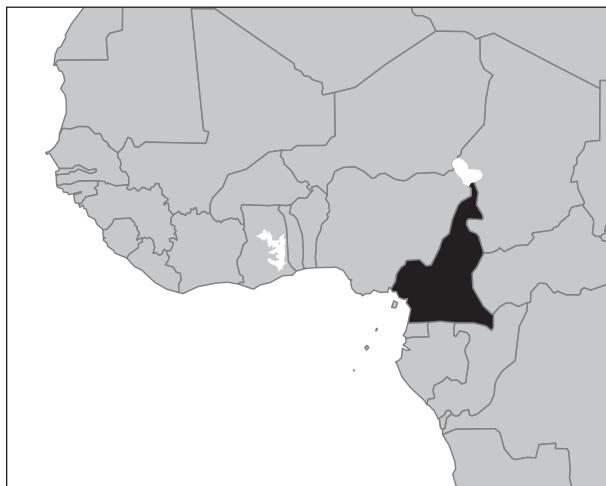
ANTICIPATED NUMBER OF VOLUNTEERS

Calculated September 30 each year

	FY 2012	FY 2013
Volunteers	140	130
Program funds (\$000)	4,400	4,400

Cameroon

CAPITAL	Yaounde
POPULATION	19.6 million
GROSS NATIONAL INCOME PER CAPITA	\$2,230
PROGRAM DATES	1962–present
PROGRAM SECTORS	Agriculture Business Development, Education Health and HIV/AIDS Youth Development

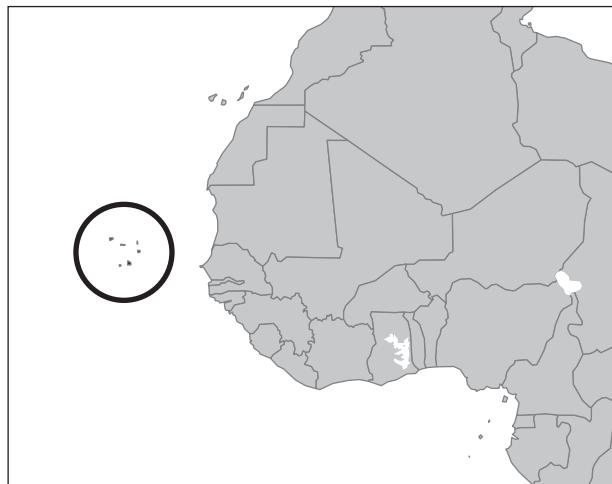


ANTICIPATED NUMBER OF VOLUNTEERS

Calculated September 30 each year

	FY 2012	FY 2013
Volunteers	210	180
Program funds (\$000)	5,000	4,800

Cape Verde



CAPITAL	Praia
POPULATION	.50 million
GROSS NATIONAL INCOME PER CAPITA	\$3,790
PROGRAM DATES	1988–present
PROGRAM SECTORS	Business Development Education

ANTICIPATED NUMBER OF VOLUNTEERS

Calculated September 30 each year

	FY 2012	FY 2013
Volunteers	50	30
Program funds (\$000)	2,200	2,000

Ethiopia

CAPITAL	Addis-Ababa
POPULATION	82.9 million
GROSS NATIONAL INCOME PER CAPITA	\$1,030
PROGRAM DATES	1962–1977, 1995–1999 2007–present
PROGRAM SECTORS	Education Environment Health and HIV/AIDS



ANTICIPATED NUMBER OF VOLUNTEERS

Calculated September 30 each year

	FY 2012	FY 2013
Volunteers	130	130
Program funds (\$000)	3,000	3,200

The Gambia

CAPITAL	Banjul
POPULATION	1.7 million
GROSS NATIONAL INCOME PER CAPITA	\$1,290
PROGRAM DATES	1967–present
PROGRAM SECTORS	Education Environment Health and HIV/AIDS



ANTICIPATED NUMBER OF VOLUNTEERS

Calculated September 30 each year

	FY 2012	FY 2013
Volunteers	70	60
Program funds (\$000)	2,200	2,200

Ghana



CAPITAL	Accra
POPULATION	24.4 million
GROSS NATIONAL INCOME PER CAPITA	\$1,600
PROGRAM DATES	1961–present
PROGRAM SECTORS	Education Environment Health and HIV/AIDS

ANTICIPATED NUMBER OF VOLUNTEERS

Calculated September 30 each year

	FY 2012	FY 2013
Volunteers	130	130
Program funds (\$000)	3,800	3,900

Guinea

CAPITAL	Conakry
POPULATION	10 million
GROSS NATIONAL INCOME PER CAPITA	\$1,020
PROGRAM DATES	1963–1966, 1969–1971 1985–present
PROGRAM SECTORS	Business Development Education, Environment Health and HIV/AIDS



ANTICIPATED NUMBER OF VOLUNTEERS

Calculated September 30 each year

	FY 2012	FY 2013
Volunteers	80	100
Program funds (\$000)	2,400	2,700

Kenya

CAPITAL	Nairobi
POPULATION	40.5 million
GROSS NATIONAL INCOME PER CAPITA	\$1,630
PROGRAM DATES	1964–present
PROGRAM SECTORS	Business Development Education Health and HIV/AIDS



ANTICIPATED NUMBER OF VOLUNTEERS

Calculated September 30 each year

	FY 2012	FY 2013
Volunteers	100	80
Program funds (\$000)	3,300	3,300

Lesotho



CAPITAL	Maseru
POPULATION	2.2 million
GROSS NATIONAL INCOME PER CAPITA	\$1,840
PROGRAM DATES	1967–present
PROGRAM SECTORS	Education Health and HIV/AIDS

ANTICIPATED NUMBER OF VOLUNTEERS

Calculated September 30 each year

	FY 2012	FY 2013
Volunteers	40	50
Program funds (\$000)	2,700	2,800

Liberia

CAPITAL	Monrovia
POPULATION	4 million
GROSS NATIONAL INCOME PER CAPITA	\$340
PROGRAM DATES	1962–1990
	2008–present
PROGRAM SECTORS	Education



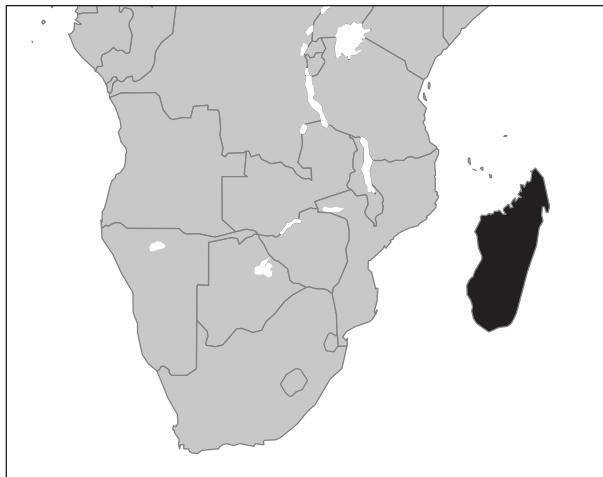
ANTICIPATED NUMBER OF VOLUNTEERS

Calculated September 30 each year

	FY 2012	FY 2013
Volunteers	50	70
Program funds (\$000)	2,300	2,500

Madagascar

CAPITAL	Antananarivo
POPULATION	20.7 million
GROSS NATIONAL INCOME PER CAPITA	\$950
PROGRAM DATES	1993–present
PROGRAM SECTORS	Business Development Education Environment Health and HIV/AIDS



ANTICIPATED NUMBER OF VOLUNTEERS

Calculated September 30 each year

	FY 2012	FY 2013
Volunteers	120	100
Program funds (\$000)	3,200	3,200

Malawi



CAPITAL	Lilongwe
POPULATION	14.9 million
GROSS NATIONAL INCOME PER CAPITA	\$850
PROGRAM DATES	1963–1976 1978–present
PROGRAM SECTORS	Education Environment Health and HIV/AIDS

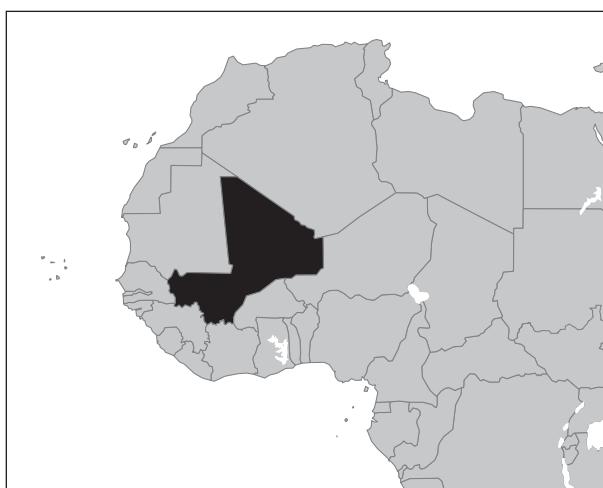
ANTICIPATED NUMBER OF VOLUNTEERS

Calculated September 30 each year

	FY 2012	FY 2013
Volunteers	90	80
Program funds (\$000)	2,700	2,600

Mali

CAPITAL	Bamako
POPULATION	15.4 million
GROSS NATIONAL INCOME PER CAPITA	\$1,020
PROGRAM DATES	1971–present
PROGRAM SECTORS	Business Development Education Environment Health and HIV/AIDS



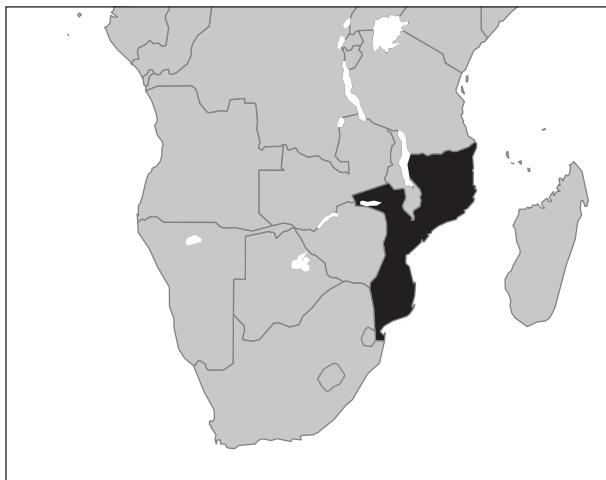
ANTICIPATED NUMBER OF VOLUNTEERS

Calculated September 30 each year

	FY 2012	FY 2013
Volunteers	150	130
Program funds (\$000)	5,300	5,100

Mozambique

CAPITAL	Maputo
POPULATION	23.4 million
GROSS NATIONAL INCOME PER CAPITA	\$920
PROGRAM DATES	1998–present
PROGRAM SECTORS	Education Health and HIV/AIDS

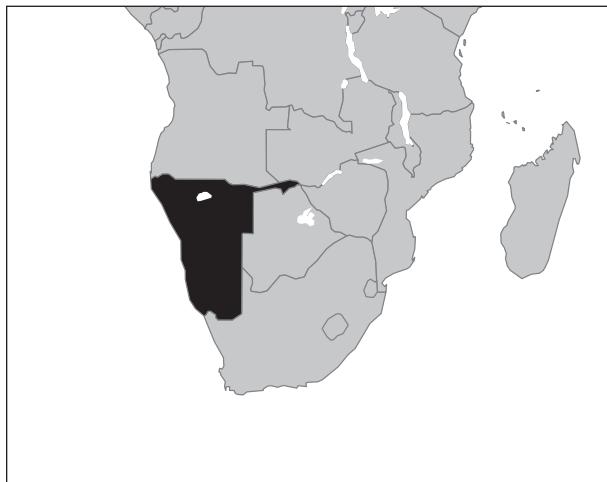


ANTICIPATED NUMBER OF VOLUNTEERS

Calculated September 30 each year

	FY 2012	FY 2013
Volunteers	160	150
Program funds (\$ooo)	2,900	3,000

Namibia



CAPITAL	Windhoek
POPULATION	2.3 million
GROSS NATIONAL INCOME PER CAPITA	\$6,380
PROGRAM DATES	1990–present
PROGRAM SECTORS	Business Development Environment Health and HIV/AIDS

ANTICIPATED NUMBER OF VOLUNTEERS

Calculated September 30 each year

	FY 2012	FY 2013
Volunteers	110	100
Program funds (\$ooo)	3,200	3,200

Rwanda

CAPITAL	Kigali
POPULATION	10.6 million
GROSS NATIONAL INCOME PER CAPITA	\$1,150
PROGRAM DATES	1975–1993
	2008–present
PROGRAM SECTORS	Education Health and HIV/AIDS



ANTICIPATED NUMBER OF VOLUNTEERS

Calculated September 30 each year

	FY 2012	FY 2013
Volunteers	100	80
Program funds (\$ooo)	2,500	2,500

Senegal

CAPITAL	Dakar
POPULATION	12.4 million
GROSS NATIONAL INCOME PER CAPITA	\$1,910
PROGRAM DATES	1962–present
PROGRAM SECTORS	Agriculture Business Development Environment Health and HIV/AIDS

ANTICIPATED NUMBER OF VOLUNTEERS

Calculated September 30 each year

	FY 2012	FY 2013
Volunteers	300	270
Program funds (\$000)	6,100	6,200



Sierra Leone



CAPITAL	Freetown
POPULATION	5.9 million
ANNUAL PER CAPITA INCOME	\$820
PROGRAM DATES	1962–1994 2010–present
PROGRAM SECTORS	Education

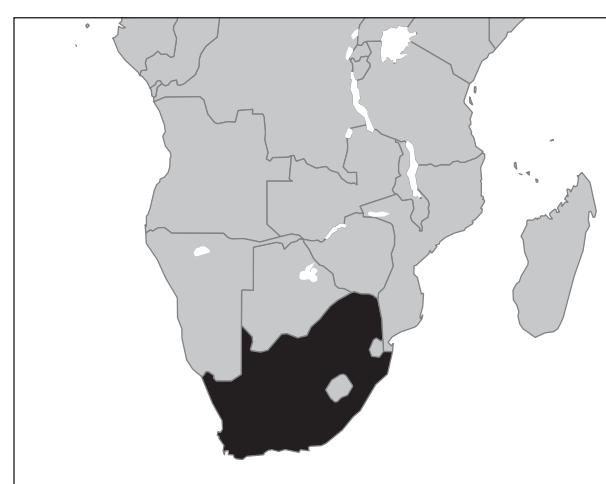
ANTICIPATED NUMBER OF VOLUNTEERS

Calculated September 30 each year

	FY 2012	FY 2013
Volunteers	80	70
Program funds (\$000)	2,600	2,700

South Africa

CAPITAL	Pretoria
POPULATION	50 million
GROSS NATIONAL INCOME PER CAPITA	\$10,280
PROGRAM DATES	1997–present
PROGRAM SECTORS	Education Health and HIV/AIDS



ANTICIPATED NUMBER OF VOLUNTEERS

Calculated September 30 each year

	FY 2012	FY 2013
Volunteers	150	120
Program funds (\$000)	5,800	5,700

Swaziland

CAPITAL	Mbabane
POPULATION	1.2 million
GROSS NATIONAL INCOME PER CAPITA	\$4,950
PROGRAM DATES	1968–1996 2003–present
PROGRAM SECTORS	Health and HIV/AIDS Youth



ANTICIPATED NUMBER OF VOLUNTEERS

Calculated September 30 each year

	FY 2011	FY 2012
Volunteers	50	40
Program funds (\$000)	2,400	2,400

Tanzania



CAPITAL	Dar Es Salaam
POPULATION	44.8 million
GROSS NATIONAL INCOME PER CAPITA	\$1,420
PROGRAM DATES	1961–1969 1979–present
PROGRAM SECTORS	Education Environment Health and HIV/AIDS

ANTICIPATED NUMBER OF VOLUNTEERS

Calculated September 30 each year

	FY 2012	FY 2013
Volunteers	130	110
Program funds (\$000)	3,300	3,200

Togo

CAPITAL	Lome
POPULATION	6 million
GROSS NATIONAL INCOME PER CAPITA	\$890
PROGRAM DATES	1962–present
PROGRAM SECTORS	Business Development Education Environment Health and HIV/AIDS



ANTICIPATED NUMBER OF VOLUNTEERS

Calculated September 30 each year

	FY 2012	FY 2013
Volunteers	100	100
Program funds (\$000)	3,000	3,000

Uganda

CAPITAL	Kampala
POPULATION	33.4 million
GROSS NATIONAL INCOME PER CAPITA	\$1,240
PROGRAM DATES	1964–1972, 1991–1999 2001–present
PROGRAM SECTORS	Business Development Education Health and HIV/AIDS



ANTICIPATED NUMBER OF VOLUNTEERS

Calculated September 30 each year

	FY 2012	FY 2013
Volunteers	80	40
Program funds (\$000)	2,400	2,200

Zambia



CAPITAL	Lusaka
POPULATION	12.9 million
GROSS NATIONAL INCOME PER CAPITA	\$1,370
PROGRAM DATES	1994–present
PROGRAM SECTORS	Agriculture Education Environment Health and HIV/AIDS

ANTICIPATED NUMBER OF VOLUNTEERS

Calculated September 30 each year

	FY 2012	FY 2013
Volunteers	150	150
Program funds (\$000)	5,200	5,300

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APPENDIX J

Europe, Mediterranean and Asia Region



Balkans and North Africa	Albania, Bulgaria, Republic of Macedonia, Morocco, Tunisia
Central and Eastern Europe	Moldova, Romania, Ukraine
Middle East and the Caucasus	Armenia, Azerbaijan, Georgia, Jordan
Central Asia	Kazakhstan, Kyrgyz Republic, Turkmenistan
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 2010.

Albania

CAPITAL	Tirana
POPULATION	3.2 million
GROSS NATIONAL INCOME PER CAPITA	\$8,740
PROGRAM DATES	1992–1997 2003–present
PROGRAM SECTORS	Business Development Education Health and HIV/AIDS

ANTICIPATED NUMBER OF VOLUNTEERS

Calculated September 30 each year

	FY 2012	FY 2013
Volunteers	70	70
Program funds (\$000)	2,500	2,600



Armenia



CAPITAL	Yerevan
POPULATION	3.1 million
GROSS NATIONAL INCOME PER CAPITA	\$5,450
PROGRAM DATES	1992–present
PROGRAM SECTORS	Business Development Education Youth

ANTICIPATED NUMBER OF VOLUNTEERS

Calculated September 30 each year

	FY 2012	FY 2013
Volunteers	70	70
Program funds (\$000)	2,500	2,300

Azerbaijan

CAPITAL	Baku
POPULATION	9 million
GROSS NATIONAL INCOME PER CAPITA	\$9,050
PROGRAM DATES	2003–present
PROGRAM SECTORS	Business Development Education Health and HIV/AIDS Youth

ANTICIPATED NUMBER OF VOLUNTEERS

Calculated September 30 each year

	FY 2012	FY 2013
Volunteers	140	120
Program funds (\$000)	2,800	2,800



Bulgaria

CAPITAL	Sofia
POPULATION	7.5 million
GROSS NATIONAL INCOME PER CAPITA	\$13,250
PROGRAM DATES	1991–present
PROGRAM SECTORS	Business Development Education Youth



ANTICIPATED NUMBER OF VOLUNTEERS

Calculated September 30 each year

	FY 2012	FY 2013
Volunteers	30	0
Program funds (\$000)	2,400	1,800

Cambodia



CAPITAL	Phnom Penh
POPULATION	14.1 million
GROSS NATIONAL INCOME PER CAPITA	\$2,040
PROGRAM DATES	2007–present
PROGRAM SECTORS	Education Health and HIV/AIDS

ANTICIPATED NUMBER OF VOLUNTEERS

Calculated September 30 each year

	FY 2012	FY 2013
Volunteers	110	100
Program funds (\$000)	2,200	2,200

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 2012	FY 2013
Volunteers	150	140
Program funds (\$000)	3,000	2,900

Georgia

CAPITAL	Tbilisi
POPULATION	4.5 million
GROSS NATIONAL INCOME PER CAPITA	\$4,960
PROGRAM DATES	2001–present
PROGRAM SECTORS	Business Development Education Health and HIV/AIDS



ANTICIPATED NUMBER OF VOLUNTEERS

Calculated September 30 each year

	FY 2012	FY 2013
Volunteers	80	70
Program funds (\$000)	2,300	2,300

Indonesia



CAPITAL	Jakarta
POPULATION	240 million
GROSS NATIONAL INCOME PER CAPITA	\$4,170
PROGRAM DATES	1963–1965 2010–present
PROGRAM SECTORS	Education

ANTICIPATED NUMBER OF VOLUNTEERS

Calculated September 30 each year

	FY 2012	FY 2013
Volunteers	70	90
Program funds (\$000)	2,800	3,000

Jordan

CAPITAL	Amman
POPULATION	6 million
GROSS NATIONAL INCOME PER CAPITA	\$5,810
PROGRAM DATES	1997–2002 2004–present
PROGRAM SECTORS	Education Youth



ANTICIPATED NUMBER OF VOLUNTEERS

Calculated September 30 each year

	FY 2012	FY 2013
Volunteers	50	50
Program funds (\$000)	2,300	2,400

Kazakhstan

CAPITAL	Astana
POPULATION	16.3 million
GROSS NATIONAL INCOME PER CAPITA	\$10,610
PROGRAM DATES	1993–present
PROGRAM SECTORS	<i>This program is currently suspended</i>



ANTICIPATED NUMBER OF VOLUNTEERS

Calculated September 30 each year

	FY 2012	FY 2013
Volunteers	0	0
Program funds (\$000)	2,700	0

Kyrgyz Republic



CAPITAL	Bishkek
POPULATION	5.4 million
GROSS NATIONAL INCOME PER CAPITA	\$2,180
PROGRAM DATES	1993–present
PROGRAM SECTORS	Business Development Education Health and HIV/AIDS

ANTICIPATED NUMBER OF VOLUNTEERS

Calculated September 30 each year

	FY 2012	FY 2013
Volunteers	60	60
Program funds (\$000)	2,000	1,900

Macedonia

CAPITAL	Skopje
POPULATION	2.1 million
GROSS NATIONAL INCOME PER CAPITA	\$10,830
PROGRAM DATES	1996–present
PROGRAM SECTORS	Business Development Education



ANTICIPATED NUMBER OF VOLUNTEERS

Calculated September 30 each year

	FY 2012	FY 2013
Volunteers	100	100
Program funds (\$000)	2,500	2,600

Moldova

CAPITAL	Chisinau
POPULATION	3.6 million
GROSS NATIONAL INCOME PER CAPITA	\$3,340
PROGRAM DATES	1993–present
PROGRAM SECTORS	Business Development Education Health and HIV/AIDS



ANTICIPATED NUMBER OF VOLUNTEERS

Calculated September 30 each year

	FY 2012	FY 2013
Volunteers	100	90
Program funds (\$000)	2,800	2,800

Mongolia



CAPITAL	Ulaanbaatar
POPULATION	2.8 million
GROSS NATIONAL INCOME PER CAPITA	\$3,630
PROGRAM DATES	1991–present
PROGRAM SECTORS	Business Development Education Health and HIV/AIDS Youth

ANTICIPATED NUMBER OF VOLUNTEERS

Calculated September 30 each year

	FY 2012	FY 2013
Volunteers	120	110
Program funds (\$000)	3,200	3,200

Morocco

CAPITAL	Rabat
POPULATION	32 million
GROSS NATIONAL INCOME PER CAPITA	\$4,620
PROGRAM DATES	1963–present
PROGRAM SECTORS	Health and HIV/AIDS Youth



ANTICIPATED NUMBER OF VOLUNTEERS

Calculated September 30 each year

	FY 2012	FY 2013
Volunteers	250	210
Program funds (\$000)	5,100	4,900

Nepal

CAPITAL	Kathmandu
POPULATION	30 million
GROSS NATIONAL INCOME PER CAPITA	\$440
PROGRAM DATES	1962–2004, 2012–present
PROGRAM SECTORS	Agriculture Health and HIV/AIDS



ANTICIPATED NUMBER OF VOLUNTEERS

Calculated September 30 each year

	FY 2012	FY 2013
Volunteers	20	40
Program funds (\$000)	1,200	1,900

Philippines



CAPITAL	Manila
POPULATION	93.3 million
GROSS NATIONAL INCOME PER CAPITA	\$3,950
PROGRAM DATES	1961–1990 1992–present
PROGRAM SECTORS	Education Environment Youth

ANTICIPATED NUMBER OF VOLUNTEERS

Calculated September 30 each year

	FY 2012	FY 2013
Volunteers	220	120
Program funds (\$000)	4,200	4,000

Romania

CAPITAL	Bucharest
POPULATION	21.4 million
GROSS NATIONAL INCOME PER CAPITA	\$14,060
PROGRAM DATES	1991–present
PROGRAM SECTORS	Education Health and HIV/AIDS



ANTICIPATED NUMBER OF VOLUNTEERS

Calculated September 30 each year

	FY 2012	FY 2013
Volunteers	30	0
Program funds (\$000)	2,300	2,000

Thailand

CAPITAL	Bangkok
POPULATION	69.1 million
GROSS NATIONAL INCOME PER CAPITA	\$8,120
PROGRAM DATES	1962–present
PROGRAM SECTORS	Business Development Education



ANTICIPATED NUMBER OF VOLUNTEERS

Calculated September 30 each year

	FY 2012	FY 2013
Volunteers	100	90
Program funds (\$000)	3,000	3,000

Tunisia



CAPITAL	Tunis
POPULATION	10.6 million
GROSS NATIONAL INCOME PER CAPITA	\$4,160
PROGRAM DATES	1962–1996, 2012–present
PROGRAM SECTORS	Education Youth

ANTICIPATED NUMBER OF VOLUNTEERS

Calculated September 30 each year

	FY 2012	FY 2013
Volunteers	20	60
Program funds (\$000)	1,400	3,000

Turkmenistan

CAPITAL	Ashgabat
POPULATION	5 million
GROSS NATIONAL INCOME PER CAPITA	\$7,350
PROGRAM DATES	1993–present
PROGRAM SECTORS	Education Health and HIV/AIDS



ANTICIPATED NUMBER OF VOLUNTEERS

Calculated September 30 each year

	FY 2012	FY 2013
Volunteers	40	30
Program funds (\$000)	1,400	1,600

Ukraine

CAPITAL	Kyiv
POPULATION	45.9 million
GROSS NATIONAL INCOME PER CAPITA	\$6,560
PROGRAM DATES	1992–present
PROGRAM SECTORS	Business Development Education Health and HIV/AIDS Youth

ANTICIPATED NUMBER OF VOLUNTEERS

Calculated September 30 each year

	FY 2012	FY 2013
Volunteers	450	300
Program funds (\$000)	6,200	6,000



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APPENDIX K

Inter-America and the Pacific Region



Central America	Belize, Costa Rica, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama
Caribbean	Dominican Republic, Eastern Caribbean (Antigua and Barbuda, Dominica, Grenada and Carriacou, St. Kitts and Nevis, St. Lucia, St. Vincent and Grenadines), Jamaica
South America	Colombia, Ecuador, Guyana, Paraguay, Peru, Suriname
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 2010.

Belize

CAPITAL	Belmopan
POPULATION	.34 million
GROSS NATIONAL INCOME PER CAPITA	\$5,970
PROGRAM DATES	1962–present
PROGRAM SECTORS	Business Development Education Health and HIV/AIDS Youth



ANTICIPATED NUMBER OF VOLUNTEERS

Calculated September 30 each year

	FY 2012	FY 2013
Volunteers	30	20
Program funds (\$000)	2,000	2,100

Colombia



CAPITAL	Bogota
POPULATION	46.3 million
GROSS NATIONAL INCOME PER CAPITA	\$9,000
PROGRAM DATES	1961–1981 2010–present
PROGRAM SECTORS	Education

ANTICIPATED NUMBER OF VOLUNTEERS

Calculated September 30 each year

	FY 2012	FY 2013
Volunteers	40	60
Program funds (\$000)	2,200	2,700

Costa Rica

CAPITAL	San Jose
POPULATION	4.7 million
GROSS NATIONAL INCOME PER CAPITA	\$10,840
PROGRAM DATES	1963–present
PROGRAM SECTORS	Business Development Education Youth



ANTICIPATED NUMBER OF VOLUNTEERS

Calculated September 30 each year

	FY 2012	FY 2013
Volunteers	120	100
Program funds (\$000)	3,500	3,500

Dominican Republic

CAPITAL	Santo Domingo
POPULATION	9.9 million
GROSS NATIONAL INCOME PER CAPITA	\$8,960
PROGRAM DATES	1962–present
PROGRAM SECTORS	Business Development Education, Environment Health and HIV/AIDS, Youth

ANTICIPATED NUMBER OF VOLUNTEERS

Calculated September 30 each year

	FY 2012	FY 2013
Volunteers	200	150
Program funds (\$000)	4,500	4,200



Eastern Caribbean



CAPITALS	Saint John's, Roseau, Saint George's, Basseterre, Castries, Kingstown
POPULATION	.60 million
GROSS NATIONAL INCOME PER CAPITA	\$10,268
PROGRAM DATES	1961–present
PROGRAM SECTORS	Business Development Education Health and HIV/AIDS, Youth

ANTICIPATED NUMBER OF VOLUNTEERS

Calculated September 30 each year

	FY 2012	FY 2013
Volunteers	80	30
Program funds (\$000)	3,400	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 and HIV/AIDS, Youth

ANTICIPATED NUMBER OF VOLUNTEERS

Calculated September 30 each year

	FY 2012	FY 2013
Volunteers	160	130
Program funds (\$000)	4,300	4,200



El Salvador

CAPITAL	San Salvador
POPULATION	6.2 million
GROSS NATIONAL INCOME PER CAPITA	\$6,390
PROGRAM DATES	1962–1980 1993–present
PROGRAM SECTORS	Agriculture Business Development, Environment Health and HIV/AIDS, Youth

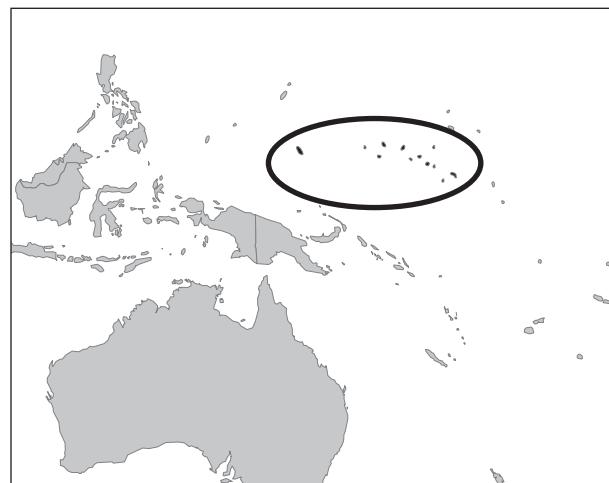
ANTICIPATED NUMBER OF VOLUNTEERS

Calculated September 30 each year

	FY 2012	FY 2013
Volunteers	100	100
Program funds (\$000)	3,200	3,400



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 2012	FY 2013
Volunteers	40	40
Program funds (\$000)	1,800	2,000

Fiji

CAPITAL	Suva
POPULATION	.86 million
GROSS NATIONAL INCOME PER CAPITA	\$4,450
PROGRAM DATES	1968–1998 2003–present
PROGRAM SECTORS	Business Development Environment Health and HIV/AIDS

ANTICIPATED NUMBER OF VOLUNTEERS

Calculated September 30 each year

	FY 2012	FY 2013
Volunteers	50	40
Program funds (\$000)	2,100	2,200



Guatemala

CAPITAL	Guatemala City
POPULATION	14.4 million
GROSS NATIONAL INCOME PER CAPITA	\$4,600
PROGRAM DATES	1963–present
PROGRAM SECTORS	Agriculture Business Development Environment Health and HIV/AIDS, Youth



ANTICIPATED NUMBER OF VOLUNTEERS

Calculated September 30 each year

	FY 2012	FY 2013
Volunteers	200	140
Program funds (\$000)	5,200	4,700

Guyana



CAPITAL	Georgetown
POPULATION	.75 million
GROSS NATIONAL INCOME PER CAPITA	\$3,560
PROGRAM DATES	1967–1971 1995–present
PROGRAM SECTORS	Education Health and HIV/AIDS

ANTICIPATED NUMBER OF VOLUNTEERS

Calculated September 30 each year

	FY 2012	FY 2013
Volunteers	50	40
Program funds (\$000)	2,300	2,400

Honduras

CAPITAL	Tegucigalpa
POPULATION	7.6 million
GROSS NATIONAL INCOME PER CAPITA	\$3,740
PROGRAM DATES	1962–present
PROGRAM SECTORS	Agriculture Business Development Health and HIV/AIDS Youth



ANTICIPATED NUMBER OF VOLUNTEERS

Calculated September 30 each year

	FY 2012	FY 2013
Volunteers	130	110
Program funds (\$000)	3,900	3,900

Jamaica

CAPITAL	Kingston
POPULATION	2.7 million
GROSS NATIONAL INCOME PER CAPITA	\$7,450
PROGRAM DATES	1962–present
PROGRAM SECTORS	Education Environment Youth



ANTICIPATED NUMBER OF VOLUNTEERS

Calculated September 30 each year

	FY 2012	FY 2013
Volunteers	50	40
Program funds (\$000)	2,900	3,000

Mexico



CAPITAL	Mexico City
POPULATION	113.4 million
GROSS NATIONAL INCOME PER CAPITA	\$14,360
PROGRAM DATES	2004–present
PROGRAM SECTORS	Business Development Environment

ANTICIPATED NUMBER OF VOLUNTEERS

Calculated September 30 each year

	FY 2012	FY 2013
Volunteers	100	70
Program funds (\$000)	2,800	2,800

Nicaragua

CAPITAL	Managua
POPULATION	5.8 million
GROSS NATIONAL INCOME PER CAPITA	\$2,630
PROGRAM DATES	1968–1979 1991–present
PROGRAM SECTORS	Agriculture Business Development, Education Environment, Health and HIV/AIDS



ANTICIPATED NUMBER OF VOLUNTEERS

Calculated September 30 each year

	FY 2012	FY 2013
Volunteers	220	160
Program funds (\$000)	3,600	3,200

Panama

CAPITAL	Panama City
POPULATION	3.5 million
GROSS NATIONAL INCOME PER CAPITA	\$12,910
PROGRAM DATES	1963–1971 1990–present
PROGRAM SECTORS	Agriculture Education Environment, Health and HIV/AIDS



ANTICIPATED NUMBER OF VOLUNTEERS

Calculated September 30 each year

	FY 2012	FY 2013
Volunteers	230	190
Program funds (\$000)	4,600	4,500

Paraguay



CAPITAL	Asuncion
POPULATION	6.5 million
ANNUAL PER CAPITA INCOME	\$5,440
PROGRAM DATES	1966–present
PROGRAM SECTORS	Agriculture Business Development Education, Environment Health and HIV/AIDS

ANTICIPATED NUMBER OF VOLUNTEERS

Calculated September 30 each year

	FY 2012	FY 2013
Volunteers	250	220
Program funds (\$000)	5,100	5,000

Peru

CAPITAL	Lima
POPULATION	29.1 million
ANNUAL PER CAPITA INCOME	\$9,070
PROGRAM DATES	1962–1974 2002–present
PROGRAM SECTORS	Business Development Environment Health and HIV/AIDS, Youth



ANTICIPATED NUMBER OF VOLUNTEERS

Calculated September 30 each year

	FY 2012	FY 2013
Volunteers	290	250
Program funds (\$000)	5,900	5,700

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 2012	FY 2013
Volunteers	20	10
Program funds (\$000)	1,300	1,400

Suriname



CAPITAL	Paramaribo
POPULATION	.52 million
ANNUAL PER CAPITA INCOME	\$7,610
PROGRAM DATES	1995–present
PROGRAM SECTORS	Business Development Health and HIV/AIDS

ANTICIPATED NUMBER OF VOLUNTEERS

Calculated September 30 each year

	FY 2012	FY 2013
Volunteers	20	0
Program funds (\$000)	1,900	1,800

Tonga

CAPITAL	Nuku'alofa
POPULATION	.10 million
ANNUAL PER CAPITA INCOME	\$4,640
PROGRAM DATES	1967–present
PROGRAM SECTORS	Education



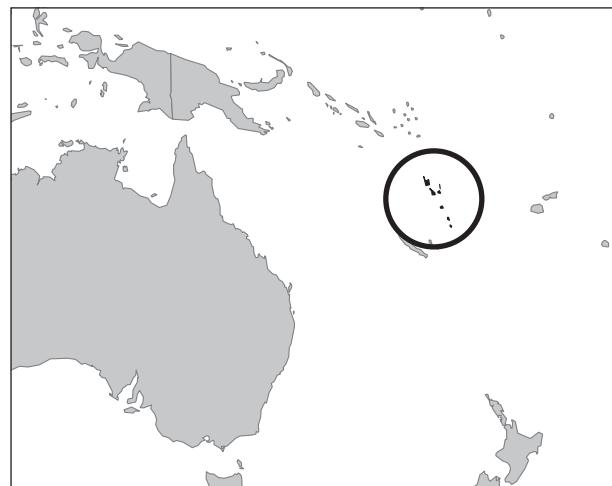
ANTICIPATED NUMBER OF VOLUNTEERS

Calculated September 30 each year

	FY 2012	FY 2013
Volunteers	20	10
Program funds (\$000)	1,400	1,500

Vanuatu

CAPITAL	Port Vila
POPULATION	.24 million
GROSS NATIONAL INCOME PER CAPITA	\$4,450
PROGRAM DATES	1990–present
PROGRAM SECTORS	Business Development Education Health and HIV/AIDS



ANTICIPATED NUMBER OF VOLUNTEERS

Calculated September 30 each year

	FY 2012	FY 2013
Volunteers	60	50
Program funds (\$000)	2,900	3,100

APPENDIX L

Foreign Currency Fluctuations Account

In FY 2011, the Peace Corps transferred a total of \$1.3 million of its Foreign Currency Fluctuations Account to its operating account.

¹ 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 M

The Peace Corps FY 2013 Annual Performance Plan

Agency Mission

The mission of the Peace Corps is to promote world peace and friendship. While much has changed in the world since Peace Corps' founding in 1961, the agency's mission has not. The Peace Corps' three core goals are as relevant today as they were fifty years ago:

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 Peace Corps carries out its mission and goals by sending Volunteers to assist interested countries with their development needs and to build cross-cultural understanding. Peace Corps is committed to providing high quality and cost-effective Volunteer support to ensure a positive experience for a diverse group of Americans in a safe and secure environment.

Since the program's inception, over 200,000 Americans have served as Peace Corps Volunteers, and the agency has partnered with 139 countries around the world. These Volunteers promote sustainable development, foster positive relationships with host country nationals, and dispel myths about Americans. During and after their service, Volunteers share information about life overseas, the people they have served, and the cultures they have experienced with friends, family, and the general public.

The Peace Corps provides practical assistance to developing countries by sharing America's most precious resource—its people. The women and men who serve as Peace Corps Volunteers reflect the rich diversity of the United States and represent some of the finest characteristics of the American people: a generosity of spirit, a strong work ethic, a commitment to service, and a collaborative approach to problem solving. Peace Corps Volunteers often live and work in remote, isolated communities where they speak local languages and learn the cultures and customs of the people they serve. The Peace Corps combines community development with the establishment of long-lasting relationships that Volunteers forge with host country partners and communities. This combination is a crucial foundation to advance peace and friendship today and for generations to come.

FY 2009 – 2014 Strategic Plan

In 2008, Peace Corps engaged in an agency-wide effort to develop a strategic plan for FY 2009 – 2014. The FY 2009 – 2014 Strategic Plan (www.peacecorps.gov/open) established five strategic goals designed to measure the agency's performance in carrying out Peace Corps' mission. The first three strategic goals align with the agency's three core goals; strategic goals four and five address support for Volunteers and effective management practices. Each strategic goal is supported by outcome goals that define the results the agency expects to achieve in order to reach the long-term strategic goals. In turn, each outcome goal is supported by one or more performance goals, which define the concrete, measurable objectives the agency expects to achieve.

As a complement to the strategic plan, a performance plan for FY 2009 - 2011 was developed to establish performance targets and provide guidance compatible with the new plan. The FY 2009 – 2011 Performance Plan included the strategic, outcome, and performance goals set out in the strategic plan as well as thirty-eight indicators with annual performance targets. This performance management framework was developed to measure and improve performance of key agency processes and functions that contribute to the agency's core and strategic goals (impact). The connection between agency outputs and the expected impact is demonstrated in the Peace Corps Logic Model (FY 2009 – 2014 Strategic Plan).

The development of the FY 2013 Annual Performance Plan offered the agency an opportunity to assess agency performance during the FY 2009 – 2011 performance period and recalibrate the performance plan to reflect evolving agency priorities and more ambitious performance targets. The new performance plan affirms Peace Corps' priorities and commitments, and the overarching framework of the strategic plan - the strategic goals, outcome goals, and performance goals - remain the same. Priority attention was focused on the indicators and targets that would be used to drive performance toward these goals in FY 2013.

The Office of Strategic Information, Research and Planning (OSIRP) led a highly participatory process - convening over sixty meetings with individuals across the agency - to review the thirty-eight indicators against which the agency has measured its performance over the past three years. Through Strategic Plan Quarterly Performance Review sessions, OSIRP gathered performance data from agency stakeholders and facilitated discussions on performance and measurement issues. As a result, the indicators in the FY 2013 Annual Performance Plan are both rigorous and ambitious in scope and reaffirm Peace Corps' commitment to performance improvement.

The FY 2013 Annual Performance Plan also reflects the agency's response to new challenges and opportunities. The Comprehensive Agency Assessment, a review of the agency's performance mandated by Congress, is an essential component of the new performance plan. The plan also responds to concerns about the safety and security of the Volunteers, aligns Peace Corps with President Obama's Global Development Policy, and emphasizes evidence-based performance management and monitoring and evaluation.

Comprehensive Agency Assessment

Peace Corps Director Aaron S. Williams submitted a Comprehensive Agency Assessment Report to the House and Senate Committees on Appropriations on June 14, 2010. The assessment outlined a new vision, six strategies, and 63 recommendations focused on quality improvements to guide the Peace Corps over the next decade. The Comprehensive Agency Assessment was conducted in response to a provision in the FY 2010 appropriations bill requiring the Peace

Corps to conduct a comprehensive assessment to identify strategies and provide recommendations for strengthening and reforming Peace Corps operations. The bill specified that the following topics be addressed in the assessment:

1. Improving the recruitment and selection process to attract a wide diversity of highly and appropriately skilled volunteers
2. Training and medical care for volunteers and staff
3. Adjusting volunteer placement to reflect priority United States interests, country needs and commitment to shared goals, and volunteer skills
4. Coordinating with international and host country development assistance organizations
5. Lowering early termination rates
6. Strengthening management and independent evaluation and oversight
7. Any other steps needed to ensure the effective use of resources and volunteers and to prepare for and implement an appropriate expansion of the Peace Corps

In response, the Director assembled a team of development and government experts, including Peace Corps staff and external consultants, to conduct a comprehensive assessment of the agency's operations. In addition to the topics requested by Congress, the Director also asked the team to explore how best to strengthen activities and improve agency reporting mechanisms related to promoting a better understanding of other peoples on the part of Americans.

The Comprehensive Agency Assessment refined Peace Corps' vision, stating that the agency will be "a leader, in partnership with others, in the global effort to further human progress and foster understanding and respect among people." To achieve that goal, the assessment recommended the following six strategies:

1. Target our resources

Allocate Peace Corps' resources and target country presence according to specific selection criteria to maximize grassroots development impact and strengthen relationships with the developing world

2. Focus on key sectors and train for excellence

Maximize the impact of what Volunteers do best. Focus in and scale-up a limited number of highly effective projects. Provide world-class training and comprehensive support to prepare Volunteers for success. Measure and evaluate Peace Corps' impact to improve performance and better serve the communities in which Volunteers work

3. Recruit the best and brightest of America's diverse population

Implement a more streamlined, customer-focused, competitive, state-of-the art strategy for recruitment, selection and placement of Volunteers that reflects the rich diversity of America and recognizes the majority of applicants will be recent college graduates

4. Innovate to meet host country needs of today and tomorrow

Leverage the skill sets of experienced applicants, RPCVs, and third year extension Volunteers for special assignments to expand Peace Corps' presence and technical depth. Through Peace Corps Response, develop an innovative program to incorporate highly skilled Volunteers to meet the needs of host countries

5. Elevate the Third Goal

Engage 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

6. Strengthen management and operations

Strengthen management and operations by using updated technology, innovative approaches and improved business processes that will enable the agency to effectively carry out this new strategic vision

Upon delivering the assessment to Congress, the Director established a team charged with coordinating the implementation of the strategies and recommendations contained in the report. When implemented, these 63 recommendations will significantly improve the quality and efficiency of Peace Corps operations.

Consistent with Recommendation V-1 of the Comprehensive Agency Assessment, the vision, strategy, and recommendations of the assessment have been integrated into the agency's FY 2013 Annual Performance Plan.

Safety and Security

Peace Corps Volunteers serve at the grassroots level worldwide and experience a broad range of social and environmental conditions during their service. As a result, safety and security risks are an inherent part of Volunteer service. Peace Corps staff at all levels work to create a framework that maximizes Volunteers' well-being to enable them to focus on their assignment. The safety and security of Peace Corps Volunteers is the agency's highest priority.

The FY 2013 Annual Performance Plan reflects this commitment. Existing indicators have been revised to improve the measurement and performance of safety and security operations. Together, these safety and security indicators directly measure the effectiveness of safety and security training, prevention, and response systems in each Peace Corps country; compliance with agency policies; and the changing security conditions in each country. Importantly, a new indicator was added to gauge Volunteer confidence in reporting serious crime incidents.

Several indicators provide proxy measures of Volunteer safety and security. To improve performance on the selection of the sites where Volunteers live and work, a new indicator was added to set targets for Volunteer satisfaction with site selection and preparation. Other indicators measure how well the Volunteer and posts are able to manage the local environment, including language requirements, cross-cultural training, and training for local counterparts. In addition, targets are set for emotional and medical support provided to the Volunteer. A final indicator tracks the completion of an annual Country Portfolio Review process that considers objective management data, including safety and security conditions, in order to best allocate limited agency resources.

Presidential Policy Directive on Global Development

On September 22, 2010, the first U.S. Presidential Policy Directive on Global Development was announced. Extending the impact of U.S. development policy and programming to the most remote corners of the world, Peace Corps' programming is strategically aligned with and an essential complement to the President's new policy on global development. Peace Corps Volunteers are dedicated to a mission of world peace and friendship and pursue sustainable development and citizen diplomacy through the people-to-people friendships they establish at the community level. Representing the diversity of America in communities around the world, Peace Corps Volunteers are America's best and most cost-effective grassroots development workers. Volunteers build relationships from the ground up while living under the same conditions as those with whom they work. Peace Corps' history of global engagement fosters an energized U.S. domestic constituency supportive of development assistance.

In keeping with the emphasis placed on whole-of-government approaches by the new global development policy, the FY 2013 Performance Plan will measure Peace Corps' efforts to increase its impact both domestically and abroad through the expanded use of strategic partnerships. The plan is also aligned with other key elements of the new Global Development Policy, including a heightened emphasis on monitoring and evaluation to foster and facilitate strategic planning, performance measurement and evidence-based management at posts; active engagement in all four countries participating in Partnerships for Growth; and a targeting of resources by focusing on a more limited number of highly technical interventions.

Monitoring and Evaluation

Peace Corps is moving into a new era of measuring and evaluating impact to improve performance and better serve the communities where Volunteers live and work. The agency has seen major improvements in its project monitoring and evaluation processes under the FY 2009 - 2011 Performance Plan. The challenge going forward is to coordinate and integrate the monitoring and evaluation activities undertaken at various levels within the agency and standardize the collection and consistent use of data to inform management decisions across all posts and headquarters offices. Additionally, the Comprehensive Agency Assessment strongly encouraged Peace Corps to continue improving its ability to demonstrate the agency's impact.

Looking forward, the agency will develop an evaluation policy that articulates Peace Corps' philosophy of participation, transparency, and local engagement to generate and apply knowledge. The agency will build Volunteers' evaluation capacity with a mandatory monitoring and evaluation course included as a core competency in the Volunteers' training. The agency will also build the monitoring and evaluation capacity of the host country staff and project partners. Further, standard outcome indicators will be developed for the Volunteer work activities in all six major sectors allowing the agency to aggregate the results of its work across the world.

This increased focus on monitoring and evaluation will create a learning environment throughout the organization that will support improved performance and facilitate evidence-based management.

FY 2013 Annual Performance Plan

The FY 2013 Annual Performance Plan builds on the work achieved during the first three years of the strategic plan to establish a foundation for a stronger Peace Corps focused on improved performance planning, measurement, and results. Performance management at the agency is further improved in this plan through the adoption of performance planning and reporting requirements mandated by the GPRA Modernization Act of 2010.

The Office of Strategic Information, Research and Planning (OSIRP) is responsible for performance planning and reporting and works with agency stakeholders to collect and analyze performance data to improve the operations of the agency. The Director of OSIRP serves as the Performance Improvement Officer for the agency, and the office provides agency-level guidance and oversight of data and information quality. OSIRP conducts Strategic Plan Quarterly Performance Review sessions to collect performance data from agency stakeholders and develop strategies for meeting performance indicator targets.

OSIRP has also refined its indicator measurement methodology to improve accuracy and better drive agency performance. Improvements to indicator methodology include the use of dynamic targets when baseline data is not available or when planned agency process enhancements, such as the redesign of the Volunteer Delivery System to improve efficiency, are expected to result in uncertain levels of performance improvement. The dynamic targets utilize nominal percentage, or

percentage-point, directions of change. Percentage measures are also used, where possible, to account for the fluctuating Volunteer population resulting from varying funding levels. 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 performance plan includes forty indicators with annual performance targets to drive achievement towards Peace Corps' strategic, outcome, and performance goals. The annual performance targets established within 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.

Peace Corps is one program activity; as a result, low 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 2013 Cuts, Consolidations, and Savings (CCS) Volume of the President's Budget identifies the lower-priority program activities under the GPRA Modernization Act, 31 U.S.C. 1115(b)(10). The public can access the volume at: <http://www.whitehouse.gov/omb/budget>.

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.

Verification and Validation of Performance Data

The agency utilizes several data sources to measure performance indicators. The agency is strongly committed to performance improvement through the use of high quality performance data. The verification and validation measures for key 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 (86 percent in FY 2011) ensures the responses reliably represent the 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 Enterprise Database Systems

The agency maintains several enterprise database systems to collect Volunteer and program information. Only authorized staff members who have been properly trained can access key systems, maintaining data integrity and ensuring data entry methodology is followed. Regular reconciliation processes between agency units enable users to verify and test performance data to isolate and correct 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 for seven performance indicators through an online survey at the end of the fiscal year. 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 error. Data is independently reviewed and anomalies are addressed and corrected to improve data quality. The survey gathers the activities of overseas posts. 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 Peace Corps. Given the limited number of studies per fiscal year, OSIRP will monitor the study results instead of measuring the achievement of a defined target.

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

Agency-level Performance Indicators	Data Source	FY 2012 Target	FY 2013 Target
a. Percentage of project managers who meet with their host country Project Advisory Committees	Overseas posts	5 percentage-point increase over FY 2011 result	5 percentage-point increase over average of FY 2011, FY 2012 results
b. Percentage of posts that provide annual progress reports to their host country agency sponsors and partners for all of their projects	Overseas posts	95%	95%
c. Percentage of projected length of service actually served by Volunteers	Peace Corps Enterprise Database	85%	1 percentage-point increase over average of FY 2010, FY 2011, FY 2012 results
d. Percentage of Volunteers who report their satisfaction with site selection and preparation as adequate or better	Annual Volunteer Survey	76%	1 percentage-point increase over average of FY 2010, FY 2011, FY 2012 results

Performance Goal 1.2.1: Ensure the effectiveness of in-country training

Goal Leader: Associate Director, Office of Global Operations

Agency-level Performance Indicators	Data Source	FY 2012 Target	FY 2013 Target
a. Percentage of Volunteers who meet local language requirements for service per post testing standards	Peace Corps Enterprise Database	86%	1 percentage-point increase over average of FY 2011, FY 2012 results
b. Percentage of Volunteers who report training as adequate or better in preparing them technically for service	Annual Volunteer Survey	82%	84%
c. Percentage of Volunteers who report training as adequate or better in preparing them to work with their counterparts/ community partners	Annual Volunteer Survey	80%	82%
d. Percentage of posts that provide monitoring and evaluation training to their Volunteers	Overseas posts	85%	90%

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

Agency-level Performance Indicators	Data Source	FY 2012 Target	FY 2013 Target
a. Percentage of Volunteers who report their primary project work transferred skills to host country individuals and organizations adequately or better	Annual Volunteer Survey	85%	87%
b. Percentage of projects documenting measurable impact in building the capacity of host country nationals	Overseas posts	85%	86%
c. Percentage of partner organizations at post that report their assigned Volunteer fulfilled their requested need for technical assistance	Overseas posts	70%	75%

Means and Strategies:

The Peace Corps will:

- 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 annual meetings with 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
- Implement the recommendations of the Focus-In/Train-Up Task Force to focus on a limited number of highly effective projects that can best meet the needs of the countries in which Volunteers serve
- Provide standard guidance and training on monitoring and evaluation to Volunteers and staff
- Utilize technology to promote and support the exchange of field resources to enhance programming and training effectiveness
- Use more effective Volunteer reporting tools to ease the collection and analysis of Volunteer project, capacity building, and skills transfer activities
- Seek feedback from host country partners to continually improve projects
- Enhance the safety and security of Volunteers by helping them integrate into their communities through more effective language training
- Report percentage of projected length of service completed as well as other improved measures of early terminations during quarterly review sessions with the Office of Global Operations and the regions for operational realignment at posts or regions with low performance
- Enhance the safety and security of Volunteers through improvements in the processes and criteria for site selection and preparation

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 the use of theory-based evaluation methods. The Volunteer Reporting Tool allows Volunteers to directly report on their activities and the outcomes achieved. 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 calls on 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 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

Agency-level Performance Indicators	Data Source	FY 2012 Target	FY 2013 Target
a. Percentage of Volunteers who report their training prepared them to manage cultural differences during service adequately or better	Annual Volunteer Survey	90%	90%
b. Percentage of posts conducting supervisory and counterpart training on working effectively with Volunteers	Overseas posts	95%	95%
c. Percentage of host country nationals who report positive opinions of Americans through their interactions with Volunteers	Host Country Impact Studies	No targets established; results are monitored	
d. Percentage of Volunteers who report their activities and interactions help promote a better understanding of Americans on the part of the peoples served	Annual Volunteer Survey	72%	1 percentage-point increase over average of FY 2010, FY 2011, FY 2012 results

Means and Strategies:

The Peace Corps will:

- 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, thereby 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 new survey of counterparts in FY 2012 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 studies to evaluate the impact of Volunteers on the host country nationals with whom they live and work.

Integration of the Comprehensive Agency Assessment:

Strategic Goal 2 will also benefit from the successful adoption of “Focus In/Train Up” strategy recommended by the Comprehensive 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 parts of host country partners through their increased interactions with host country individuals, organizations, and communities. By enhancing Peace Corps’ ability to provide needed technical assistance, the Volunteers will create a greater appreciation for the contributions of American 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 Public Engagement

Agency-level Performance Indicators	Data Source	FY 2012 Target	FY 2013 Target
a. Percentage of Volunteers who report active participation in the Coverdell World Wise Schools/Correspondence Match Program	Annual Volunteer Survey	40%	1 percentage-point increase over average of FY 2010, FY 2011, FY 2012 results
b. Number of individuals and organizations supporting the Peace Corps Partnership Program	Peace Corps Enterprise Database	10,000	10,500
c. Percentage of Volunteers who report sharing their experiences with family, friends, and/or the American public	Annual Volunteer Survey	98%	98%

Performance Goal 3.1.2: Increase Returned Peace Corps Volunteers (RPCV) cultural outreach to the American public through Peace Corps programs

Goal Leader: Director, Office of Public Engagement

Agency-level Performance Indicators	Data Source	FY 2012 Target	FY 2013 Target
a. Number of Returned Peace Corps Volunteers participating in agency-initiated activities	Peace Corps Enterprise Database	10,000	10,500
b. Number of educational institutions where RPCVs engage in third goal activities	Peace Corps Enterprise Database	760	810

Means and Strategies:

The Peace Corps will:

- Encourage Third Goal activities through the distribution of a monthly newsletter to currently serving Volunteers and Returned Peace Corps Volunteers
- Promote Volunteer awareness and active participation in the Peace Corps' 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 technology, to increase their awareness of Peace Corps activities and engagement in Third Goal initiatives such as the Coverdell World Wise Schools Speakers Match program

Data Collection and Management:

The Office of Public Engagement 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 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 Private Sector Initiatives will monitor and report on the numbers 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 recommends 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 calls 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 that 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

Agency-level Performance Indicators	Data Source	FY 2012 Target	FY 2013 Target
a. Percentage of trainees requested for generalist assignments	Peace Corps Enterprise Database	63%	1 percentage-point increase over average of FY 2010, FY 2011, FY 2012 results
b. Percentage of trainee requests filled by trainee inputs	Peace Corps Enterprise Database	95%	95%

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

Agency-level Performance Indicators	Data Source	FY 2012 Target	FY 2013 Target
a. Nominee attrition rate	Peace Corps Enterprise Database	27%	26%
b. Number of days from application to invitation	Peace Corps Enterprise Database	137	5 percent reduction from average of FY 2010, FY 2011, FY 2012 results

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

Agency-level Performance Indicators	Data Source	FY 2012 Target	FY 2013 Target
a. Percentage of applications from individuals age 50 and older	Peace Corps Enterprise Database	8%	8.5%
b. Percentage of applications from individuals of diverse ethnicities	Peace Corps Enterprise Database	25%	26%

Means and Strategies:

The Peace Corps will:

- Develop Focus-In/Train-Up projects that 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 trainee allocation process administered by the Office of Global Operations
- 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 that 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
- Implement the 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 ethnically diverse and age 50 and older Americans through proven and cost-effective recruitment techniques
- Develop a new recruitment and placement model in order to attract more competitive applicants, reduce application time, increase communication, improve transparency, and enhance efficiency of operations

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. Targets for generalist trainee requests encourage the development of Focus-In/Train-Up 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 composed of staff from each of 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 recommends the Peace Corps innovate to meet new and emerging needs of our 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 initiative offers an opportunity to leverage and augment the skills of the majority of applicants to focus on highly-effective technical interventions. The assessment challenges 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 recommends that 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 healthcare, 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 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, Office of Safety and Security

Agency-level Performance Indicators	Data Source	FY 2012 Target	FY 2013 Target
a. Percentage of Peace Corps Volunteers who report their safety and security training is effective or very effective	Annual Volunteer Survey	71%	73%
b. Percentage of Posts that have their safety and security systems reviewed by a Peace Corps safety and security officer	Peace Corps Enterprise Database	One-third of posts annually; 100% of posts over three years	
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	Peace Corps Enterprise Database	85%	88%
d. Percentage of Volunteers who report they feel more than adequately safe or very safe where they live and work	Annual Volunteer Survey	90%	91%
e. Ratio of unreported serious crimes to reported serious crimes	Peace Corps Enterprise Database/Safety and Security Survey	No targets established; results are monitored	

Performance Goal 5.1.2: Provide quality medical and mental health services to trainees and Volunteers

Goal Leader: Associate Director, Office of Volunteer Support

Agency-level Performance Indicators	Data Source	FY 2012 Target	FY 2013 Target
a. Percentage of Peace Corps Volunteers who rate their satisfaction with healthcare received from Peace Corps medical officers as adequate or better	Annual Volunteer Survey	93%	94%
b. Percentage of Peace Corps Volunteers who report the emotional support they received from staff as adequate or better	Annual Volunteer Survey	82%	83%
c. Percentage of Peace Corps Volunteers who report adequate or better support in coping with stress from living and working in their community	Annual Volunteer Survey	75%	76%

Performance Goal 5.2.1: Provide effective and responsive financial management that accurately reflects domestic and overseas operations

Goal Leader: Chief Financial Officer

Agency-level Performance Indicators	Data Source	FY 2012 Target	FY 2013 Target
a. Percentage of posts and headquarters offices that manage resources within approved budgets and operational plans	Peace Corps Enterprise Database	95%	95%
b. Percentage of posts and headquarters offices whose Integrated Planning and Budgeting System (IPBS) strategic goals support the agency's strategic plan goals	IPBS process	95%	98%

Performance Goal 5.2.2: Ensure the effective management of Peace Corps resources

Goal Leader: Chief of Staff

Agency-level Performance Indicators	Data Source	FY 2012 Target	FY 2013 Target
a. Conduct a Country Portfolio Review process to assess and formulate financial and Volunteer resource allocations at all posts	Country Portfolio Review Process	Complete process annually	
b. Percentage of posts and headquarters offices that adhere to agency-wide staffing policies and procedures	Peace Corps Enterprise Database	85%	90%
c. Percentage of posts and headquarters offices that benefit from collaboration with agency strategic partners	Overseas posts and headquarters offices	75%	5 percentage-point increase over average of FY 2011, FY 2012 results

Performance Goal 5.1.3: Review and improve critical Peace Corps work processes to ensure optimal performance

Goal Leader: Chief Operating Officer

Agency-level Performance Indicators	Data Source	FY 2012 Target	FY 2013 Target
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	Strategic Plan Quarterly Review Sessions	At least one mission-critical process per year	

Means and Strategies:

The Peace Corps will:

- Develop and administer an anonymous safety and security 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 and establish an oversight group to determine the agreed-upon time frame for implementing critical recommendations made by Peace Corps safety and security officers
- Implement the recommendations of the agency's Sexual Assault Working Group to develop a sexual assault prevention and response program including the establishment of sexual assault response teams
- Under the leadership of Peace Corps' Victim Advocate, establish the Coordinated Agency Response System (CARS) to serve as Peace Corps' unified response to any serious incident involving a Volunteer overseas
- Develop 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 (RAINN); returned Volunteers; and other experts in the areas of security, risk, and sexual assault to act as consultants
- Develop new training and evaluation methods on safety and security for Volunteers that begins with pre-departure training and continues through to the end of their service
- Establish 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
- Establish and 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 with stress from living and working in their communities
- Implement training of 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 between 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
- Develop 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 Safety and Security survey administered to Volunteers.

Safety and security officer country assessments are conducted every three years. As in-country conditions can change rapidly, Peace Corps also partners with the Department of State's Bureau of Diplomatic Security to verify assessment data.

Data from the CIRS database originates from crime reports submitted by Volunteers and staff in-country and is limited by the under-reporting of crime incidents by Volunteers. The Annual Volunteer Survey (AVS) currently captures unreported crime incidents; this data will be captured by the new Safety and security survey beginning January 2012. 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 is 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 HQ staff. HRM will collect information from each office to determine compliance. The Office of Global Operations and the Regions will oversee the implementation 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 calls on the Peace Corps to execute decisions regarding Peace Corps' 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, Peace Corps can strategically allocate scarce resources using standard criteria. This practice greatly enhances 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.

Major Management Challenges

The major management challenges for FY 2011 are identified by the Inspector General in the FY 2011 Performance and Accountability Report (www.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 related to performance goals. The agency's plans for addressing these challenges and the agency official responsible are noted as well.

Several business processes and information systems have been identified for improvements needed to more effectively administer the Peace Corps program.

Medical Care. To improve efficiency and delivery of care, an electronic filing of health records was recommended. In response, the agency has started the development of an electronic medical record system to be deployed in FY 2014. To provide guidance on pharmaceutical inventory management, a workbook was designed and sent to overseas medical staff. The agency has also improved training for medical officers through continuing medical education conferences. The Associate Director for Volunteer Support is responsible for addressing this challenge. Milestones for improving medical care are included in Performance Goal 5.1.2 (Provide quality medical and mental health services to trainees and Volunteers).

Safety and Security. The agency is in discussions with the Bureau of Diplomatic Security in the Department of State on the terms of a formal Memorandum of Understanding documenting their respective roles in ensuring the safety and security of Volunteers. It is expected that this Memorandum of Understanding will be completed in the first half of FY 2012. The agency has also developed systems to ensure safety and security improvements are being implemented. The Associate Director for Safety and Security is responsible for addressing this challenge. Milestones for improving safety and security support are included in Performance Goal 5.1.1 (Enhance the safety and security of Volunteers).

Volunteer Delivery System. The agency expects the new automated Volunteer Delivery System, DOVE, will be fully implemented in FY 2012. This system will, among other things, make applicant data more readily available and, together with associated changes to the Volunteer application process, enable more effective matching of applicants with the needs of countries being assisted. The Associate Director for Volunteer Recruitment and Selection is responsible for addressing this challenge. Milestones related to improving the efficiency of the Volunteer Delivery System are provided for in Performance Goal 4.1.1 (Recruit Volunteers that balance the needed manpower and technical needs at post with the available applicant pool and its skills) and Performance Goal 4.1.2 (Manage Volunteer recruitment functions in an effective and efficient manner).

APPENDIX N

The Peace Corps Strategic Plan Addendum

Pursuant to the GPRA Modernization Act of 2010, this document serves as the addendum to the Peace Corps FY 2009 – 2014 Strategic Plan. The agency will submit a new strategic plan in February 2014 to guide the agency from FY 2015 – 2018.

Congressional Consultation

Peace Corps will consult with Congress in FY 2012 and at least every two years thereafter to ensure the agency's goals and objectives incorporate views and suggestions of members of Congress.

Collaboration with other Federal Agencies

Peace Corps collaborates with numerous other federal agencies to expand the impact of Volunteers in the communities where they serve; share training and program materials; ensure the safety, security, and health of Volunteers; and, to increase the recruitment of skilled individuals for Peace Corps service. The agency has formal partnerships with the Department of State, the United States Agency for International Development, the President's Emergency Fund for AIDS Relief, the Centers for Disease Control and Prevention, the Environmental Protection Agency, the Millennium Challenge Corporation, and the Corporation for National and Community Service. In addition to participating in a number of interagency working groups, there is also frequent informal collaboration with the President's Malaria Initiative, the Department of Defense, the Department of Labor, the Department of Justice, the Department of Agriculture, the Department of Health and Human Services, and the National Park Service. When Federal Priority Goals are established, the agency will describe how applicable agency goals contribute to the Federal Priority goals.



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Front Cover: Master weaver Nkerisapa Lewano of Kenya shares her handiwork with a young visitor at the 2011 Smithsonian Folklife Festival. As part of the Festival, the Peace Corps, during its 50th anniversary year, invited currently serving and returned Peace Corps Volunteers and their host country counterparts to share cultures from across the globe with the American public. An estimated 1,083,000 people visited the Festival, which took place on the National Mall for ten days in late June and early July.

