



The Peace Corps
Performance and
Accountability Report
Fiscal Year 2012



The Peace Corps Performance and Accountability Report **Fiscal Year 2012**

November 15, 2012

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This report is available at www.peacecorps.gov/docs.
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Where Peace Corps Volunteers Serve



The Caribbean (IAP)

Dominican Republic

Eastern Caribbean:

Antigua/Barbuda

Dominica

Grenada/Carriacou

St. Kitts/Nevis

St. Lucia

St. Vincent/Grenadines

Jamaica

North Africa and The Middle East (EMA)

Jordan

Morocco

Tunisia

Asia (EMA)

Cambodia

China

Indonesia

Nepal

Philippines

Thailand

Latin America (IAP)

Belize

Colombia

Costa Rica

Ecuador

El Salvador

Guatemala

Guyana

Honduras

Mexico

Nicaragua

Panama

Paraguay

Peru

Suriname

Africa

Benin

Botswana

Burkina Faso

Cameroon

Cape Verde

Ethiopia

Ghana

Mozambique

Namibia

Niger

Rwanda

Senegal

Sierra Leone

South Africa

Swaziland

Tanzania

The Gambia

Togo

Uganda

Zambia

Mali

Eastern Europe/ Central Asia (EMA)

Albania

Armenia

Azerbaijan

Bulgaria

Georgia

Kyrgyz Republic

Macedonia

Moldova

Mongolia

Romania

Turkmenistan

Ukraine

Pacific Islands (IAP)

Federated States of
Micronesia, and Palau

Fiji

Samoa

Tonga

Vanuatu

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

Contents

The Director of the Peace Corps	iii
Management’s Discussion and Analysis	1
Mission and Overview	2
Organizational Structure	4
Work of the Volunteers	6
Performance Highlights	18
Looking Forward	27
Analysis of Financial Statements	32
Analysis of Systems, Controls, and Legal Compliance	36
Management Assurances	38
Performance Section	39
Introduction to Agency Performance	40
Strategic Goal 1	43
Strategic Goal 2	55
Strategic Goal 3	59
Strategic Goal 4	65
Strategic Goal 5	71
Research and Evaluation	86
Financial Section	99
Message from the Chief Financial Officer	100
Financial Statements	103
Notes to the Financial Statements	107
Inspector General’s Audit Transmittal Letter	120
Auditor’s Report	122
Other Accompanying Information	137
Inspector General’s Statement on the Peace Corps’ Management and Performance Challenges	138
Summary of Financial Statement Audit and Management Assurances Tables	146
Improper Payments Information Act	147
Appendices	149
Appendix 1 – Audit Significant Deficiencies Summary	150
Appendix 2 – Glossary of Acronyms	152



A photo of an Education Volunteer working
on a community garden in Ghana.

THE DIRECTOR OF THE PEACE CORPS

WASHINGTON, D.C.

I am pleased to present the FY 2012 Performance and Accountability Report of the Peace Corps on behalf of the Volunteers and staff serving around the world. This report presents the agency's financial and performance results, demonstrates its accountability, and provides progress on its key goals so the President, members of Congress, and the American people can assess the agency's operational effectiveness.

The Peace Corps was established in 1961 by then-President John F. Kennedy with a mission to promote world peace and friendship. Since that time, more than 210,000 Americans have served in 139 countries across the world. Volunteers accomplish that mission through the three core goals that first constituted—and which remain—the foundation of 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.

At the end of the fiscal year, 8,073 Volunteers were serving in 76 countries promoting grassroots development and cross-cultural exchange. Volunteers work with partners in host communities to build local capacity and increase their understanding of Americans. The Peace Corps is the largest service delivery model of its kind—combining sustainable development with cross-cultural bridge building.

While the mission and core goals have remained the same for more than 50 years, today's Peace Corps is a dynamic development organization, highly responsive to the evolving needs of the developing countries where it operates. Using its Country Portfolio Review tool, the Peace Corps is using data to ensure that it allocates its resources among countries in the most effective manner possible in order to maximize impact. In FY 2012, the Peace Corps re-entered two countries—Tunisia and Nepal—and programs in those countries will be fully operational in FY 2013. The agency will increase the number of Volunteers in Africa and graduate (close) programs in Bulgaria, Romania, Cape Verde, Antigua/Barbuda, and St. Kitts/Nevis in FY 2013. In addition, posts were permanently closed in Bolivia, Mauritania, and Kazakhstan, and operations in Turkmenistan and Suriname will be phased out in FY 2013. Finally, posts were temporarily suspended in Honduras, Mali, and Niger due to security issues.

The highest priority of the agency remains the health and safety of our Volunteers. The Kate Puzey Peace Corps Volunteer Protection Act of 2011, Public Law 112-57, was enacted on November 21, 2011, and the agency has made considerable progress in implementing the new law. The act, in part, codified the reforms put into place over the past few years to ensure the safety, security, and support of Volunteers, including updating training for staff and Volunteers, establishing an external panel of national experts on sexual assault, hiring a nationally recognized Victim Advocate, and establishing procedures to ensure that allegations made by Volunteers are handled confidentially and appropriately. New safety and security training was conducted by 92 percent of posts in FY 2012 and sessions are planned for the remaining posts in FY 2013.

The work of the Volunteer is at the heart of the Peace Corps mission. The agency continues to improve Volunteer training and program support through the Focus In/Train Up strategy begun in FY 2011. The strategy is designed to give Volunteers the skills and experience they need to assist their communities in implementing those projects that have proved to be most effective at achieving development results. Monitoring and evaluation is another critical part of the Focus In/Train Up strategy.

As part of this strategy, the Peace Corps has become an active partner in a number of whole-of-government initiatives, including the President's Emergency Plan for AIDS Relief (PEPFAR), the Global Health Initiative, the President's Malaria Initiative, and Feed the Future. Through these partnerships, Volunteers are able to maximize the impact of U.S. government development investments in their communities and to ensure that those projects are implemented effectively, owned by the community, and sustained over time.

Agency operations were improved in FY 2012, enhancing efficiency and achieving cost savings in several areas. The renovation of the headquarters building was completed in March of this year and is expected to save \$1.2 million per year. Additional savings will be realized through the consolidation of the Boston regional recruitment office into the New York City office. The new automated Volunteer application and medical processing systems went live in August, a major milestone in the redesign of the Volunteer Delivery System. This moves the agency from a paper-based process to an automated process. The property accountability system deployed in late FY 2011 worked toward centrally collecting the headquarters' and the posts' \$35 million Property, Plant, and Equipment assets, although accountability issues still remain. Despite progress in systems implementation, the agency continues work toward fully satisfying the management and performance challenges set forth by the Inspector General.

Recent reforms are rooted in the Comprehensive Agency Assessment (www.peacecorps.gov/open/evaluations) which was completed in 2010 and laid the foundation for strengthening and reforming the Peace Corps. The FY 2012 annual performance plan incorporates the strategies of the assessment and other agency priorities into an aggressive new blueprint for reform. New indicators in the performance plan relate to the safety and security of Volunteers, the annual Country Portfolio Review, site selection and development, monitoring and evaluation, and strategic partnerships. The agency manages performance through formal quarterly strategic plan performance review sessions where senior leadership and managers review progress on goals at the strategic and operational levels.

Several performance goals were met in FY 2012, notably, ensuring effective training for Volunteers, recruiting Volunteers that balance the needs of host countries with the available applicants, and managing Peace Corps resources effectively. While some goals were not met, partially due to the use of stretch targets to encourage high performance, several saw improvement in FY 2012, including enhancing the safety and security of Volunteers and providing Volunteers with quality medical and mental health services. Moving forward, the agency will seek to improve its performance towards those goals where adequate progress was not made in FY 2012, such as increasing the effectiveness of skills transfer to host country individuals and managing Volunteer recruitment and selection functions effectively and efficiently.

Independent external auditors rendered an unqualified (clean) audit opinion on the financial statements of the Peace Corps for the sixth consecutive year. There were no material weaknesses identified either by the auditors or through internal managerial reviews, and there were no instances of noncompliance with laws and regulations identified. The Federal Managers' Financial Integrity Act unqualified management assurance statement is in the Management's Discussion and Analysis Section.

The prestigious Association of Government Accountants' Certificate of Excellence in Accountability Reporting was earned by the agency for the fifth consecutive year for its FY 2011 Performance and Accountability Report. Additionally, the agency received its first-ever Best in Class award for its description of agency activities.

Financial and performance data presented in this report are complete and reliable through the continuing efforts of the dedicated and highly skilled financial management and performance staff members.

Financial management improvements implemented during FY 2012 and planned future improvements are shown in the Message from the Chief Financial Officer in the Financial Section.

The work that our Volunteers carry out every day of the year is remarkable—from the girls' leadership camp organized by a Volunteer in Botswana where 30 girls aged 14 to 16 developed critical leadership and life skills to the Volunteer in Mongolia who worked with her community to open a nursing training center and lab in the local hospital which will serve as a training facility for 135 nurses to learn new nursing skills and improve current practices. Volunteers empower local people to take charge of their own futures and strengthen the bonds of understanding between the people of other cultures and the American people.

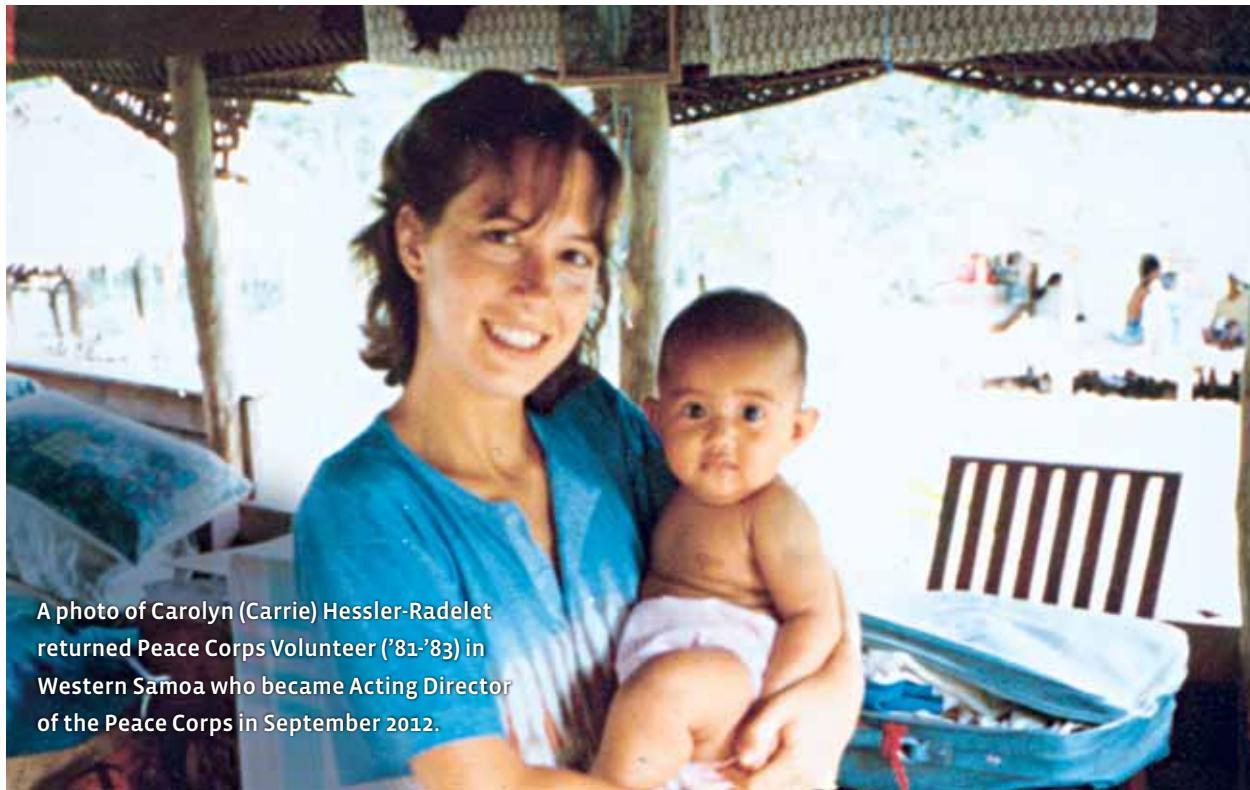
In our inter-connected world, Peace Corps' people-to-people approach to development is needed now more than ever. The Peace Corps helps build the capacity of our host countries to address issues of poverty, lack of opportunity, and gender inequality by working at the community level—the last ten miles where most development agencies rarely reach. Peace Corps Volunteers nurture the leaders of tomorrow, ensuring that they feel a connection to the United States, that they share our values and have a desire to actively engage with our country and the world. By helping other nations build the foundations of peace, prosperity, and stability at the community level, the Peace Corps is helping to ensure American leadership and security.

Sincerely,



Carolyn Hessler-Radelet, Acting Director

November 15, 2012



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MANAGEMENT'S DISCUSSION AND ANALYSIS



A photo of an Agriculture Volunteer helping a local group of farmers improve their crops with eco-friendly insecticide techniques, composting, and herb gardening.

Mission and Overview

The Peace Corps was launched in 1961 as an entirely new kind of development organization. Its mission was to promote world peace and friendship by sharing America's most precious resource—its people. The Peace Corps of today still maintains that ambitious mission and people-to-people approach to development while addressing the new challenges of the 21st century.

History

In 1960, then-Senator John F. Kennedy challenged students at a late-night campaign stop at the University of Michigan to serve their country in the cause of peace by living and working in developing countries. The response was extraordinary. Thousands of students submitted letters and petitions to the campaign offering their service. The Peace Corps grew from that inspiration into a movement promoting a mission of peace and friendship across the world.

President Kennedy signed the executive order creating the Peace Corps on March 1, 1961, shortly after taking office. He appointed Sargent Shriver as the first Director of the Peace Corps with the challenge of translating the idea of the Peace Corps into a legitimate development agency. By the end of the year, over 500 Peace Corps Volunteers were serving in Chile, Colombia, Ghana, India, Nigeria, Pakistan, the Philippines, Tanganyika (Tanzania), and St. Lucia—setting the foundation for a tradition of service that continues today.

The Peace Corps was a revolutionary idea in 1961—an alternative to contemporary approaches to promoting peace and advancing development. In a speech to the American Red Cross, Shriver noted:

“Guns won’t change the world... Dollar bills won’t change the world. Nor will simple goodwill. What can change the world today is the same thing that has changed it in the past—an idea and the service of dedicated, committed individuals to that idea... The Peace Corps is a group of men and women dedicated to an idea.”

As Director of the Peace Corps, Shriver placed the words, “If they mean to have peace, let it begin here,” in the agency’s first headquarters building, embodying the spirit of the new movement for peace. Earlier this year, then-Director Aaron S. Williams brought those words back to the entrance of the Peace Corps headquarters, and with them, the Peace Corps recommitted itself to the values that first shaped the agency over 50 years ago. The Peace Corps of the 21st century holds true to the practical idealism of its founders while responding to the realities of today.

Mission and Core Goals

The Peace Corps mission and three core goals have endured since the agency’s founding, a testament to their relevance and the ongoing need for the Peace Corps. The mission is achieved through three core goals:

1. To help the people of interested countries in meeting their need for trained men and women.
2. To help promote a better understanding of Americans on the part of the peoples served.
3. To help promote a better understanding of other peoples on the part of Americans.

The Peace Corps accomplishes its mission by sending Volunteers to share their skills and experience with local communities in developing countries that have requested technical assistance. Since 1961, more than 210,000

Volunteers have answered President Kennedy's call to service by living and working with local people in 139 countries.

Volunteers work at the grassroots level and ensure the sustainability of their efforts by transferring their skills to their host country partners. They also build life-long friendships with local people, promoting a better understanding of Americans. When they return home, Volunteers bring back unique stories of languages learned, cultures embraced, and friends made. In sharing their stories with friends, family, and the American public, they help to increase Americans' understanding of other peoples and global issues.



Begin callout: "If they mean to have peace, let it begin here."

—Sargent Shriver, the founding Director of the Peace Corps, talking with President Kennedy. End callout.

Organizational Structure

To provide support for Volunteers in their efforts to achieve the Peace Corps mission, the agency is organized into two primary areas: overseas posts and headquarters offices.

Posts are staffed by both American and host country national professionals who oversee Volunteer activities and address the unique needs of Volunteers while they serve in local communities, often under hardship conditions.

In FY 2012, the Peace Corps had active programs in 76 countries that were administered through 70 overseas posts. Some posts manage programs in multiple countries in their vicinity to achieve cost savings in staffing and infrastructure while still providing a high level of Volunteer support. Each post is managed by a country director and supported by safety and security, medical, programming, financial, training, and administrative staff. Posts are organized into three regions: Africa; Europe, Mediterranean, and Asia; and Inter-America and Pacific. Global and regional efforts are coordinated centrally through the Office of Global Operations and managed by regional directors based at headquarters.

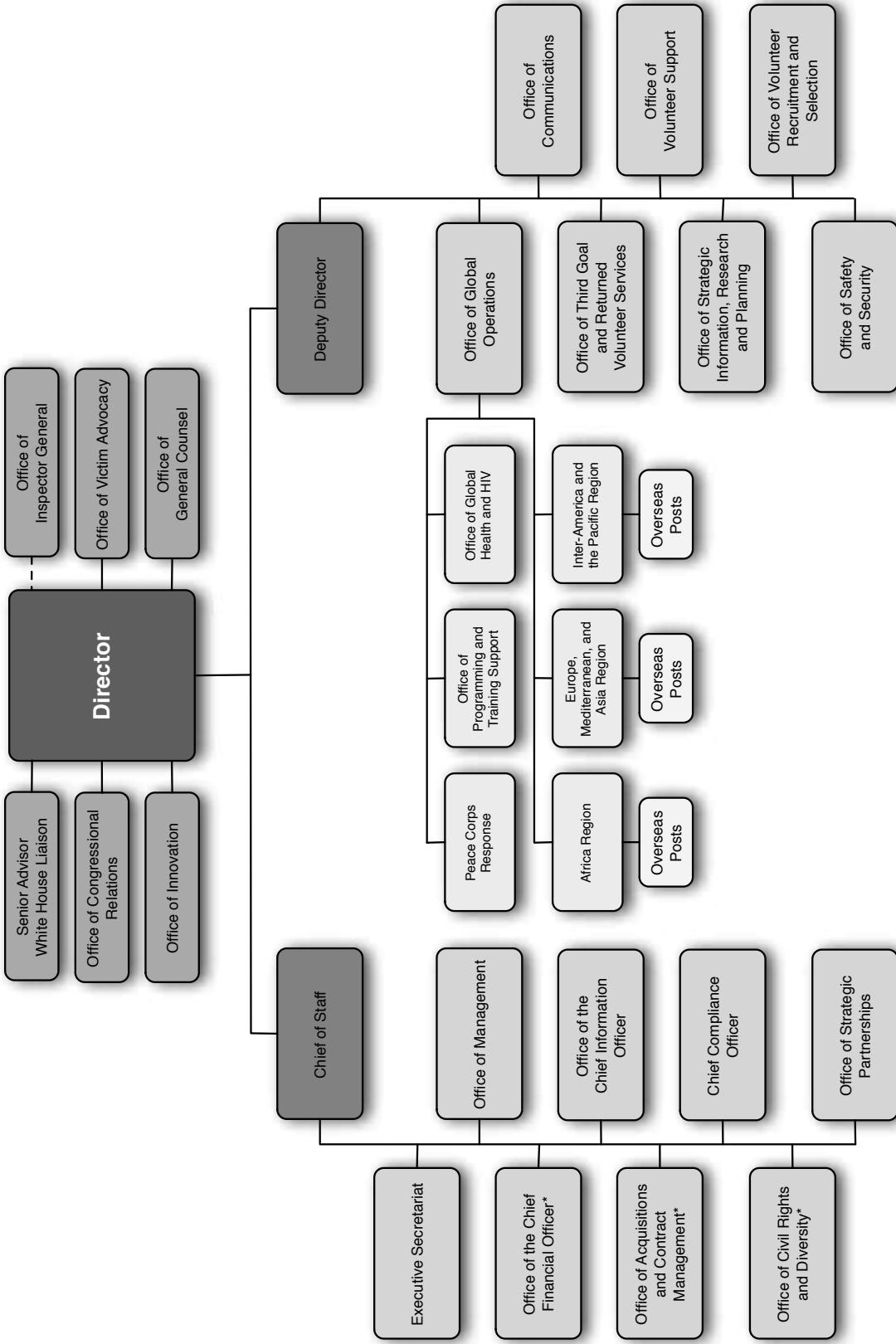
Headquarters offices, based in Washington, D.C., coordinate the general operations of the agency, providing overarching strategic guidance and targeted support to overseas posts and the Volunteers. Headquarters staff members recruit and select Volunteers for service; support the safety, security, and health of Volunteers; manage current and future agency resources; monitor and evaluate programs to improve performance; develop programming and training standards and materials for posts; and provide information technology and other necessary support services, among other functions.

Regional recruitment offices in Atlanta, Los Angeles, Chicago, Dallas, New York City, Seattle, and San Francisco and field-based recruiters in several cities and college campuses expand the agency's reach across the country to recruit talented Americans for Peace Corps service.

The agency is organized to support Volunteers and enhance their work to achieve the Peace Corps mission and three core goals.



Peace Corps Organizational Chart



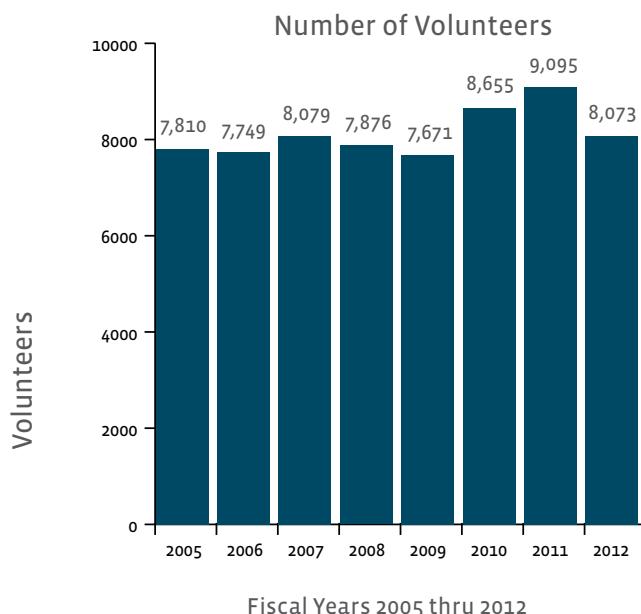
* In their functions as Chief Financial Officer, Office of Civil Rights and Diversity Program Manager, and the Chief of Acquisitions and Contract Management, the incumbents report directly to the Director.

Work of the Volunteers

Overview

The Peace Corps delivers development assistance to host countries through the work of its Volunteers. All agency efforts are related to either placing Volunteers in the field or supporting Volunteers during and after service in achieving the agency's mission and three core goals.

The number of Volunteers and trainees serving in the Peace Corps as of September 30, 2012 was 8,073. This included 753 Volunteers funded by the President's Emergency Plan for AIDS Relief (PEPFAR) and 163 Volunteers serving in short-term, specialized assignments through the Peace Corps Response Program. The number of Volunteers fielded each year is dependent on the available appropriated funds and the priorities of the agency.



Approach to Development

The Peace Corps is unique in its approach to development. Instead of providing monetary assistance to countries, the agency sends Volunteers to countries that have expressed a need for trained men and women. Volunteers share their skills and experience with local people and communities, transferring their knowledge so that communities are empowered to solve their development challenges. The agency's approach to development is local—not just one country at a time, but one community and one person at a time.

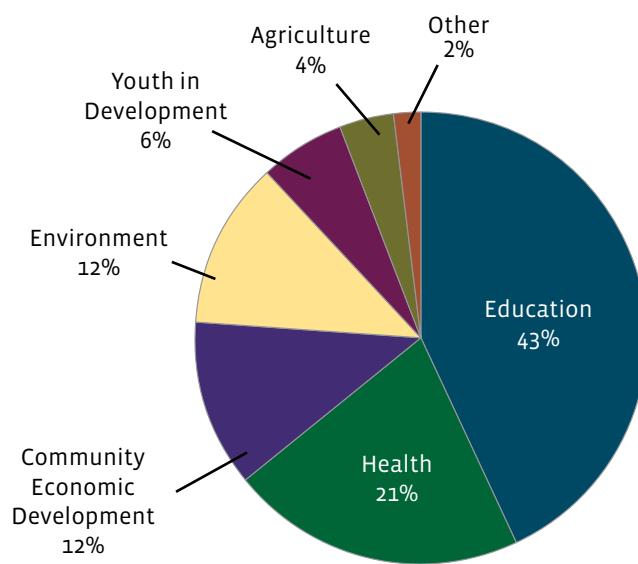
The agency regularly receives more requests for new country programs and additional Volunteers than can be met with available resources—clear evidence of the Peace Corps' importance to many nations and its impact around the world.

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. The agency

recruits and fields Volunteers with the skills, experience, maturity, and interest to work on projects at the grassroots level, often under hardship conditions, to help solve local development problems. Volunteers serve for 27 months, which includes up to 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—a key component of the Peace Corps approach to development. Volunteers' ability to achieve results is enhanced by their constant, day-to-day interactions with local people.

Volunteer activities are designed to build the capacity of local individuals, communities, and organizations to meet their skill needs. In essence, Volunteers strive to work themselves out of a job. When community members are empowered and given the tools they need to improve their lives, the work of the Volunteers is sustained long after they return home.

Percentage of Volunteers by Sector Chart



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



Agriculture - 345 Volunteers (4 percent)

Agriculture Volunteers collaborate with farmers' groups, nongovernmental organizations (NGOs), community members, and community-based organizations (such as women's associations or youth clubs) to improve local food security through the promotion of improved food production, nutrition, and agribusiness development. Many of the techniques presented by Volunteers also help communities adapt to deteriorating environmental conditions, including 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, 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.

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 develop new value-added products.

Begin text box: A Volunteer Vignette: Making Chocolate in Panama

Poverty among the rural citizens of my community is a persistent problem. Some families are lucky enough to have a few acres of their own land, and they use it to grow food for their families and produce cash crops to generate income. In my community, cacao is the principal money earner.

To better collaborate in turning a portion of their cacao harvest into a sellable chocolate product, our community formed a small women's group, Las Damas Noba. We experimented together with various ingredients, different forms of chocolate, and new packaging to make an appealing product. The chocolate produced by the group earns three or four times what the family would make selling unprocessed cacao. Together, we have found markets in three cities in our province and in two cities in other provinces. The group has been together for a little over a year and has been very successful. With the money they have earned, the women have each built up a small savings account and have begun to contribute substantially to their family's monthly income.

The growing savings accounts of the women in the group is exciting. It shows that not only are they earning enough income to set some aside for savings, but also that they see the value in saving. They are also making enough money to occasionally pay other women to assist with the most time consuming processes in making chocolate.

We continue to make plans for the future, experimenting with new forms of chocolate and identifying new places to sell. And our efforts are sustainable—the women in the group have started to share what they are doing with other women in town and they have begun to inquire how they can save as well. End text box

Notable Activities in Agriculture:

- **Responding to Climate Change through Permaculture in Paraguay:** Late in 2011 and at the beginning of 2012, Paraguay faced two extreme weather events: drought and flood. The effects of both on agriculture were catastrophic. Adapting farming techniques to prepare in advance for major weather events has become a priority, and Volunteers contribute to that effort through education on the challenges of climate change and the promotion of permaculture, the creation of sustainable and self-sufficient agricultural systems. Volunteers held training events with small farmers on the effects of climate change on agriculture, the importance of risk analysis and prospect planning as critical tools in mitigating the effects of extreme weather events, and soil and

water conservation techniques. Participants practiced what they learned by mapping a theoretical farm under different scenarios—including crops, livestock, and other components—and applying permaculture principles in the design.

- **Promoting Dry-Season Gardening in Ghana:** Volunteers collaborated with the Ghanaian Ministry of Food and Agriculture and NGOs to develop local farmers' skills in dry-season gardening, a method that enhances food security and provides income to local communities outside of the growing season for staple crops. Thirteen Volunteers and 12 local farmers attended a two-day training featuring sessions from agricultural experts which helped build the skills of the farmers and Volunteers in combating food insecurity.
- **Generating Income through Fish Farming in Zambia:** In collaboration with three NGOs and six ministry offices, a Volunteer worked with farmers to raise revenue through fish farming—overseeing the construction of 60 fish ponds, totaling over 18,000 square meters, in a local area that had no prior experience with aquaculture. More than 800 kilograms of fish have been sold at a local market value of US\$2,400.



Community Economic Development - 985 Volunteers (12 percent)

Community Economic Development Volunteers help facilitate the economic development of local communities through three primary work areas: business development, organizational development, and personal money management.

Volunteers in business development projects train and advise entrepreneurs in business planning, marketing, financial management, product design and distribution, and customer service. They provide skills to local people, communities, and organizations to launch or expand businesses—from small-scale agribusiness (fruits, vegetables, and small livestock) to ecotourism ventures or handicrafts. Volunteers hold business and entrepreneurship workshops, business courses and camps, and business plan competitions for youth. Some of the activities focus on helping members of disadvantaged groups, such as orphans, at-risk youth, and victims of human trafficking, learn new skills so they can enter the workforce.

Volunteers collaborate 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.

Volunteers' work also focuses on strengthening community groups by increasing their capacity to improve governance (developing mission statements, strategic plans, and by-laws), organizational management, project management and leadership, public awareness, fundraising operations, and advocacy.

Volunteers help coordinate overall community economic development by bringing together governments, organizations, businesses, communities, and individuals for collaboration.

Begin text box: A Volunteer Vignette: Developing Business Skills in Cape Verde

My small, rural community has few income-generating opportunities, especially for women. I noticed an interest in cooking and a few attempts at selling food door to door, but the prices placed on products were below the cost of materials. So, when a few young women in the community expressed an interest in putting together a business and learning improved cooking techniques, I organized an informational meeting to see how many people were interested and to work out the details. Then, the young women took over. They located a place for our meetings, wrote and distributed letters asking for donations of ingredients from business owners in the city, and selected older women in the community to present their famous recipes.

Our group of 24 young women met three times a week for four weeks. Each afternoon, a respected woman from a neighboring town taught the ladies to make recipes that could easily be sold for a profit at street stands, fairs, or parties. I presented lessons on basic business practices, like hygiene in the kitchen, calculating costs, selecting product prices, customer service, business ethics, basic recordkeeping, competition between businesses, and creating a business plan. Trainees began each day by taking a pre-test relative to the day's business topic. At the conclusion of the training, the young women took a final exam demonstrating their increased understanding of business basics.

At the conclusion of the sessions, the women organized a community event to showcase their new skills. The group hosted an afternoon tea (for which they cooked 11 dishes), determined pricing based on costs, served customers, and kept records. The event was successful in terms of income generation and in the excitement it caused in members of the community at large. People from neighboring communities have approached graduates of the training to request their assistance at their own future events. Within a month's time, the group assisted with two other culinary income-generating opportunities. The women have demonstrated an increased level of confidence in their abilities to cook as well as to earn income and organize community activities. End text box.

Notable Activities in Community Economic Development:

- **Developing Professional Networks in Moldova:** Volunteers assisted community groups in establishing professional networks and have improved contacts with national and international organizations. Volunteers worked with three NGOs to develop new contacts with similar organizations from other parts of the country and together implemented a program to distribute boots to the Roma population.
- **Promoting Tourism Nationwide in Albania:** Volunteers and their partners developed promotional packages highlighting attractions, regional hotels, and restaurants. They distributed the promotional packages through tourism information centers, hotels, and government offices.
- **Developing a Neem Cream Business in Burkina Faso:** Volunteers worked with women's groups to develop an association where local women could sell their neem cream under one label. Neem cream is a natural ointment prepared from extracts of the neem tree (*Azadirachta indica*). With profits from their business, the association was able to grant loans to members. Their new business received a boost when they began working with a distributor who buys their product in bulk and resells it in the city.



Education - 3,483 Volunteers (43 percent)

Education Volunteers work with students and teachers both in and out of the classroom to build teaching and learning capacities across all education levels, from pre-school through primary and secondary schools to universities and teacher training colleges. Volunteers provide direct instruction or collaborate with local teachers to teach subjects such as English, math, science, information technology, and childhood literacy.

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-teacher 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 host country women represent in developing their own communities, Volunteers in the Education sector, as well as those working on other projects, facilitate gender empowerment and education by promoting gender-equitable practices, connecting young girls with local role models, and building life skills and leadership. Volunteers serve as strong role models in their communities, underscoring the potential and opportunity of local youth.

Education Volunteers often expand the Peace Corps' impact on local development by incorporating content relevant to the challenges facing the communities in which they live—such as health and HIV/AIDS-prevention strategies—into their curriculum.

Notable Activities in Education:

- **Developing a Literacy Instruction and Classroom Management Guide in Guyana:** Volunteers worked with their counterparts at the regional education district office to develop a step-by-step guide for literacy instruction and classroom management. This collaborative activity was so well received by the Ministry of Education that the government is now distributing the manual to all district-level literacy coordinators and primary-school teachers throughout the country.
- **Team-Teaching in Moldova:** Volunteers spent the majority of their classroom hours team-teaching with Moldovan partners—sharing duties for planning, conducting, and evaluating the learning activities for the same group of learners. Team-teaching provides Volunteers with the opportunity to build the skills of local teachers while ensuring the sustainability of their work after their term of service.
- **Preparing Local Teachers for Certification Exams in the Republic of Georgia:** Peace Corps Response Volunteers were successful in helping to prepare their teacher partners for National Teacher Certifications exams. Notably, 90 percent of the teachers trained by Volunteers passed their exams compared to 55 percent country wide.

Begin text box: A Volunteer Vignette: Teaching Science in Tanzania

Meet Lucy. She is the one scrunched up behind her cluttered desk, legs folded in the disjointed rungs of her chair with her imagination escaping out the window to join the afternoon sun. It took a month for me to put her face with her name, and another year before I heard her voice for the first time.

Lucy was typically uninterested in class. But when we put together a hands-on experiment, I was surprised to see her hand me the latest iteration of her experimental rockets with a toothy, wide-eyed grin. When the other students were waiting for the materials to arrive, Lucy quietly put together scraps from her first experiment to create another.

After seeing her wake up during physics class, I spoke to her about her poor attendance. Full of tears, she looked me in the eyes and explained everything: how her father had died and her mother worked as a subsistence farmer; about the life she had fallen into to afford a room. She didn't see a way out. I asked if I could find a way to take care of the school fees, would she promise me to be in school every day. She said she could. And she did.

The other teachers came up with enough money to pay her school fees all the way through graduation the next year. Lucy dove into her science classes, requesting evening tutoring in chemistry and even going so far as to convince another girl to give science another try. She also moved into student housing with the other girls interested in science.

When the headmaster requested that a laboratory demonstration be prepared for the district commissioner's visit on graduation day, Lucy stepped up to present, alone, a hands-on science experiment to the commissioner and his entourage, including many government officials at the village and district levels. In his address to the school the commissioner mentioned specifically "the students in the laboratory, who showed me a new way to teach science," at which point he personally paid their exam fees in full. End text box.

**Environment - 974 Volunteers (12 percent)**

Volunteers in the Environment sector collaborate with host country partners to protect the local environment. They respond to deteriorating local conditions by promoting environmental education and awareness, natural resource planning and management, and environmentally sustainable income-generation activities.

Environment Volunteers encourage sustainable natural resource planning and management by demonstrating and teaching others healthy conservation practices, including the production and cultivation of trees to improve soils, conserve water, and protect fields from erosion. Effective management of resources requires the cooperation of local governments, organizations, communities, and individuals. Volunteers work to build the organizational capacity of partners to

plan, manage, lead, and advocate for the protection of the local environment. Volunteers also help develop income-generation activities that create incentives for conservation of natural resources, such as ecotourism and crafts.

Volunteers are increasingly engaged in environmental education within schools to build awareness and initiate action on environmental issues. Volunteers train teachers to integrate more interactive teaching methods that focus on the environment into their curriculum. They also collaborate with schools and other organizations to promote environmental education through alternative means, including clubs, youth camps, and awareness campaigns.

Begin Text box: A Volunteer Vignette: Curbing Deforestation in Malawi

My village sits on a ridge above the valley, the plateau rising dramatically behind it. Passing the late afternoon hours sitting on my front step, my counterpart Dan and I watched a small plume of smoke rise from the forest, high up on the plateau. Dan looked at me and said, “Malasha” (charcoal). High up in the remaining intact forest on the plateau within the boundary of the national park, someone was poaching trees to make charcoal. When we see something like this happening, we always hope it is an isolated incident. But, the nine other small plumes of smoke I saw rising just that week alone tell a different story.

The tale of deforestation is clearly seen marching up the slopes of the plateau. This vital watershed (arguably the most important in Malawi) is losing its forests at about 1 percent per year. However, the rate of deforestation varies widely. Some areas are being deforested at breakneck speed as people move up the mountain clearing new land, setting fires to drive animals for hunting, and selling off the forest to people in town in the form of charcoal. Much of this is due to the increased need for forest resources as a result of population pressures.

I turned to Dan and asked why people are cutting down the trees. He gave the obvious answer to a simple question: “They want the trees.” From there the Nchenachena Afforestation Project was hatched. Using resources from the Peace Corps, we bought 10 kilograms of tree seeds of six different species from a seed bank in the capital. A few days later I met with a local NGO, told them of my project and sourced 15,000 tree tubes at no cost. Then I headed back to the village to start the real work.

Dan and I began community awareness work immediately. We spent weeks canvassing all the villages in our catchment area. We gave speeches on protecting the forest and offered trainings on how to start tree nurseries, how to plant trees, and how to be better stewards of the forest. We turned the project into a contest, with the community, group, or individual planting the most trees receiving a prize. Interest soared.

In all, 120 people in 10 villages participated in the project. Over 5,000 trees were planted. One community alone planted 3,125 trees. We encouraged people to plant woodlots up the mountain to help protect the watershed. While many communities preferred to plant timber species, we also had a lot of interest in multi-use and hardwood tree species. Dan has taken over the project and will continue it this year. With tree planting season right around the corner, we hope the turnout will be just as good as last year. End text box.

Notable Activities in Environment:

- **Establishing a National Tree Nursery Competition in The Gambia:** Volunteers started a school tree nursery competition as part of an extensive effort to encourage reforestation throughout the country. The competition became an official event that was recognized by the president of the country and renamed the President's All-School Tree Nursery Competition.
- **Establishing Fruit Orchards and the “Miracle Tree” in Senegal:** Volunteers have been training local farmers in methods of fruit tree propagation, grafting, and orchard management. As a result, over 5,000 fruit trees were established. This effort included the promotion of the “miracle tree” *Moringa oleifera*, a multi-purpose tree highly valued for its health benefits as well as live fencing, fodder, and fuel. Opportunities are currently being explored to export Senegal-produced moringa oil and powder to the United States.
- **Constructing a School Made of Bottles in Guatemala:** Inadequate disposal of solid waste is a widespread problem across the world, but Volunteers are coming up with creative projects to address the problem. In Guatemala, a Volunteer worked with his community to construct a 1,033 square-foot school constructed with concrete and more than 6,500 used plastic soda bottles filled with inorganic trash. Through the project, the community not only built a new school at a much lower cost, but it also significantly reduced its solid waste.

Health - 1,688 Volunteers (21 percent)

The Peace Corps approaches global health issues by 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.

Health Volunteers work in four project areas: HIV mitigation; maternal, neonatal, and child health; environmental health; and life skills for healthy behaviors. Some projects include mitigation of noncommunicable diseases, malaria prevention and control, HIV/AIDS education, basic sanitation and hygiene education, community care of orphans and vulnerable children, and youth sexual and reproductive health education. Volunteers collaborate with local partners, introducing innovation and technology to leverage resources to address health needs.

HIV mitigation is a major agency effort, globally and across sectors. Volunteers work on HIV/AIDS prevention and care often 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. Increasingly, Volunteers are assigned to assist HIV/AIDS-related NGOs in expanding their technical, managerial, and administrative capacities.

The Peace Corps is an active partner in the President's global health initiatives, notably the President's Emergency Plan for AIDS Relief (PEPFAR), the Global Health Initiative, 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 build an international malaria prevention community.

Begin text box: A Volunteer Vignette: Combating Malaria and Generating Income through Mosquito Nets in Benin

In various meetings with the women's group in my village, it soon became clear that malaria was the foremost threat to personal and communal health. I informed members of the possibility of ordering subsidized mosquito nets courtesy of an international NGO, and the group decided that holding trainings and selling the mosquito nets would be the best plan of action.

While the majority of women in the group were familiar with mosquito nets, we decided to start off with a training-of-trainers session to make sure everyone started with a base of information. My counterpart, who is the pharmacist at the health center, and I led the session and stressed that sleeping under treated nets is the most effective method for preventing malaria. We compared the price of a net with prices of medication used to treat varying degrees of malaria to illustrate that malaria prevention is always cheaper than treatment. We also instructed the women on how to properly mount and use the nets. At the end of the session, two women were selected by their peers to lead the training sessions in the community.

At the first training, 20 women were present, as well as 117 community members. The women gave a 20-minute presentation in both French and the local language followed by a round of questions. Members from the audience were then asked to show how to properly install and use the mosquito nets. After the session, nets were made available for purchase—74 were sold. Six weeks and eight trainings later, all the nets were sold. Over 500 people (more than 11 percent of the population of the community) attended the sessions. The initiative was so successful that, toward the end of the campaign, people from other villages were coming to the village to hear the training sessions and buy nets themselves.

Since that time, the women's group has submitted another order for mosquito nets, financing it with money made from previous sales. The group also tracked the ages of people purchasing the nets and found that men within the age range of 30-39 were the most frequent buyers—30 percent of total sales. This is noteworthy because before the start of the anti-malaria initiative, this demographic was the most doubtful and distrustful of the women's ability to be successful. I really knew the project was a success when one night upon returning from the market I saw a man around 30 years old setting up his newly-purchased mosquito net outside in preparation for what was surely a mosquito-free night's rest. End text box.

Notable Activities in Health:

- **Developing a Mobile Phone Health Service in Armenia:** Volunteers assisted the Red Cross to develop and implement a mobile phone service using SMS (Short Message Service) to answer anonymous questions about HIV and access to services. Within six months of its launch as a core Red Cross service, it responded to more than 26,000 queries.

- **Establishing a Healthy Schools Project in Guatemala:** Volunteers are supporting the Ministry of Education with a healthy schools project that involves more than 130,000 students, 5,000-plus classrooms, and some 4,500 teachers. As a result of the project, the percentage of students washing their hands after using latrines increased from 60 percent to 82 percent over a one-year period, and the number of classrooms that implemented a hand-washing system to use before eating school snacks increased from 29 percent to 82 percent.
- **Teaching Life Skills in the Dominican Republic:** Youth and adolescents throughout the country gained invaluable life skills in the prevention of HIV, sexually transmitted infections, and unplanned early pregnancies through Volunteers' implementation and peer training of the Escojo Mi Vida (I Choose My Life) curriculum across all Peace Corps sectors. Escojo Mi Vida has reached an estimated 2,800 youth in the last year alone.

Begin text box: Peace Corps Volunteers Stomp Out Malaria in Africa

Through the Stomping Out Malaria in Africa initiative, over 3,000 Volunteers in 20 Peace Corps programs across Africa are exchanging ideas and working together in the name of malaria eradication.

Stomping Out Malaria in Africa is also the Peace Corps' flagship initiative in the 2012 update of the agency's Open Government plan (www.peacecorps.gov/open). The agency will leverage its Open Government website to share data sets and reports with the public in an open format and link to open platforms for the discussion of malaria eradication strategies. End text box.



Youth in Development - 435 Volunteers (6 percent)

Volunteers in all sectors engage with youth to accomplish their project objectives. Approximately three-fourths of all the people with whom Volunteers work are young men and women below the age of 25. When participating in Volunteer activities, local youth are more than beneficiaries; they are partners in development. Volunteers utilize youth development approaches to support the life skills and leadership development of youth, building the skills and capacity of the next generation of local leaders and contributing to development outcomes in all sectors.

Youth in Development Volunteers work with young people, families, communities, and organizations to support healthy lifestyles, prepare youth for work, engage youth as active citizens, and build support structures. 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.

Notable Activities in Youth in Development:

- **Developing Young Leaders through Camp GLOW in the Dominican Republic:** The Girls Leading Our World (GLOW) program—an empowerment program designed specifically for young girls—has been so successful that nine young women leaders between ages of 16-20 have been appointed to a project advisory committee. Committee members take an active role with Volunteers in planning sub-regional, regional, and national GLOW events, as well as in working with a girls' group in their communities.
- **Teaching Critical Thinking Skills in Jordan:** Two Volunteers created a curriculum for teaching critical-thinking skills to Jordanian students. The six-day Brain Camp introduces students to studying and learning techniques and gives them a chance to practice through games and fun activities. The curriculum was presented as a 30-hour summer camp or a full semester after school club. In the last year, 30 Volunteers were trained and 18 camps were launched.

Begin text box: A Volunteer Vignette: At-Risk Youth Leadership Development in the Philippines

The kids I work with in the residential facility have all experienced abuse, neglect, and abandonment. They are extremely smart, talented, and eager to learn, but many of them lack the confidence and self-awareness to realize their potential. I wanted to give them an opportunity to learn that each of them can be a leader and that they have skills to offer others. So, in collaboration with another Volunteer and in consultation with the program manager, I developed a padayon camp (a camp that trains youth to be leaders) to build their skills and confidence.

The first day of the leadership training was a little challenging, but by the end, the participants were ready to design their camp for younger kids in the facility. They did so without much help from me or the other Volunteers. Their skills and confidence shined through the experience, and it felt great to see some of the shyest kids in the facility leading and directing groups of eight to 10 camp participants.

At the end of the training, they were already discussing their ideas on how to do it again in their own communities. They also expressed their desire to lead their own camps next summer with outside young people from the community.

Seeing the youth confident enough to want to lead others was a huge success. Individuals that grow up in residential facilities tend to be shy when it comes to relationships outside of the center. I was so proud of them for wanting to step out of their comfort zones and for realizing that each of them has something very valuable to offer to others. End text box.

Performance Highlights

The Peace Corps is engaged in a period of sweeping reform unlike any since the founding of the agency. The foundation of the agency's recent initiatives is the Comprehensive Agency Assessment (www.peacecorps.gov/open/evaluations), a study completed in 2010 that outlined a new vision, six strategies, and 63 recommendations focused on quality improvements to guide the Peace Corps over the next decade. The strategies of the assessment were integrated into the FY 2012 annual performance plan—the agency's performance management framework.

Performance Improvement

The agency's leadership has fully embraced and encouraged performance improvement. The Peace Corps' performance management framework involves leadership, staff, and Volunteers at all levels across the world. The Acting Director of the Peace Corps recently noted at an all-hands meeting, "Our performance plan is our commitment—to Congress, the White House, our host countries, and, ultimately, the American people—to support our host countries and our Volunteers in the most strategic and cost-effective way possible. It is our blueprint for reform."

The agency's performance management framework is a structure for planning, monitoring, and evaluating efforts to achieve its mission. The framework is rooted in the agency's FY 2009-2014 strategic plan and managed through quarterly performance reviews.

FY 2009-2014 Strategic Plan





In the strategic plan, performance goals define the *activities* that occur under the agency's five strategic goals (*strategy*) and are measured by performance indicators. Outcome goals define the short- to medium-term outcomes expected as the agency works toward achievement of the Peace Corps mission (*impact*). In sum, the agency's strategies lead to activities, activities to outcomes, and outcomes to impact. Through quarterly strategic plan performance reviews, agency leadership and managers review progress at the strategic (strategic goals) and activity (performance goals and indicators) levels.

FY 2012 Performance at a Glance

This section summarizes the agency's performance on its strategic and performance goals in FY 2012. The benefits to the American public of the agency's work under each strategic goal, as well as results and key accomplishments related to performance goals, are highlighted.

In FY 2012, nine of 14 performance goals were met. A goal is considered "met" if at least half of the performance indicators achieved their targets. Performance trends as well as plans and timelines to improve performance for unmet targets are included in the Performance Section. Detailed information on the results for all 40 indicators is also offered in the Performance Section.

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

Capacity building is at the core of the work of all Peace Corps Volunteers. 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 meet their skill needs.

Public Benefit: When Volunteers build host country capacity, local conditions are improved 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.

Performance Goal Summary

Performance Goal	Indicator Targets Met	Goal Met
1.1.1: Ensure the effectiveness of in-country programs	2 of 4	Yes
1.2.1: Ensure the effectiveness of in-country training	4 of 4	Yes
1.3.1: Increase the effectiveness of skills transfer to host country individuals, organizations, and communities	1 of 3	No

Key Accomplishments:

- **Building the capacity of local people:** Volunteers enhanced the capacity of host country individuals, communities, and organizations to meet their own needs by transferring their skills through training and working collaboratively. In the three Host Country Impact Studies completed in FY 2012, 93 percent of host country national respondents noted that the training provided by Volunteers enhanced their skills.
- **Standardization of Volunteer training through the Focus In/Train Up strategy:** Significant progress was made on the Focus In/Train Up strategy in FY 2012. The agency developed and fielded technical training packages for the Education, Community Economic Development, and Youth in Development sectors. The core training package for all Volunteers—which includes sessions on monitoring and evaluation, integrating into the community, and professionalism in service—was also launched. When all sector technical training packages are standardized (anticipated for FY 2013), the agency will be able to better evaluate the effectiveness of training to ensure Volunteers are prepared for service.
- **Improvement of Volunteer language-score data collection:** Proficiency in local languages is a necessary skill for Volunteers that helps them to integrate into their communities, work effectively, and enhance their safety and security. As a result, all Volunteers who learn languages during pre-service training must meet a certain level of proficiency to serve in their communities. In FY 2012, the agency worked with posts to ensure language scores were collected and stored properly. This improved compliance in the official recording of language scores; in FY 2012, 51 posts recorded language scores compared to 44 posts in FY 2011. Enhanced collection of language scores will provide the agency the information it needs to identify regions, countries, or languages where best practices or opportunities for improvement exist.
- **Prioritization of site selection and preparation:** Ensuring the appropriate selection and preparation of Volunteer sites has been a persistent challenge for the Peace Corps. In FY 2012, critical steps were taken to address this challenge. Informed by responses from Volunteers through the Annual Volunteer Survey, the agency demonstrated the priority it was placing on the improvement of site selection and preparation by including a new indicator in the agency's performance plan that tracks Volunteers' satisfaction with site selection and preparation. The agency is improving guidance to posts and working with Volunteers to set appropriate expectations for the site selection and preparation process.

Begin callout: Peace Corps ranks Number 2 among top 10 U.S. ethical employers according to 59,600 undergraduates as reported by Universum. Among information technology (IT) students, the Peace Corps ranked seventh in the top 20 federal agencies as ideal employers. End callout.

Begin text box: Focus In/Train Up: Maximizing Peace Corps' Impact through Highly Effective Projects and World-class Volunteer Training

The Focus In/Train Up strategy supports the Comprehensive Agency Assessment 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.”

At the core of the strategy is the reality that the majority of the agency’s Volunteers are recent college graduates with limited professional experience. Recognizing this, the Focus In/Train Up strategy drives the agency to identify a smaller set of technical interventions that can be effectively delivered by Volunteers. After projects are *focused in*, the agency develops world-class technical training programs to prepare Volunteers for service and equip Volunteers and staff with skills to monitor and evaluate their work. The agency measures results through standard indicators that will allow the Peace Corps to demonstrate its impact across projects and countries.

The implementation of Focus In/Train Up was a major area of activity in FY 2012. All three regions (Africa; Europe, Mediterranean, and Asia; and Inter-America and Pacific) engaged in major project reviews to *focus in* on effective interventions that meet local community needs. The global core training package, including sessions on monitoring and evaluation, was sent to the field for pilot studies. Standard indicators are in development for each sector. When complete, Volunteers will be able to better demonstrate their contribution to the development of their community. End text box.

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

Volunteers represent the people, cultures, values, and traditions of the United States in overseas communities that may never have directly interacted with Americans before. As Volunteers build local capacity through their work, they also develop deep friendships with local people. They model some of the finest characteristics of the American people: generosity of spirit, a strong work ethic, commitment to service, and a collaborative approach to problem-solving. Through their interactions with individuals and communities, they dispel myths about Americans, promoting a better and 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 partnerships with local people that endure long after their terms of service are completed.

Performance Goal Summary

Performance Goal	Indicator Targets Met	Goal Met
2.1.1: The work and life experiences of Volunteers in-country promote host country national learning about Americans	2 of 3	Yes

Key Accomplishments:

- **Promoting a better understanding of Americans on the part of local people:** In the three Host Country Impact Studies completed in FY 2012, 87 percent of participants reported more positive opinions of Americans as a result of their interactions with Volunteers. Volunteers shared the American culture with local people by setting up after-school clubs, showing photographs of their family and friends, celebrating U.S. holidays, playing traditionally American sports, and hosting meals with food from the United States. In addition, Volunteers worked to connect their local community with the American public through Peace Corps programs, such as the Peace Corps Partnership Program (<http://donate.peacecorps.gov>) and Coverdell World Wise Schools program (<http://wws.peacecorps.gov/wws>).
- **Three Host Country Impact Studies completed in FY 2012:** Host Country Impact Studies were completed in El Salvador, Ghana, and Paraguay, bringing the total number of studies conducted since FY 2008 to 24. Host Country Impact Studies are currently the agency's only independent source of impact information derived directly from the people with whom Volunteers work. Results from the Host Country Impact studies completed in FY 2012 suggest that the sustained day-to-day interactions of living and working side-by-side with Volunteers help to promote a better understanding of Americans on the part of local people.
- **New counterpart survey initiated:** In FY 2012, the agency initiated the development of an annual, worldwide survey of host country counterparts. The new counterpart survey will contribute to the Peace Corps' assessment of its impact, directly capturing the viewpoints of host country nationals on the effectiveness of Volunteers in skills transfer (Strategic Goal 1) and promoting a better understanding of Americans (Strategic Goal 2). When complete, the counterpart survey will include standardized questions that will be asked directly of counterparts during site visits and a dedicated database for the storage and reporting of counterpart data.

Begin callout: Fifty years ago, 65 percent of the people volunteering to join the Peace Corps were men and 35 percent were women. Today, 66 percent of Volunteers during the 2000s are women working worldwide in education, health, nutrition, small business, and agriculture. Late Peace Corps founder Sargent Shriver once Director of the Peace Corps expected women to serve when the Corps was first proposed, saying, "The women of our country have much to contribute to the peoples of other lands, and the Peace Corps will rely greatly upon their talents."

End callout.

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

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 the skills needed to work successfully in a globalized world, building a more competitive U.S. workforce. Americans also increase their interaction with overseas communities, contributing to peace and friendship between people in the United States and other countries.

Performance Goal Summary

Performance Goal	Indicator Targets Met	Goal Met
3.1.1: Volunteers share their in-country experiences with family, friends, and the American public	2 of 3	Yes
3.1.2: Increase returned Peace Corps Volunteers' cultural outreach to the American public through Peace Corps programs	1 of 2	Yes

Key Accomplishments:

- **Development of a Third Goal strategy:** The Comprehensive Agency Assessment recommended that the agency develop an agencywide strategy for achieving the Peace Corps' third core goal. In FY 2012, the agency underscored its commitment to this recommendation by establishing the Office of Third Goal and Returned Volunteer Services. The new office is now coordinating efforts by the agency, Volunteers, and returned Volunteers to promote a better understanding of other peoples on the part of Americans. The agencywide Third Goal strategy will be finalized in FY 2013.
- **Increased engagement with returned Volunteers to share their stories with the American public:** The agency reaches out to returned Volunteers to provide opportunities for them to bring the world back home, exposing Americans to new people and cultures. The number of returned Volunteers who share their Peace Corps experience with the American public through agency-initiated activities continues to exceed expectations each year. In FY 2012, more than 10,000 returned Volunteers participated in events throughout the country.
- **Leveraging technology to reach new audiences:** Currently serving Volunteers and returned Volunteers are increasingly taking advantage of new technology to share their experiences with family, friends, and the American public. In FY 2012, 74 percent of Volunteers reported sharing their experiences with family and friends through social media. Additionally, 54 percent utilized personal websites or blogs. The agency also offered Volunteers the opportunity to submit photos and stories related to their service to the Peace Corps Digital Library (<http://collection.peacecorps.gov/>). Current and returned Volunteers submitted 646 photos and stories in FY 2012. Notably, the agency held the Peace Corps AIDS-Free Generation Photo Contest to raise awareness of the HIV/AIDS prevention and care work that Volunteers do across the world. The winning submissions of the more than 500 photo entries from Volunteers and staff were displayed at the International AIDS Conference in Washington, D.C., in July 2012.

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

Service as a Volunteer is a challenging and rewarding experience—"the toughest job you'll ever love." Volunteers leave family and friends back home for two years, learn new customs and life skills, and work on pervasive development issues, often in challenging situations. Unique individuals who want to make a difference in the world are attracted to Peace Corps service and are committed to advancing the agency's mission and core goals.

The agency actively recruits individuals willing to make the sacrifices associated with Volunteer service who also have the skills to meet the needs of local communities. To ensure Volunteers represent the diversity of America, the agency actively encourages individuals from underrepresented groups across the United States to apply for Volunteer service. Volunteers are recruited, selected, and fielded when posts need them through the Volunteer Delivery System.

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

Performance Goal Summary

Performance Goal	Indicator Targets Met	Goal Met
4.1.1: Recruit Volunteers who balance the needed manpower and technical needs at post with the available applicant pool and its skills	2 of 2	Yes
4.1.2: Manage Volunteer recruitment functions in an effective and efficient manner	0 of 2	No
4.2.1: Recruitment and Volunteer placement efforts reflect the diversity of Americans	1 of 2	Yes

Key Accomplishments:

- **Launch of the new online Volunteer application:** The new Peace Corps application (www.peacecorps.gov/apply) went live on August 15, 2012—a major milestone in the ongoing Volunteer Delivery System (VDS) redesign project. The VDS redesign project was initiated in 2009 to modernize the business processes and technology utilized by the agency to request, recruit, and select Volunteers for Peace Corps service.

The implementation of the new application moves the agency from a paper-based process to an automated, electronic application processing system. The new technology will reduce paperwork, improve transparency with applicants, facilitate information exchange between posts and headquarters staff, and improve communication between the Peace Corps and applicants. The medical review and invitation processes have also been improved—reducing medical review costs for the majority of applicants and making it possible to extend invitations to applicants earlier in the process.

- **Progress in recruiting a diverse Volunteer corps:** In FY 2012, the agency prioritized the recruitment of individuals from underrepresented groups to ensure the Volunteer population accurately reflects the diversity of Americans. Applications from ethnic and racial minorities increased from 26 percent of all applications last year to 27 percent in FY 2012. The agency secured these gains in diversity recruitment by developing and maintaining relationships with minority-serving organizations such as Alpha Kappa Alpha Sorority Inc. and the Hispanic Association of Colleges and Universities.

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—both human and financial resources—is critical to enabling Volunteers to focus on their work and to ensure a safe and productive service for every Volunteer.

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.

Performance Goal Summary

Performance Goal	Indicator Targets Met	Goal Met
5.1.1: Enhance the safety and security of Volunteers	1 of 4	no
5.1.2: Provide quality medical and mental health services to trainees and Volunteers	1 of 3	no
5.2.1: Provide effective and responsive financial management that accurately reflects domestic and overseas operations	1 of 2	yes
5.2.2: Ensure the effective management of Peace Corps resources	2 of 3	yes
5.2.3: Ensure optimal performance of critical Peace Corps processes	0 of 1	no

Key Accomplishments:

- Key improvements in providing for the safety and security of Volunteers:** The agency continued to build on the gains made over the last two years to better support the unique safety and security needs of Volunteers. In FY 2011, the agency updated the safety and security training provided to Volunteers. New training sessions relate to personal security, sexual-assault awareness, reporting procedures, and bystander intervention. The majority of posts (92 percent) implemented all of the new training sessions this year.

The Peace Corps is developing a Sexual Assault Risk Reduction and Response program to reduce the risk of sexual assaults and ensure that Volunteers receive compassionate, timely, and comprehensive support should a sexual assault occur. Since April 2012, more than 350 overseas staff members have received training on the agency's sexual assault protocols and how staff can support Volunteer victims of sexual assault. The Peace Corps also formally established the Office of Victim Advocacy to provide support for Volunteers (both currently serving and returned) who are victims of serious crimes. Finally, the agency improved the support provided for medically evacuated Volunteers who are victims of sexual assault, stalking, or other serious crimes.

**Begin text box: Protecting and Supporting Volunteers through the
Kate Puzey Peace Corps Volunteer Protection Act of 2011**

The Kate Puzey Peace Corps Volunteer Protection Act was signed into law by President Obama on November 21, 2011. In part, the act codifies a number of the reforms the Peace Corps has put into place over recent years to better protect and support Volunteers, including the following:

- Developing the Office of Victim Advocacy, dedicated to making sure victims of crime receive the emotional, medical, legal, and other support they need during and after service
- Updating training for Volunteers and staff on sexual assault awareness, risk-reduction strategies, bystander intervention, and reporting and response procedures
- Creating an external body of experts in the field of sexual assault and returned Volunteers to provide advice on Peace Corps sexual assault risk reduction and response strategies
- Establishing procedures to ensure that allegations made by Volunteers are handled confidentially and appropriately

The new law ensures Peace Corps' systems designed to protect and support Volunteers remain at the core of agency operations now and into the future. The act is named in honor of Kate Puzey, a Peace Corps Volunteer who died while serving in Benin in 2009. End text box.

- **Continuation of the quality improvement program to strengthen medical and mental-health services provided to Volunteers:** Through the Health Care Quality Assurance Council, the agency is using data to identify opportunities and execute action plans to improve the medical and mental-health services provided to Volunteers. For example, the agency analyzed responses from the Annual Volunteer Survey to identify the posts where Volunteers were least satisfied with the medical care provided by Peace Corps medical officers. By comparing the responses to other data, the agency uncovered a connection between low Volunteer satisfaction and high medical staff turnover. As a result, the agency is focusing attention on improving retention of medical staff to increase the stability of medical care provided to Volunteers.
- **Graduated five Peace Corps countries based on performance information derived from the Country Portfolio Review:** The second annual Country Portfolio Review was completed in FY 2012, and the agency has commenced work for the review in FY 2013. Through the annual Country Portfolio Review, the agency utilizes external and internal data to inform decisions on the size and reach of the Volunteer population around the world, including country entries and exits. Through the reviews completed in FY 2011 and FY 2012 the agency identified opportunities to graduate programs in countries that had reached a relatively higher state of development than other countries in its overall portfolio. The review informed the agency's decisions to graduate (close) programs in Bulgaria, Romania, Cape Verde, Antigua/Barbuda, and St. Kitts/Nevis in FY 2013. Decisions to graduate these programs allow the agency to focus more resources on areas of the world with greater need and where Volunteers can have the greatest impact.

Looking Forward

Throughout its history, the Peace Corps has adapted and responded to emerging issues, while remaining focused on its mission and core goals. The agency regularly reviews and modifies its operations to proactively address the changing conditions in which Volunteers operate through innovative and new approaches. The agency utilizes its performance management framework to sustain the gains it has made to build a stronger Peace Corps that is well-equipped to respond to the challenges of the 21st century.

Safety and Security of Volunteers

The economic, political, and environmental conditions in many of the countries where the Peace Corps operates can be fragile. Improving local conditions through development is central to the agency's mission and as Volunteers work to achieve that mission, they often serve in communities where the potential for crime or conflict exists.

The safety and security of Volunteers is the agency's highest priority. Volunteers commit themselves to serving their communities; in turn, the agency is committed to maximizing Volunteers' well-being, allowing them to focus on their assignments and ensuring that they return home safely. A safe and productive service for every Volunteer is central to Peace Corps' ongoing success.

Peace Corps' approach to Volunteer safety and security is multi-faceted. Responsibility is shared among staff, Volunteers, and local communities. The agency ensures the safety and security of Volunteers through prevention and response strategies, including conducting thorough site development and monitoring; providing in-depth Volunteer training; regularly reviewing and improving safety and security systems; implementing effective incident response and emergency action procedures; collecting and reporting incident data in a timely fashion; and maintaining an active awareness of the local security environment.

As local security environments continue to evolve, the agency will work closely with embassy staff and the governments of host countries to identify threats to Volunteers and respond appropriately. As situations change, the agency will adjust its safety and security strategies to best protect its Volunteers.

The agency has taken decisive action in a number of instances to aggressively and quickly respond to changing security circumstances. For example, despite the high need in the Sahel region of Africa for the services provided by Volunteers, programs have been closed (Mauritania) and suspended (Mali and Niger) in recent years due to political instability and a deteriorating environment for development workers. In FY 2012, operations in the Northern Triangle of Central America (El Salvador, Guatemala, and Honduras) were realigned as a result of an increasingly insecure environment indicated by crime incident data and feedback from Volunteers in the area. Other organizations in the area followed Peace Corps' lead in reconsidering their safety and security systems, particularly in Honduras. Volunteer activities are currently suspended in Honduras, and the agency has implemented measures in El Salvador and Guatemala to help reduce the risk for crime for Volunteers, including: requiring Volunteers to live with host families for their full term of service; creating regional offices; appointing regional Volunteer leaders; and providing Volunteers with safer modes of transportation.

With the passage of the Kate Puzey Peace Corps Volunteer Protection Act of 2011, a number of the reforms the Peace Corps has put into place over recent years to better protect and support Volunteers have been codified into law. Continuing to implement the law will be a primary focus for the agency in the coming years.

Changing Conditions in Host Countries

Volunteer projects are reviewed regularly by the agency and host country partners in order to address changing local needs within the context of evolving local and global trends.

Increasingly the Peace Corps is addressing food insecurity, a critical global concern. The increased need for basic resources, resulting from the pressures of an expanding world population and climate change, is and will remain a major development challenge. The impoverished individuals and communities that rely on the land through rain-fed agriculture, herding, and other subsistence activities are particularly affected by a changing environment. As a result of diminished agricultural productivity, communities face poverty, hunger, and malnutrition, which exacerbate other development issues, including poor health, low education, and urban migration.

Volunteer activities in support of increased food security are expanding to address this critical development challenge. Across the world, Volunteers are promoting sustainable methods for local people to increase agricultural productivity, address water shortages, and feed their families. In support of the President's Feed the Future initiative (www.feedthefuture.gov) and in partnership with the U. S. Agency for International Development, the Peace Corps will equip more than 1,000 Volunteers to address food security needs across the world and properly support, monitor, and evaluate their contributions to this initiative.

The new program in Nepal is a prime example of the agency's work to increase food security in vulnerable populations. In collaboration with the President's Feed the Future initiative and the U.S. Agency for International Development, food security Volunteers in Nepal will target the needs of the most marginalized groups in the country, including rural women and children, religious and ethnic minorities, and members of lower castes, to improve food security.

Competition for Talented Americans

The Peace Corps is a premier service opportunity for Americans who want to make a difference in the world—attracting the best and the brightest to serve in challenging conditions to introduce tangible and sustainable improvements in lives of those with whom they live and work and to promote mutual understanding around the world. In return, Volunteers gain skills and experiences that enrich their lives by increasing their competitiveness in the global marketplace and providing them with lifelong friendships both with other Volunteers and with local counterparts, beneficiaries, and host families. With over 210,000 individuals having served as Volunteers since 1961, many Americans have a relative, teacher, doctor, or friend who served. A significant number of international development and foreign policy specialists received their initial overseas training in the field as Peace Corps Volunteers.

The application process to become a Volunteer is competitive. The agency aggressively recruits Volunteers who have the skills, experience, and maturity to successfully meet the skill needs of local communities.

While the Peace Corps remains a top service choice, international and domestic service opportunities have expanded considerably in recent years, increasing the competition for talented Americans. Service-minded individuals now have several alternatives from which to choose, including those requiring a shorter time commitment. The challenge is most acute in recruiting individuals with highly technical skills and multiple years

of work experience. The two-year time commitment, limited financial benefits, and challenging living conditions of Peace Corps service can make other volunteer and employment opportunities more attractive to some.

The agency will continue to address this challenge by promoting the unique benefits of Peace Corps service to targeted groups and experimenting with the service delivery model to make the agency more competitive.

The Peace Corps Response (PCR) program is one example of agency innovation. The PCR program (www.peacecorps.gov/response) offers seasoned professionals the opportunity to undertake short-term, high-impact assignments in various programs around the world. Positions average six months in length and are designed to address development needs as identified by the host country. While PCR historically was only available to eligible returned Volunteers, in FY 2012, the agency piloted an expansion of the program to all Americans with at least 10 years of work experience. This change in the PCR program will make the agency a more competitive option for experienced Americans interested in Peace Corps service.

Begin callout: Life in the Peace Corps will not be easy. There will be no salary and allowances will be at a level sufficient only to maintain health and meet basic needs. Men and women will be expected to work and live alongside the nationals of the country in which they are stationed—doing the same work, eating the same food, talking the same language. But if the life will not be easy, it will be rich and satisfying. For every young American who participates in the Peace Corps—who works in a foreign land—will know that he or she is sharing in the great common task of bringing to man that decent way of life which is the foundation of freedom and a condition of peace.

—President John F. Kennedy End callout.

Demonstrating Impact

Every day, Volunteers improve the lives of local people and promote peace and friendship between America and host communities. The positive impact of Volunteers can be seen by visiting any Volunteer site. However, demonstrating the aggregate impact of Volunteers over the years has been challenging, particularly in the complex social and economic environments where Volunteers live and work. Large-scale data collection is complicated and costly, and baseline data is rarely collected due, in part, to resource constraints.

Demonstrating the impact of the work of Volunteers has gained significant momentum over the last few years. The agency is strengthening its monitoring and evaluation (M&E) systems to improve Volunteer programs and better articulate the value of the Peace Corps to our overseas partners and the American public. Considerable progress in building an M&E culture was made in FY 2012, and several improvements are planned for future years. Through the Focus In/Train Up strategy, for example, Volunteers will be reporting on standard sector indicators beginning in FY 2013, and the results will be aggregated in summary reports on the activities of Volunteers worldwide.

A new agencywide evaluation framework that will guide the agency's evaluation work will be completed in FY 2013. The framework codifies the agency's current best practices and adds new elements to set the direction for the

future. The framework successfully connects the evaluation work being conducted in disparate offices throughout the agency into one coherent system with a clear delineation of the roles and responsibilities of both headquarters offices and overseas posts. Host Country Impact Studies—which provide impact information directly from host country counterparts and beneficiaries on previous Volunteer work—will continue to be a critical component of agency efforts to demonstrate impact. A new counterpart survey will be piloted in FY 2013 to directly collect viewpoints from the local partners with whom Volunteers work. Baseline data collection has also been included in the new country entry guidance.

These planned activities to strengthen M&E are supported by the agency's existing structures for data-driven decision making. The agency holds quarterly performance review sessions to monitor progress on agency goals, identify opportunities for improvement, and share best practices. The Annual Volunteer Survey provides rich information on Volunteer satisfaction and perceptions, and the agency analyzes results to improve operations. The annual Country Portfolio Review also includes impact data and informs the countries where Volunteers serve.

Redevelopment of Legacy Technologies

As the Peace Corps builds on its performance management culture, there has never been more demand for high-quality data to inform decision making. At the same time, the agency currently maintains several legacy applications to manage information at headquarters and overseas posts that do not fully meet the evolving needs of the Peace Corps. Notably, the agency does not have a centralized data warehouse to store and report on critical current and historical programmatic data, reducing its utility to key decision makers. Additionally, as a small federal agency, the Peace Corps does not always benefit from economies of scale in the procurement of major technologies, and new acquisitions take up a disproportionate share of the budget.

The maintenance of aging systems will be a challenge in the future, and the agency is working to modernize both its core systems and reporting applications. The agency is moving increasingly toward externally hosted solutions, common platforms for core systems, and open-source software to retire legacy systems and support the evolving data needs of the agency. The redesign and modernization of the Volunteer Reporting Tool is one major agency effort to modernize a core system. Work on the project commenced in FY 2012 and will be completed by FY 2014. The redesigned reporting tool will run on a common platform, provide centralized storage for Volunteer project data, and allow for more standardized reporting on Volunteer activities. These enhancements will save significant time in report preparation on the part of Volunteers and staff and will improve the accuracy of information on the activities of Volunteers.

Collaboration with Other Government Agencies and Strategic Partners

The Peace Corps collaborates with other U.S. government agencies and strategic partners to promote shared development efforts and enhance the impact of Volunteers. Notably, the agency has worked closely with the President's Emergency Plan for AIDS Relief (PEPFAR), the U.S. Agency for International Development in support of Feed the Future, and various international nongovernmental organizations. Through these strategic partnerships, the Peace Corps leverages training and programmatic resources and Volunteers expand the reach of partners' development efforts to the local level. As the development community continues to engage strategic partners to address difficult development challenges, the agency will continue to search out mutually beneficial relationships with a broad range of development actors.

Collaboration with strategic partners in development is a key opportunity for the agency moving forward—helping to leverage the taxpayers' dollars to achieve the greatest impact. At the same time, maintaining the agency's independence in shared development endeavors remains critical. While collaborating closely with others to achieve the Peace Corps mission, the agency will maintain its independence to ensure that its unique people-to-people approach to development flourishes.

**Begin text box: Global Health Service Partnership: Boosting Training
for Health Professionals in Host Countries**

The Peace Corps, the President's Emergency Plan for AIDS Relief (PEPFAR), and the Global Health Service Corps launched the Global Health Service Partnership, a public-private partnership to place nurses, physicians, and other health professionals as adjunct faculty in medical and nursing schools in host countries.

This partnership will build capacity in host country medical and nursing education programs to address health professional shortages. Under the new partnership, American medical professionals will serve one-year terms as Peace Corps Response Volunteers. Volunteers will primarily function as medical or nursing educators, working alongside local faculty counterparts to teach and transfer clinical skills. Volunteers will also participate in direct medical care in the process of educating and mentoring local students and practitioners.

The first Volunteers are expected to begin service in FY 2013. End text box.

Development of the FY 2015-2018 Strategic Plan

The development of the agency's strategic plan for FY 2015-2018 represents a major opportunity to set the agency's performance improvement agenda for the next several years. The development of the new plan commenced this year, and the agency will engage the Peace Corps community (headquarters and overseas staff, Volunteers, constituency groups, returned Volunteers, and partners), the White House, Congress, and the public at large in discussions over the agency's future strategic direction. The new plan will fully comply with the GPRA Modernization Act of 2010 (GPRA-MA) and will be finalized in February 2014.

The Peace Corps is actively involved in a variety of forums to discuss implementation of GPRA-MA and share best practices, including the Performance Improvement Council and the Small Agency Council's Performance Improvement Committee. The agency will continue to work closely with the Office of Management and Budget (OMB) and the broader performance management community to discuss how best to advance implementation of GPRA-MA.

Begin callout:To learn more about the Peace Corps, please visit our website: www.peacecorps.gov. End callout.

Analysis of Financial Statements

Overview of Financial Position

The financial statements reflect the agency's efforts toward fulfillment of its mission to provide world peace and friendship. This summary provides the agency's financial position and the result of its operations. Complete financial statements and notes are included in the Financial Section of this report.

Evidence of Peace Corps' financial management capacity is shown by receipt of an unqualified (clean) audit opinion on the FY 2012 financial statements—the sixth consecutive year it has earned a clean audit opinion.

The agency receives most of its funding from government funds administered by the U.S. Department of Treasury and appropriated by Congress. In FY 2012, the Congressional appropriation totaled \$375 million; in FY 2011, it was \$374.3 million. The relatively constant appropriated funding level between the two fiscal years has improved the execution stream despite the reduction from the \$400 million appropriated funding in FY 2010. The Budgetary Resources were \$453 million for FY 2012 and \$452 million for FY 2011. Budgetary Resources consist of the Unobligated Balance of Available Appropriated Funds from prior fiscal years and the Spending Authority from Offsetting Collections (primarily the reimbursable work to be performed by the agency on behalf of other federal agencies such as U.S. Agency for International Development and its almost \$15 million for the nation's Feed the Future, Global Education, and other initiatives).

The agency has two years in which to obligate appropriated funds and another five years in which to complete the payout process for those funds. The agency continues to operate as one program. Studies are underway, though, to assess the feasibility of more closely linking performance and budgeting if proven to be cost effective.



A photo of an Environment Volunteer working with her colleagues on a forestry project in Nicaragua.

To make the agency's financial position more transparent, a summary of the major financial activities in FY 2012 and FY 2011 is shown in the following table:

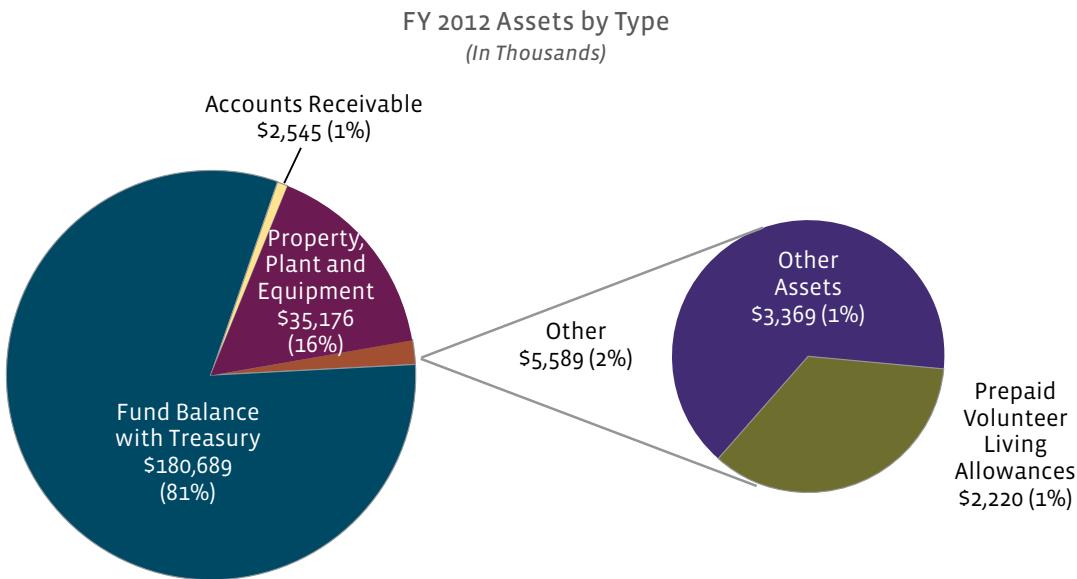
Summary of Financial Activities (In Thousands)		
	FY 2012	FY 2011
Fund Balance with Treasury	\$ 180,689	\$ 175,205
Accounts Receivable	2,545	1,408
Property, Plant and Equipment	35,176	43,888
Prepaid Volunteer Living Allowances	2,220	3,106
Other Assets	3,369	2,835
Total Assets	\$ 223,999	\$ 226,442
Accounts Payable	12,103	10,028
Employee Benefits	139,531	133,121
Unfunded FECA Liability	30,558	30,737
Unfunded Annual Leave	9,415	9,136
Other Employment Related	10,422	18,359
Non-Entity Funds	55,739	53,904
Other Liabilities	1,249	1,555
Total Liabilities	\$ 259,017	\$ 256,840
Unexpended Appropriations	103,531	97,955
Cumulative Results of Operations	(138,549)	(128,353)
Total Net Position	\$ (35,018)	\$ (30,398)
Total Liabilities and Net Position	\$ 223,999	\$ 226,442
Net Cost of Operations	\$ 385,700	\$ 390,260
Budgetary Resources	\$ 453,061	\$ 451,679

Analysis of Financial Results

Assets. Assets are the amount of current and future economic benefits owned or managed by the Peace Corps to achieve its mission. As of September 30, 2012, the total assets were \$224 million on the Balance Sheet. Eighty-one percent of these assets were in the Fund Balance with Treasury and 16 percent of the assets were in Property, Plant, and Equipment (PP&E). The overall decrease of \$2.4 million when compared to the FY 2011 total assets of \$226.4 million was primarily due to changes in PP&E.

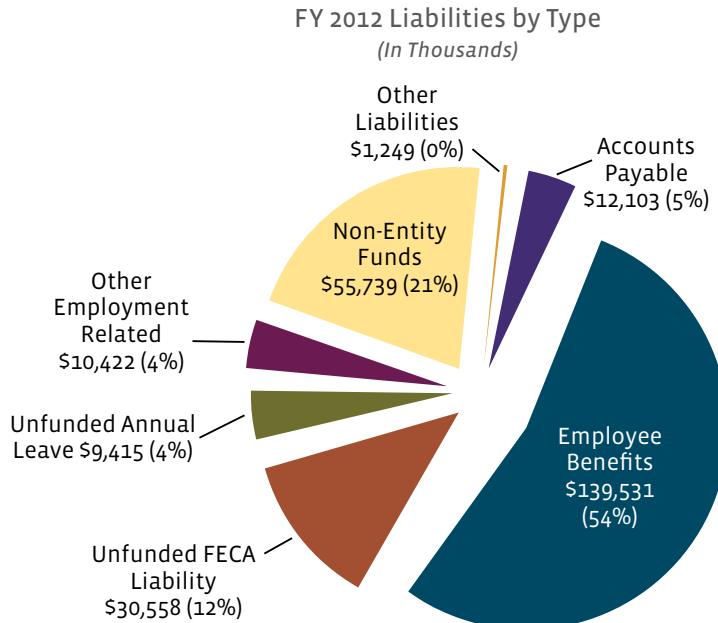
PP&E decreased by \$8.7 million from \$43.9 million in FY 2011 to \$35.2 million in FY 2012 due to an adjustment in Construction in Progress when the headquarters building renovation (begun in FY 2011) was completed and capitalized as Leasehold Improvements. Other PP&E changes included a \$4.0 million decrease in the Net Book Value of other capitalized assets. Offsetting the \$8.7 million PP&E decreases was a \$5.5 million increase in the Fund Balance with Treasury due to a lower rate of cash paid out for costs incurred and a \$1.8 million increase in the Non-Entity funds for Personal Services Contractor Separation costs.

Agency assets by type are shown in the chart below:



Liabilities. Liabilities are the amounts owed by the Peace Corps. Total liabilities of \$259 million were shown on the Balance Sheet as of September 30, 2012. This is an increase of \$2.2 million from \$256.8 million in FY 2011. The \$6.4 million increase in Employee Benefits was due to Federal Employees Compensation Act (FECA) actuarial liability calculated by the Department of Labor and a \$2.1 million increase in Accounts Payable. These increases were offset by a \$7.9 million reduction in unfunded severance for Personal Services Contractors and lower payroll expenses and leave accrual due to reductions in the number of Volunteers.

Liabilities by type are shown in the chart below:



Net Position. Net Position consists of undelivered orders, unobligated balance of funding, and the Cumulative Results of Operations. The agency's Net Position increased by \$4.6 million from FY 2011 at \$30.4 million to \$35 million in FY 2012.

Net Cost – Results of Operations. The Net Cost of Operations decreased from \$390.3 million in FY 2011 to \$385.7 million in FY 2012. The \$4.6 million decrease is primarily due to lower Volunteer support costs offset by an increase in revenues earned from reimbursable activity.

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 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.



A photo of a Health Volunteer teaching an HIV/AIDS education seminar to a senior support group in Botswana.

Analysis of Systems, Controls, and Legal Compliance

Management Assurances

This section provides information on the Peace Corps' compliance with the Federal Managers' Financial Integrity Act of 1982 (Public Law 97-255) and OMB Circular A-123, Management's Responsibility for Internal Control, and assesses the financial management systems strategy.

Federal Managers' Financial Integrity Act

The Federal Managers' Financial Integrity Act of 1982 (FMFIA) mandates that agencies establish internal control to provide reasonable assurance that the agency complies with applicable laws and regulations; safeguards assets (funds, property, and other assets) against waste, loss, unauthorized use, or misappropriation; and properly accounts for and records revenues and expenditures to permit the preparation of accounts and reliable financial and statistical reports and to maintain accountability over the assets. FMFIA requires agencies 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 Integrity Act requires the agency head to evaluate and report annually in an assurance statement on the adequacy of internal controls (Section 2) and on conformance of financial systems with governmentwide standards (Section 4) shown below in the FY 2012 Annual FMFIA Assurance Statement.

Other Internal Control Guidance

OMB Circular A-123, introduced above, implements the FMFIA and further defines management's responsibility for internal control in federal agencies. OMB Circular A-127, Financial Management Systems, prescribes policies and standards to follow in managing financial management systems. These internal control guidance documents joined by the Peace Corps Manual Section 784, Internal Control System, govern the internal control program for the agency.

Internal Control Program

The Peace Corps achieved its sixth consecutive unqualified (clean) audit opinion during the FY 2012 annual financial statement audit. No material weaknesses or instances of noncompliance with laws and regulations were identified. Internal controls are the organization, policies and procedures that help program and financial managers achieve results and safeguard the integrity of their programs. Peace Corps managers are responsible for designing and implementing effective internal controls in their areas. Monitoring the effectiveness of internal control should occur in the normal course of conducting business over each year. Department and office heads across the agency prepared assessments of risk earlier this fiscal year that did not identify any material weaknesses. However, the risk assessments identified weaknesses of less severity than material weaknesses, which will be monitored and managed within the agency. Department and office heads also prepared annual management assurance statements as of September 30, 2012, attesting to the adequacy of internal controls and, again, did not identify any material weaknesses. These assessments are also based on internal control activities including self assessments, senior leadership meetings, observation of daily operations, audits of financial statements, Inspector General audits, reports, reviews, investigations, and evaluations. The two significant deficiencies and audit recommendations from the FY 2011 financial statement audit were monitored through the agency's corrective

action plan and during periodic Senior Assessment Team meetings throughout the fiscal year. The Senior Assessment Team is led by the chief financial officer and includes members of agency top management.

Marking historical points, no new material weaknesses have been identified for the past seven years. Further, all material weaknesses previously reported to OMB and Congress were resolved during FY 2007.

Begin callout: Peace Corps Volunteers in Madagascar and Rwanda are working to reduce the impact of deforestation by introducing green charcoal into local communities. This environmentally safe method of charcoal production is a sustainable alternative to wood charcoal and can generate income for local families and organizations. Green charcoal briquettes are created using a combination of biomass materials such as agricultural waste, leaves, grass, and sawdust. End callout.

Financial Management Systems Strategy

The Peace Corps continues to maintain operational efficiencies in the agency's globally deployed multi-currency financial system, Odyssey, through incremental enhancements and application extensions that increase labor efficiencies and performance and maintain data integrity. The software product upgrade to Odyssey will be completed by January 2013, further improving financial and budget management agencywide and providing enhanced technical support for the budgeting, projects, financials, procurement, cashiering, human resources and payroll processes handled by the system. The Odyssey upgrade is also necessary to prepare for the Treasury's Governmentwide Treasury Account Symbol Adjusted Trial Balance System reporting requirements scheduled to begin in FY 2014.

The agency's property accountability system was deployed worldwide in late FY 2011. Due to continuing tracking and reporting property challenges, the agency is evaluating whether to integrate the existing system with the Odyssey Fixed Asset module or procure and implement an alternative property accountability system in FY 2013 or FY 2014.

A new personal services contractor application was completed in FY 2012 and worldwide deployment is planned in FY 2013 which allows posts to enter contractor data at the local level, automatically computing payroll elements and eliminating error-prone manual re-entry at headquarters. This application will allow online approval at headquarters, improving the efficiency and transparency of the contractor payment process.

Further, the agency will be procuring and deploying an agencywide commercial time keeping system much like that of the U.S. Agency for International Development which will be integrated with Odyssey expanding and automating the agency's ability to track, monitor, and capture the cost of capital projects.

Finally, studies are currently underway to assess the feasibility of more closely linking performance and budgeting through cost allocation if proven to be cost effective. Accurate correlation of actual costs with applied overhead to the strategic goals and outputs remains unachievable without capturing significantly more granular direct costs and implementing indirect cost allocation models within the financial system for cost-stratification purposes.

The management assurance statement that follows is consistent with the FY 2012 audit report.

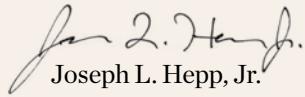
FY 2012 Annual FMFIA Assurance Statement

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 reasonable assurance for FY 2012 that its internal control over the effectiveness and efficiency of operations, financial reporting, and compliance with applicable laws and regulations was operating effectively and no material weaknesses were found in the design or operation of the internal controls.

The Peace Corps conducted its assessment of whether the financial management systems conform to governmentwide financial systems requirements in accordance with FMFIA Section 4. Based on this assessment, the Peace Corps can provide reasonable assurance that its financial management systems are in compliance with the applicable provisions of FMFIA Section 4 and OMB Circular A-127 for FY 2012.



Carolyn Hessler-Radelet, Acting Director
November 15, 2012



Joseph L. Hepp, Jr.
Chief Financial Officer
November 15, 2012

PERFORMANCE SECTION

<u>Corps de la Paix</u>	
re Commune:	
<p>lorer les rôles interdépendants des travailleurs dans une communauté, le travail qu'ils accomplissent et comment fonctionnent les Communautés.</p> <p>5 Activités dans ce programme.</p>	
Activités	Objectifs
<p>Comment fonctionne une Communauté ?</p> <p>Etudiants développent une conscience sur la diversité des gens, et de ce qui ensemble un travail communautaire.</p> <p>boulangerie « les Délices » utilisent des méthodes de production différentes pour simuler la production d'une boulangerie.</p> <p>Role du Gouvernement: Etudiants abordent le rôle politique du gouvernement dans une communauté, en tenant le services que le gouvernement accorde aux gens.</p> <p>Une Nouvelle Entreprise: Etudiants déterminent le message pour un magasin.</p>	<ul style="list-style-type: none"> Identifier les divers emplois dans la Communauté. Reconnaitre la façon dont les gens vivent et travaillent dans la communauté. Prendre Conscience d'un grand éventail de possibilités d'emplois <ul style="list-style-type: none"> Définir la production Comparer des méthodes d'unité de production et de la ligne d'assemblage. Expliquer les différentes stratégies utilisées pour avoir des produits différents. <ul style="list-style-type: none"> Reconnaitre les emplois du gouvernement dans la Communauté. Comprendre pourquoi la fiscalité est nécessaire. <ul style="list-style-type: none"> Définir des choix Utiliser un modèle décisionnel. Reconnaitre la nécessité de prendre des décisions



A photo of a Community Economic Development Volunteer works on an environmental education project with youth in Senegal.

Introduction to Agency Performance

The performance section presents the agency's progress on the five strategic goals, 14 performance goals, and 40 performance indicators outlined in the agency's FY 2012 annual performance plan.

This is the fourth year of agency operations under the Peace Corps FY 2009-2014 strategic plan.

The development of the FY 2012 annual performance plan offered the agency an opportunity to assess agency performance during the first three years of operations under the strategic plan and recalibrate the performance plan to reflect evolving agency priorities and set more ambitious performance targets. The FY 2012 annual performance plan is the result of a highly participatory process through which the agency has reaffirmed its commitment to performance improvement. The strategic plan and performance plan can be found at www.peacecorps.gov/open.

This 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 measures 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 also included.

The FY 2012 annual performance plan includes several new and revised indicators. As a result, trend data that compares performance targets to results over the past five years are not available for all indicators. Prior year trend data are provided when available, and baseline data are offered in cases where prior indicator results are not available and data from other, similar measures exist. Trend information indicates improvement, maintaining performance, or declining performance from the previous year.

Performance Management

The agency is strongly committed to performance improvement through the use of high-quality data. The Peace Corps' deputy director serves as the chief operating officer and oversees the agency's performance management efforts. The Office of Strategic Information, Research, and Planning (OSIRP) is responsible for performance planning and reporting and works closely with offices across the agency to collect and analyze data to improve agency operations. The director of OSIRP serves as the performance improvement officer for the agency. The agency actively participates in the federal government's Performance Improvement Council and 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.** Review sessions are chaired by the agency's chief operating officer and facilitated by the performance improvement officer. Senior management from across the agency review performance data at the end of each quarter to share best practices and develop strategies to meet performance targets when areas for improvement are identified.
- **Integrated Planning and Budget System (IPBS).** Through the IPBS, headquarters offices and posts develop strategic and operational plans to ensure 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.

- **Country Portfolio Review.** Each year, the agency conducts a comprehensive review of active 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 2012 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, which include operational definitions, data sources, and a comprehensive methodology for measuring each performance indicator. Independent reviews of the performance data submitted by headquarters offices and posts ensure the data are complete and accurate. The major data sources are detailed below.

Annual Volunteer Survey

The Annual Volunteer Survey (AVS) is a voluntary survey that provides direct feedback from the Volunteers regarding agency activities. In FY 2012, 87 percent of Volunteers completed and submitted the AVS—the highest response rate in the history of the survey. The consistently high response rate from Volunteers ensures that the responses obtained reliably represent all Volunteers.

The demographic profile of the survey respondents is compared to all Volunteers in service to confirm that the respondents are representative of the Volunteer population as a whole. In FY 2012, the AVS respondents were appropriately representative of the Volunteers. Responses to AVS questions are entered by the Volunteers themselves and housed in an external, electronic survey database. Faulty data are cleaned prior to analysis and constitute only a small percentage of the overall responses. Analyzed data are used to inform agency management about the Volunteers' perspectives on key issues. The high response rate from Volunteers and the verification and validation measures ensure the high level of AVS data accuracy needed for its intended use.

The AVS reflects the viewpoint of Volunteers and can often be influenced by external events. The agency carefully analyzes any variation in AVS results; however, nominal percentage point movements may not be meaningful or significant. In analyzing AVS results, the agency is mindful to look at 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 members 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 is 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. Where data limitations do exist, largely due to data entry compliance in isolated systems, they are noted in the appropriate indicator section.

Overseas Posts

Overseas posts submit data for performance indicators through an online survey at the end of the fiscal year. Country directors or program managers from all overseas posts responded to the survey in FY 2012, thus providing valid representative 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. The survey gathers the activities of overseas posts. As all posts responded to the survey in FY 2012 and high data quality was established, the required level of accuracy was met.

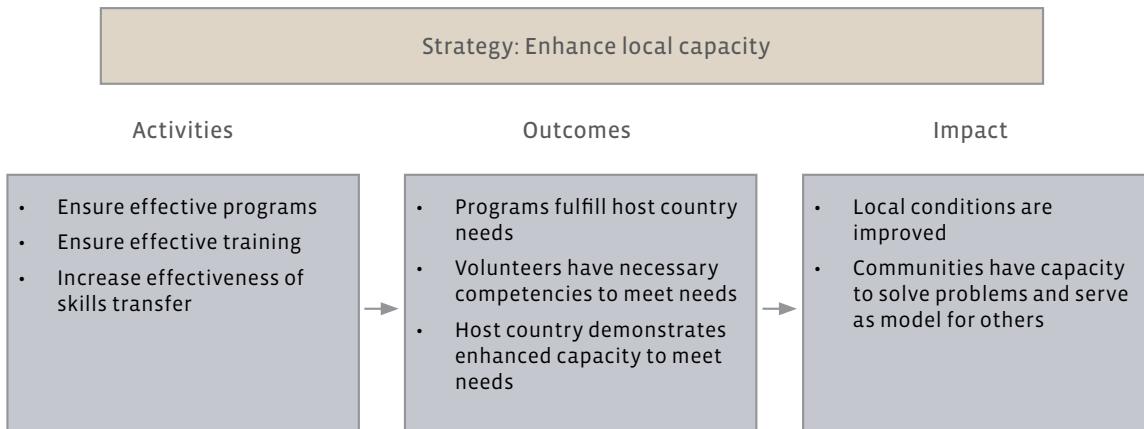


Photo of an Education Volunteer teaching students healthy habits through outdoor exercise in Togo.

Annual Performance Results

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

Performance Management Framework



The Peace Corps facilitates Volunteers' capacity-building efforts by partnering with host country communities and organizations to develop programs that respond to local needs, training Volunteers in the skills they need to be successful, and maintaining a focus on skills transfer to local people. Implementing the Focus In/Train Up strategy—an agencywide effort to focus on highly effective interventions and provide Volunteers with world-class training—was a major priority this year to improve performance on this goal.

The agency was successful in enhancing local capacity in FY 2012. Seven of 11 performance targets were met, and eight indicators either improved or maintained the level of performance from last year.

Begin callout: Through the President's Emergency Plan for AIDS Relief (PEPFAR), implementing agencies—including the U.S. Agency for International Development, the Centers for Disease Control and Prevention, the Department of Defense, and the Peace Corps—are working closely to reach millions across the globe. Secretary of State Hillary Rodham Clinton announced the United States goal of creating an AIDS-free generation, which President Barack Obama echoed on World AIDS Day 2011 with his commitment to expand treatment to 6 million people globally by the end of 2013. End callout.

PERFORMANCE SECTION

Performance Goal Results

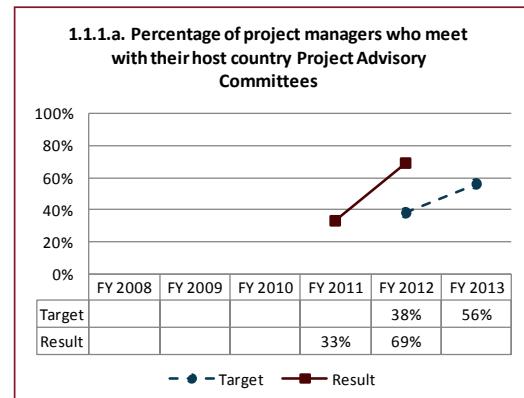
Performance Goals	Performance Indicators	FY 2012 Target	FY 2012 Result	Target Met	Trend
1.1.1: Ensure the effectiveness of in-country programs	1.1.1.a. Percentage of project managers who meet with their host country Project Advisory Committees	38%	69%	Yes	Improving
	1.1.1.b. Percentage of posts that provide annual progress reports to their host country agency sponsors and partners for all of their projects	95%	83%	No	Declining
	1.1.1.c. Percentage of projected length of service actually served by Volunteers	85%	88%	Yes	Improving
	1.1.1.d. Percentage of Volunteers who report their satisfaction with site selection and preparation as adequate or better	76%	72%	No	Improving
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	86%	89%	Yes	Improving
	1.2.1.b. Percentage of Volunteers who report training as adequate or better in preparing them technically for service	82%	82%	Yes	Improving
	1.2.1.c. Percentage of Volunteers who report training as adequate or better in preparing them to work with their counterparts/community partners	80%	82%	Yes	Improving
	1.2.1.d. Percentage of posts that provide monitoring and evaluation training to their Volunteers	85%	91%	Yes	Maintaining
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	85%	87%	Yes	Improving
	1.3.1.b. Percentage of projects documenting measurable impact in building the capacity of host country nationals	85%	83%	No	Declining
	1.3.1.c. Percentage of partner organizations at post that report their assigned Volunteer fulfilled their requested need for technical assistance	70%	63%	No	Declining

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 2012 Target	FY 2012 Result	Target Met	Trend
38%	69%	Yes	Improving

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.* In FY 2012, the agency held PAC meetings for 130 out of 188 projects (69 percent). This measure ensures local partners are continuously consulted throughout the cycle of a project—from design to implementation to evaluation. The use of PACs was identified as a best practice by certain posts and by including this indicator in the annual performance plan for the first time, the agency is now actively promoting their use worldwide.

In FY 2012, improvement was achieved by providing additional resources to posts to hold PAC meetings, particularly in the Africa region. Additionally, the Inter-America and Pacific region distributed guidance to posts on how to appropriately budget for PAC meetings.

While all projects were developed in collaboration with host country stakeholders, the continuous monitoring and evaluation of existing projects by host country partners through PAC meetings did not occur for all projects. Several posts that did not conduct PAC meetings in FY 2012 will be hosting them next year after full implementation of Focus In/Train Up.

Strengthening Future Performance: The agency will continue to provide encouragement and guidance to all overseas posts and share best practices among countries for operating PACs. Additionally, this is a new indicator and performance in FY 2012 was higher than expected. The target for FY 2013 will be five percentage points higher than the average of the FY 2011 and FY 2012 results to encourage continued high performance.

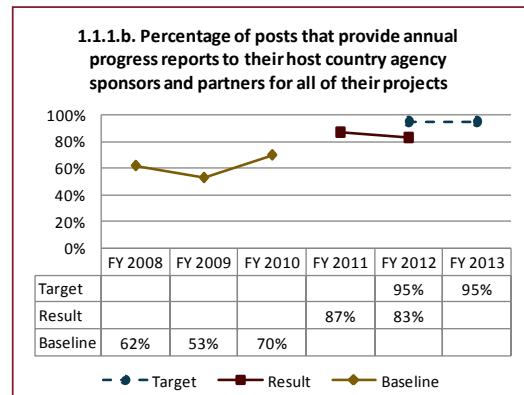
Data Source: Overseas posts data call

Begin callout. The agency's first global strategic partnership with a corporation was announced in September 2012. The Peace Corps and Mondelez (formerly Kraft Foods) will promote sustainable agriculture and community development. End callout.

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	Trend
95%	83%	No	Declining

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 advances an ongoing dialogue with the host country on how best to increase project effectiveness.



Discussion of Result: *The target was not met.* Out of 65 posts, 54 posts provided annual reports to their host country partners for all of their projects, a reduction from FY 2011. The indicator target was increased in FY 2012 to strengthen the improvements made last year and expand the reports to include all projects; however, the expected progress was not realized.

Performance on this indicator in the Africa region highlights the challenges of producing annual reports. In the Africa region, 68 percent of posts provided annual reports to their host country partners, compared to 83 percent worldwide. For posts where more than one language is spoken, common in Africa, translation is often difficult and expensive, a contributing factor in the feasibility of developing annual reports. Posts in Africa also spent twice as many hours creating annual reports compared to the other regions.

When posts are able to overcome these challenges, they use the annual reports to share their successes, develop appropriate expectations, and build a culture of transparency and collaboration with local partners.

Strengthening Future Performance: The agency will share best practices, including the use of low-cost solutions, across posts to improve how results are reported to local stakeholders. The agency will also develop a standardized template for posts' annual reports that ensures that all critical elements are included while providing flexibility to meet the unique needs of each post.

Data Source: Overseas posts data call

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

FY 2012 Target	FY 2012 Result	Target Met	Trend
85%	88%	Yes	Improving

Rationale: Projects are designed to 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 the field for a sufficient amount of time to meet program goals.

Discussion of Result: *The target was met.* This is the first year the agency has set a performance target for this indicator. Offering one perspective on “early terminations” of Volunteers serving in the field, this indicator replaces the “average length of service” measure included in previous performance plans to reduce the effect of outliers in the data and provide an indicator that is more reflective of agency operations.

The result in FY 2012 is consistent with the overall downward trend of early terminations over the last several years—a positive development for the agency.

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 in collaboration with 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 in their service.

Strengthening Future Performance: The agency will continue to analyze and disseminate early termination measures to agency decision makers in order to identify opportunities for improvement in individual regions, posts, and programs.

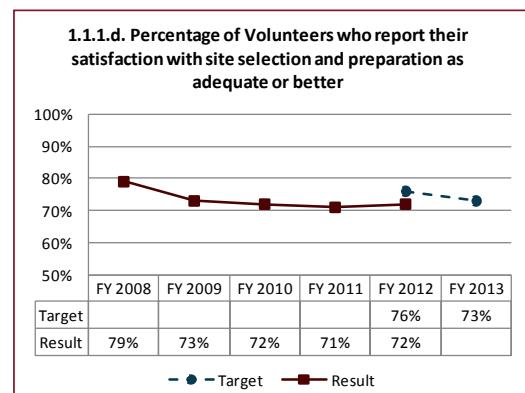
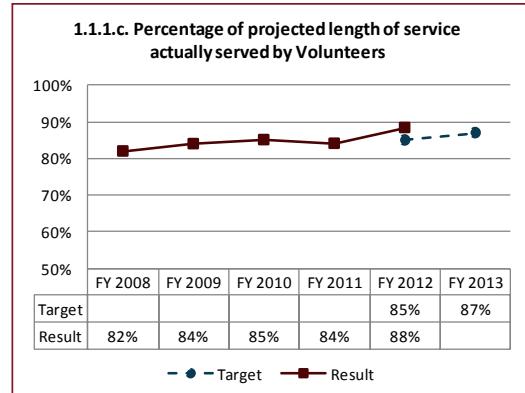
Data Source: Peace Corps Database Management System

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

FY 2012 Target	FY 2012 Result	Target Met	Trend
76%	72%	No	Improving

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 not met.* The decline in Volunteers’ satisfaction with site selection and preparation from FY 2008 to FY 2010 resulted in the agency including the measure as an indicator in the FY 2012 annual performance plan. This is evidence of both the importance of improving site selection and the agency’s use of performance measurement to drive performance improvement. While the target was not met in FY 2012, the result is an improvement over the previous year.



Ensuring the appropriate selection and preparation of Volunteer sites has been a challenge in the agency for a number of years. Constraints have included inadequate staffing levels, inconsistent application of site selection and preparation protocols, and host country restrictions on where Volunteers can serve. Effective site selection and preparation includes three major components: identifying appropriate sites, setting appropriate expectations with Volunteers, and regularly monitoring sites to provide support to Volunteers.

Activities in FY 2012 contributed to effective site selection and preparation and laid the groundwork for performance improvement in the future. The Inter-America and Pacific region consolidated and disseminated guidance on site selection and preparation, and the agency will provide worldwide guidance in FY 2013. Realizing the lack of information on the site selection process often contributes to poor expectations on the part of Volunteers, some posts in Africa shared the site selection and preparation process with Volunteers. Other posts are leveraging their Volunteer leaders to provide support to Volunteers through site monitoring.

Strengthening Future Performance: The agency will collect data on how the new site selection and preparation guidance is utilized in order to identify areas for improvement. An additional area of inquiry will be the relationship between site selection and preparation and Volunteer-to-staff ratios. Finally, the aggressive implementation of critical recommendations from Peace Corps safety and security officers, several of which relate to posts' adherence to site selection criteria, will also improve future performance.

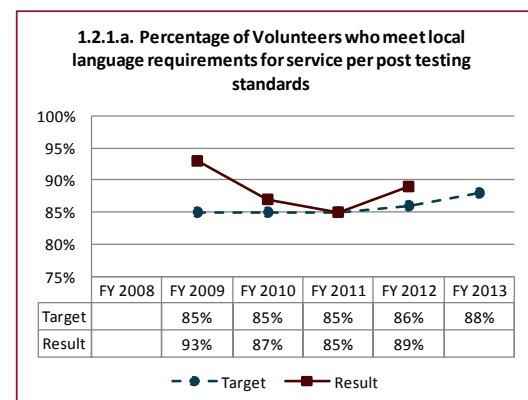
Data Source: Annual Volunteer Survey

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 2012 Target	FY 2012 Result	Target Met	Trend
86%	89%	Yes	Improving

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.* The Peace Corps provides language instruction for Volunteers in 181 languages through local language instructors. While some Volunteers may not be required to learn a new language, others learn multiple languages during their service.

In FY 2012, the agency improved the quality of its language training by building on the skills of language instructors through training-of-trainers sessions and increasing the number of language proficiency index certification workshops provided to instructors. The agency held 22 workshops in FY 2012, compared to 10-15 provided in previous years.

Challenges to improving performance on this indicator include the high turnover of certified language instructors and data-collection issues. Language instructors are often only contracted during Volunteers' three-month pre-service training, contributing to high turnover as instructors secure other full-time work. High turnover is an issue particularly in the Africa region, where the largest number of languages is taught.

The response rate for language scores has also been low; in FY 2012, only 83 percent of Volunteers who were tested had their language scores recorded in the data-collection tool. All Volunteers who complete language training are tested for language ability; in many cases, language scores exist on paper but have not yet been transferred into the agency's database. The low response rate can be improved through training and follow-up with language instructors. This year, the agency started the process of contacting posts to enter outstanding data and putting training in place to ensure all language scores are entered into the database.

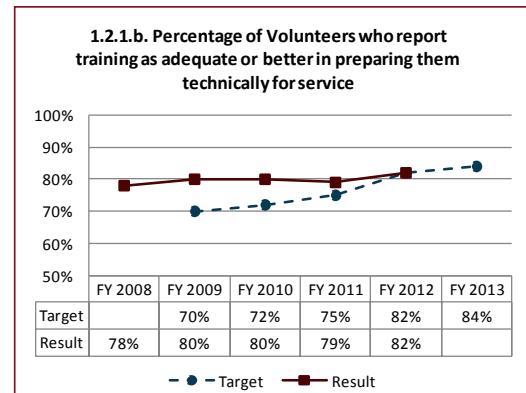
Strengthening Future Performance: The agency is exploring options to improve language-instructor retention. The Africa region, for example, is reviewing how to move training classes and pre-service training dates to provide longer-term employment for language instructors. To improve data collection, the agency will develop and train language instructors on the standard operating procedures for when and how to enter language test data into the agency's database.

Data Source: Peace Corps Enterprise Database

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

FY 2012 Target	FY 2012 Result	Target Met	Trend
82%	82%	Yes	Improving

Rationale: The agency selects Volunteers with the maturity, commitment, resilience, skills, and experience necessary to be successful and provides technical training to prepare Volunteers for local, project-specific work. Volunteers' perceptions of how well their technical training has prepared them for service are an important indicator of the effectiveness of that training. Volunteers who have been adequately trained in technical areas have the competencies necessary to address host country needs.



Discussion of Result: *The target was met.* This year, the agency strengthened its technical training through the continued implementation of the Focus In/Train Up strategy. The agency completed new technical training packages for the Education, Community Economic Development, and Youth in Development sectors and is aggressively developing training materials for the remaining sectors and technical areas.

The agency also explored alternative training structures to improve delivery and respond to increased demands for training. Examples include the following:

- Providing pre-departure online training on global health and HIV/AIDS issues to individuals selected for service in the health sector through the agency's partnership with the President's Emergency Plan for AIDS Relief (PEPFAR).
- Testing a two-phase pre-service training model in the Africa region. During the first phase, Volunteers go through cross-cultural and language training to learn critical community-integration skills. After building an understanding of local development issues at their eventual work sites, Volunteers return for technical training during the second phase. The new model is expected to better prepare Volunteers technically for service as they will be learning technical skills in the context of their individual work sites.

Strengthening Future Performance: As the agency fully implements Focus In/Train Up, standard training packages will be developed for all sectors. Additionally, the agency will continue to innovate by conducting pilot studies of alternative training structures.

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 2012 Target	FY 2012 Result	Target Met	Trend
80%	82%	Yes	Improving

Rationale: Volunteers build local capacity by working closely with local counterparts and partners. Volunteers' perceptions on the adequacy of their counterpart training are helpful in assessing the effectiveness of that training.

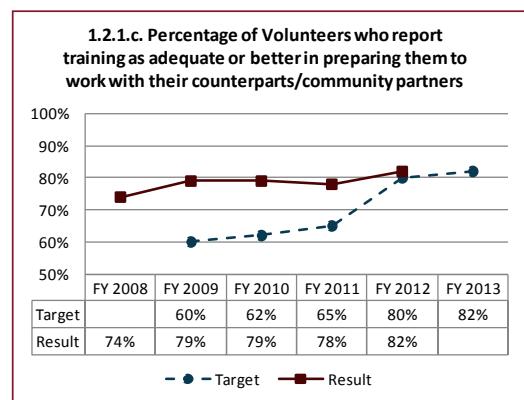
Discussion of Result: *The target was met.* The target for this indicator was adjusted upward this year to encourage performance improvement and the response was positive.

Counterparts and community partners connect Volunteers to local communities, and Volunteers must maintain these relationships to ensure the sustainability of their work. The agency trains Volunteers on how to work successfully with local counterparts and partners with a focus on managing cultural differences.

For example, the agency held a training session in FY 2012, Understanding My Work Partner, for program managers to build staff skills in supporting Volunteers' efforts to form positive work relationships with their counterparts.

Strengthening Future Performance: The full implementation of Focus In/Train Up will improve Volunteer training, including the new training module on working with counterparts.

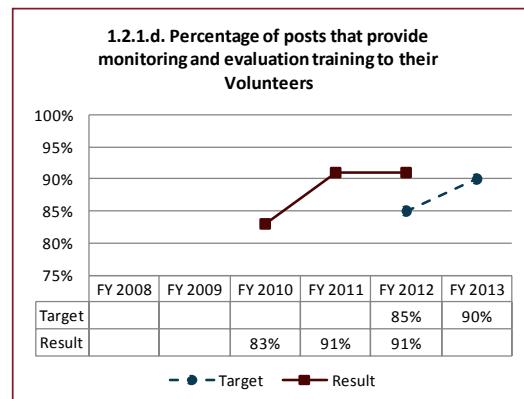
Data Source: Annual Volunteer Survey



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

FY 2012 Target	FY 2012 Result	Target Met	Trend
85%	91%	Yes	Maintaining

Rationale: When Volunteers are adequately trained in monitoring and evaluation, 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.* In FY 2012, 59 posts (91 percent) provided monitoring and evaluation (M&E) training to their Volunteers. Achievement in providing M&E training to Volunteers was supported by the development of standard sector indicators through the Focus In/Train Up strategy.

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

In a survey of posts, the most popular session was Accomplishing Peace Corps' First Goal (74 percent of posts), followed by Why we Monitor and Evaluate (72 percent).

The agency also offered training outside of the Focus In/Train Up strategy. Several posts (83 percent) offered Using Participatory Analysis for Community Action. Posts offered up to seven M&E sessions, with an average of three per post.

Strengthening Future Performance: The standardized M&E training package was adopted by posts at a higher than anticipated level at this early stage of Focus In/Train Up implementation, thereby exceeding the target. The agency will raise the target next year.

Data Source: Overseas posts data call

Begin callout: Peace Corps Volunteers may be able to defer Stafford, Perkins, Federal Direct, and consolidation loans and may qualify to cancel 15 percent of each Perkins Loan per years of service, up to 70 percent total. End callout.

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 2012 Target	FY 2012 Result	Target Met	Trend
85%	87%	Yes	Improving

Rationale: Volunteers build local capacity by transferring skills to host country individuals and organizations. Volunteers' perceptions of their work indicate the effectiveness of their capacity-building efforts.

Discussion of Result: *The target was met.* The result in FY 2012 is consistent with Volunteers' perceptions since 2008, suggesting that Volunteers continue to feel that they are prepared for and placed in environments where they can effectively transfer skills to local partners.

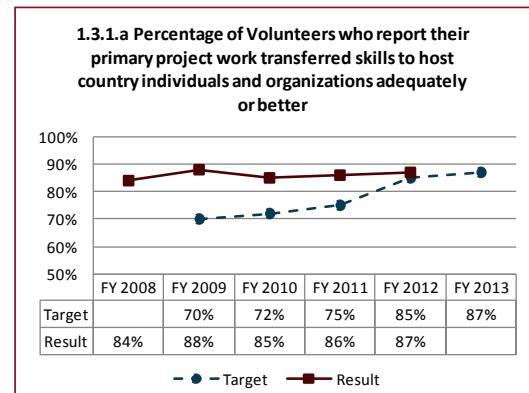
The Annual Volunteer Survey is the data source for this indicator; data from other sources provide additional context regarding the success of Volunteers' skill transfer activities.

For example, Host Country Impact Studies collect and analyze direct impact information from host country counterparts, beneficiaries, and host families, providing critical insights into Volunteers' success in transferring skills. In the three studies completed in FY 2012 (El Salvador, Ghana, and Paraguay), 93 percent of host country national respondents said the training provided by Volunteers enhanced their skills. When asked about the training held by the Volunteer, one counterpart in El Salvador remarked, "The training helped a lot because it helped me to do my work better. My students respect me now, not because I am assistant principal, but because I am a leader."

Information from Volunteers on their activities provides another direct measure of capacity building. However, gathering activity and outcome information directly from Volunteers remains difficult. Using the Volunteer Reporting Tool, Volunteers report their progress against project goals and objectives. But data quality and accessibility issues resulting from inconsistent use and a decentralized data infrastructure have prevented the agency from fully collecting and analyzing Volunteer work through the reporting tool. Improvements to the reporting tool began in FY 2012 and are scheduled to go into effect in FY 2014.

Strengthening Future Performance: In FY 2012, the agency began the Volunteer Reporting Tool redesign project to improve the reporting interface, standardize reporting methods, and improve accessibility to Volunteer activity and outcome data. When the redesign project is complete and data quality improves, future performance plans can include goals and indicators directly related to Volunteer activities and outcomes.

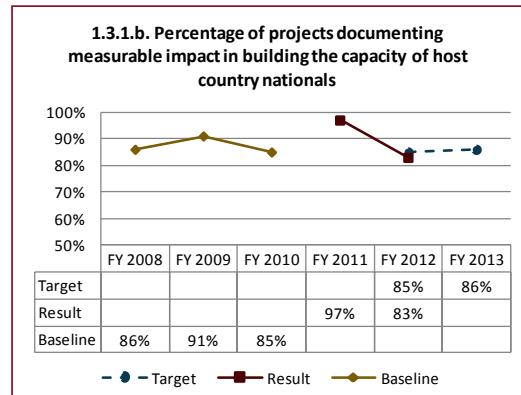
Data Source: Annual Volunteer Survey



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

FY 2012 Target	FY 2012 Result	Target Met	Trend
85%	83%	No	Declining

Rationale: The use of multiple sources, including host country beneficiaries, to verify the impact of Volunteers' capacity-building efforts will give posts a better understanding of the results of Volunteer activity. As a result, project managers can replicate successes and address challenges in skill transfer.



Discussion of Result: *The target was not met.* This indicator was strengthened in FY 2012 to include the use of multiple sources in documenting the impact of capacity building—moving beyond the collection of data to a more rigorous analysis of Volunteers' impact.

Of the 188 Peace Corps projects operational in FY 2012, the agency was able to document the impact of Volunteers' capacity-building efforts through multiple sources in 156 projects (83 percent). The Volunteer Reporting Tool was the most often utilized source for collecting data on the impact of Volunteers' activities (82 percent), followed by Project Advisory Committees (77 percent), and site visits (55 percent). In many cases, posts used planned, routine visits with counterparts, beneficiaries, and partners to collect data on Volunteer impact.

Posts noted several challenges in demonstrating the impact of Volunteers in FY 2012, including limited data-collection tools, minimal M&E capacity on the part of staff and Volunteers, the lack of baseline data, and limited staff time.

The rollout of standard M&E training for Volunteers will build their capacity in this area. Staff acquired skills through M&E training provided by the agency in FY 2012. Ideally, a larger investment at posts, such as hiring dedicated M&E staff members regionally or at each post, could be made to fully institutionalize M&E into Peace Corps projects. However, this is unlikely in the near term due to resource constraints. Instead, the agency relies on building Volunteer and staff skills through M&E training, improving data-collection tools, and exploring baseline data collection to improve performance on this indicator.

The lack of baseline data is 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. In FY 2012, baseline data collection was included in the new country entry guide to make baseline data collection a standard operating procedure when the agency enters new countries.

Strengthening Future Performance: Improvements to the Volunteer Reporting Tool, monitoring and evaluation training for Volunteers and staff, and full implementation of standard indicators through Focus In/Train Up will enhance the agency's capacity to collect and analyze information on the impact of Volunteers. The agency will also

begin the collection of baseline data when feasible. These efforts will be strengthened through the development of an agencywide evaluation framework.

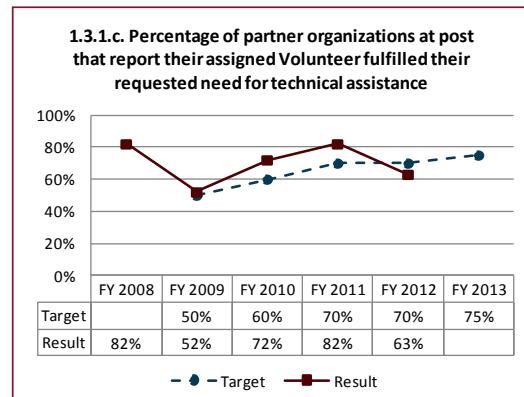
Data Source: Overseas posts data call

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

FY 2012 Target	FY 2012 Result	Target Met	Trend
70%	63%	No	Declining

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 over 4,000 organizations in FY 2012, and 63 percent reported their assigned Volunteer fulfilled the requested need for technical assistance—a significant drop from last year. Eighteen posts that reported on this indicator last year did not provide information this year. Several of these posts noted that information is collected informally and that storage of the data is limited and paper-based.



Posts have consistently reported difficulties with collecting and storing information gathered from partner organizations and local beneficiaries. The agency does not currently utilize a centralized database for collecting and storing feedback from counterparts. Instead, posts develop their own, often paper-based, solutions, including: site visit forms, surveys, and rating tools. As Volunteers often work with counterparts in remote areas of the host country with limited access to phone and Internet, posts typically collect data for this indicator during routine interactions with partner organizations, including site visits (66 percent), training events (42 percent), and Project Advisory Committees (31 percent).

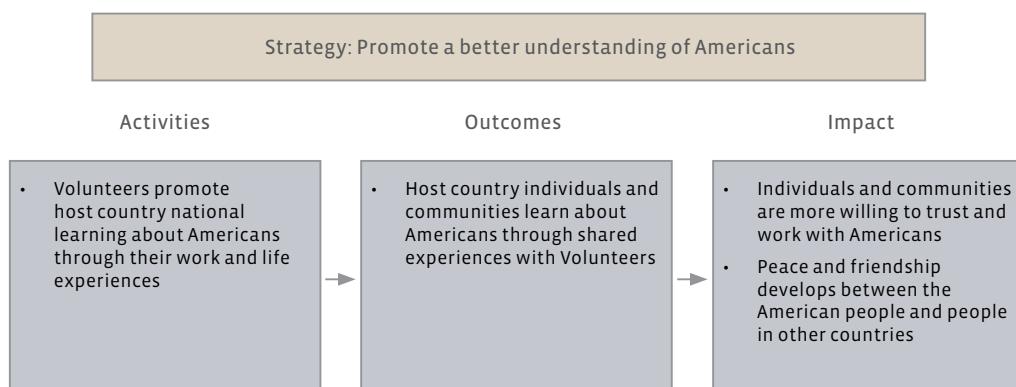
Information collected from beneficiaries remains the most direct measure of the impact of Volunteers. While data-collection challenges exist, the agency continues to search for additional opportunities to collect impact information directly from beneficiaries, including fielding additional Host Country Impact Studies and developing a counterpart survey.

Strengthening Future Performance: The agency is currently developing a methodology and data-collection tool for surveying local counterparts that will be piloted in FY 2013. When operational, the counterpart survey will include a standardized set of questions to ask local partners, producing rich and comparable information on the impact of Volunteers. The agency is also planning to include a feature in the overseas posts database that will enable posts to collect and store information from local partners.

Data Source: Overseas posts data call

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

Performance Management Framework



Volunteers promote a better understanding of Americans by becoming an integral part of the communities where they serve—forging long-lasting friendships based on mutual respect and working collaboratively to accomplish the goals of the local community.

Information from the Host Country Impact Studies suggests that Volunteers were successful in promoting a better understanding of Americans in FY 2012. This year, two of three performance targets were met, and all indicators improved or maintained performance from last year. The indicator measuring results from the Host Country Impact Studies (2.1.1.c) was monitored; sufficient Host Country Impact Studies were not conducted in FY 2012 to generalize the results to agency efforts worldwide.

Performance Goal Results

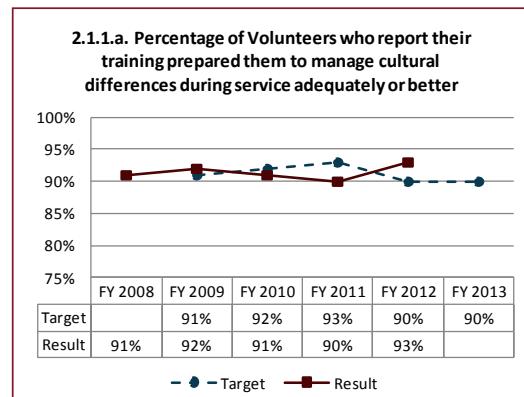
Performance Goal	Performance Indicators	FY 2012 Target	FY 2012 Result	Target Met	Trend
2.1.1: The work and life experiences of Volunteers in-country promote host country national learning about Americans	2.1.1.a. Percentage of Volunteers who report their training prepared them to manage cultural differences during service adequately or better	90%	93%	Yes	Improving
	2.1.1.b. Percentage of posts conducting supervisory and counterpart training on working effectively with Volunteers	95%	99%	Yes	Maintaining
	2.1.1.c. Percentage of host country nationals who report positive opinions of Americans through their interactions with Volunteers	Monitor	87%	N/A	N/A
	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	72%	68%	No	Improving

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 2012 Target	FY 2012 Result	Target Met	Trend
90%	93%	Yes	Improving

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.* The agency works to maintain performance at the 90 percent level or better. This allows the agency to focus its resources on improving training where it is most needed, rather than in making modest improvements to an already high-performing area.

This year, the agency continued training Volunteers on managing cultural differences and in the Annual Volunteer Survey, Volunteers responded that Managing Cultural Differences was one of the most helpful training sessions provided by the Peace Corps. The Inter-America and Pacific region also established staff positions dedicated to Volunteer support, including providing guidance on living and working in other cultures.

Strengthening Future Performance: The agency will continue to provide Volunteers with standardized cross-cultural training sessions to prepare them to appropriately manage cultural differences in their communities. Cross-cultural training will also be integrated into Volunteers' technical training. The success of these trainings will continue to be built upon the agency's ongoing efforts to recruit and select individuals who have the necessary cross-cultural agility to be successful during service.

Data Source: Annual Volunteer Survey

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

FY 2012 Target	FY 2012 Result	Target Met	Trend
95%	99%	Yes	Maintaining

Rationale: Supervisors and counterparts who receive training on working effectively with Volunteers better understand American culture and the 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.* Almost all posts offered counterpart trainings in FY 2012. These trainings help build relationships by providing both Volunteers and counterparts with strategies for working effectively together. The counterpart training complements the sessions provided to Volunteers on working effectively with their counterparts and community partners (discussed in indicator 1.2.1.c).

Counterpart training participants reported several benefits of the sessions held in FY 2012 to posts. Participants learned about the cultural similarities and differences between themselves and Volunteers. This learning not only helped counterparts identify ways to effectively interact, support, and work with Volunteers, but it also enhanced their understanding of Americans. A participant in Belize noted, “I have had previous experience with Americans, but insights into American culture have been gained. This leads to deepened appreciation.”

Counterpart training sessions in FY 2012 also helped to set appropriate expectations for counterparts about Volunteers and the work that counterparts and Volunteers would undertake together. These sessions were focused on detailing the Peace Corps’ approach to development, reviewing project plans, and defining roles and responsibilities. The post in Burkina Faso asked counterparts to identify their expectations of Volunteers during one of the counterpart sessions. Staff discussed the types of work Volunteers typically do, helping to clarify the roles of Volunteers and counterparts. In the Republic of Georgia, Volunteers and counterparts delivered training sessions together, building their working relationship.

Strengthening Future Performance: The agency will share best practices for facilitating counterpart training with all posts. The counterpart survey discussed in indicator 1.3.1.c will provide data directly from counterparts on a number of topics, including the effectiveness of counterpart training.

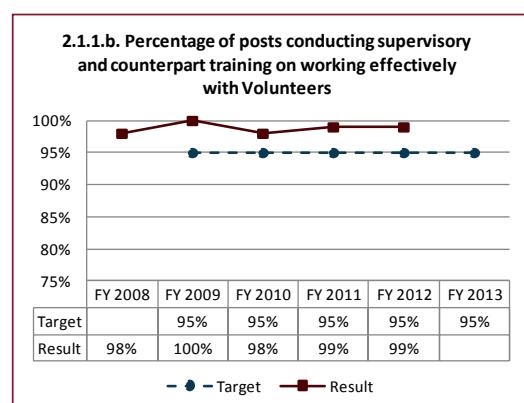
Data Source: Overseas posts data call

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

FY 2012 Target	FY 2012 Result
Monitor	87%

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: Three Host Country Impact Studies were completed in FY 2012: the youth development program in El Salvador, the rural health and sanitation program in Paraguay, and the education program in Ghana. In total, over 400 host country nationals were interviewed.



Results from the FY 2012 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. After hosting a Volunteer in her home, one individual in Paraguay remarked, “I had no knowledge of Americans, but now I know something. They are good people and like to help others, regardless of social class.”

Study participants noted several Volunteer characteristics as factors in forming positive opinions of Americans, such as adaptability, a strong work ethic, and the willingness to learn the local language and live within their communities. A beneficiary in Ghana noted, “The interpersonal relations were perfect. I went out with one [Volunteer] to eat local food; he had become a local guy mixing freely with everyone to my delight and surprise.”

Host Country Impact Studies are invaluable, 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 in other development organizations. However, due to resource constraints, only a few studies can be completed each year. Consequently, results cannot be generalized to agency efforts worldwide, and targets are not set for this indicator. However, results are monitored and the insights gathered from the studies help to inform management decisions.

Since 2008, 24 studies have been completed. Published studies, as well as short summaries, can be found at www.peacecorps.gov/open/evaluations. The agency plans to publish all completed studies in FY 2013.

Strengthening Future Performance: In FY 2013, the agency plans to conduct a meta-analysis of completed Host Country Impact Studies to aggregate results across regions and sectors. In addition, one Host Country Impact Study is being planned in Ethiopia in FY 2013 and other studies will be conducted if resources are made available. An increase in the number of Host Country Impact Studies would provide additional evidence and allow for greater insight into the impact of Volunteers in building capacity and promoting a better understanding of Americans.

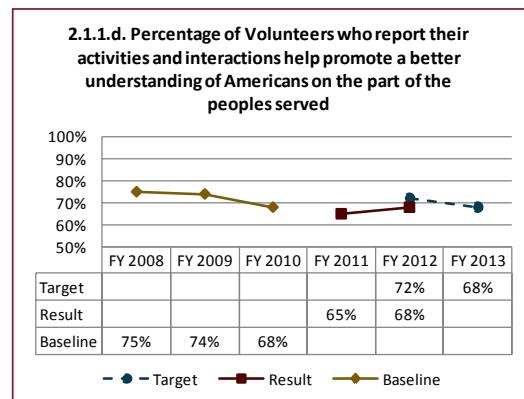
Data Source: Host Country Impact Studies

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 2012 Target	FY 2012 Result	Target Met	Trend
72%	68%	No	Improving

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.* This indicator was modified in FY 2012 to include Volunteers’ perceptions of the impact of both their *activities* and *interactions*. Previous indicators only measured *work* and did not consider the effect of Volunteers’ daily interactions with local people.



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 beneficiaries themselves. As reported in indicator 2.1.1.c, 87 percent of host country nationals reported positive opinions of Americans through their interactions with Volunteers. However, only 68 percent of Volunteers reported they believe they promoted a better understanding of Americans.

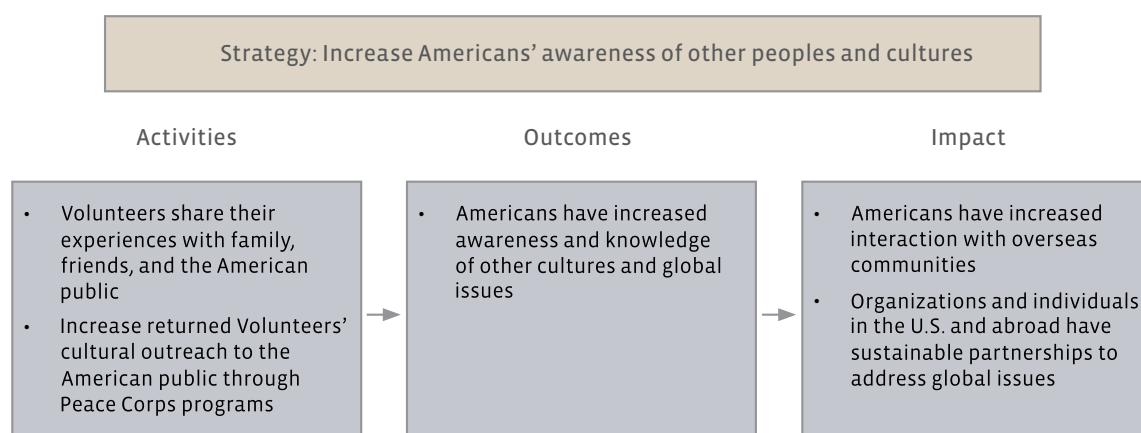
The reason for this discrepancy is currently unknown but it may be due to the latent nature of outcomes and impacts which are not always fully evident until after Volunteers leave their communities. The agency is reaching out to program managers and Volunteers to determine what opportunities for improvement exist. The post in Togo, for example, is planning to use this data to discuss with Volunteers why the gap exists between their perceptions and those of the people with whom they live and work.

Strengthening Future Performance: Information gathered from program managers and Volunteers will inform how the agency moves forward to ensure Volunteers have a more accurate understanding of their impact. In addition, completion of a new monitoring and evaluation training session through Focus In/Train Up and new standard indicators are intended to provide Volunteers with the skills required to better recognize, assess, and report on impact.

Data Source: Annual Volunteer Survey

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

Performance Management Framework



During and after their term of service, Volunteers share their unique experiences with family, friends, and the American public to increase Americans' awareness of other cultures. The agency manages programs and hosts events through various media to facilitate Volunteers' and returned Volunteers' efforts to promote a better understanding of host country individuals, peoples, and cultures.

In FY 2012, three of five performance targets were met, and two indicators either improved or maintained the same level of performance from last year. In an effort to improve programs to increase Americans' awareness of

other cultures, the agency initiated the development of a comprehensive Third Goal strategy this year, including the creation of a new Office of Third Goal and Returned Volunteer Services. Performance is expected to improve as the Third Goal strategy is fully developed and implemented.

Performance Goal Results

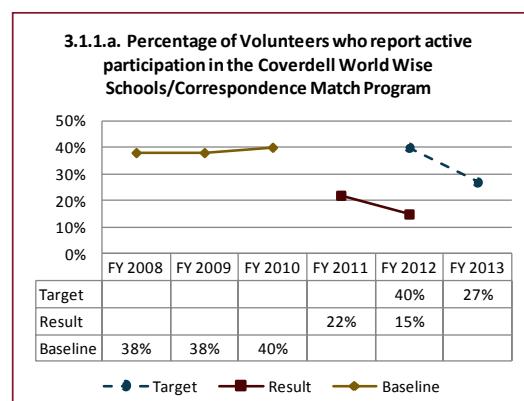
Performance Goals	Performance Indicators	FY 2012 Target	FY 2012 Result	Target Met	Trend
3.1.1: Volunteers share their in-country experiences with family, friends, and the American public	3.1.1.a. Percentage of Volunteers who report active participation in the Coverdell World Wise Schools/Correspondence Match Program	40%	15%	No	Declining
	3.1.1.b. Number of individuals and organizations supporting the Peace Corps Partnership Program	10,000	13,892	Yes	Improving
	3.1.1.c. Percentage of Volunteers who report sharing their experiences with family, friends, and/or the American public	98%	99%	Yes	Maintaining
3.1.2: Increase returned Peace Corps Volunteers' cultural outreach to the American public through Peace Corps programs	3.1.2.a. Number of returned Peace Corps Volunteers participating in agency-initiated activities	10,000	10,809	Yes	Declining
	3.1.2.b. Number of educational institutions where returned Peace Corps Volunteers engage in Third Goal activities	760	656	No	Declining

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 2012 Target	FY 2012 Result	Target Met	Trend
40%	15%	No	Declining

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.* Volunteers have consistently reported low levels of participation in the program due to a variety of factors, including lack of or difficulty of communication with the American teachers with whom they were matched. To better measure and promote the desired outcome, this indicator was strengthened to measure Volunteers' active participation in the program rather than enrollment.

In FY 2012, the agency began the process of collecting and analyzing data on the Correspondence Match program to identify opportunities to improve active participation on the part of Volunteers. A survey of participating American teachers indicated that while the program was effective (86 percent of respondents noted an increase in their understanding of other cultures as a result of the program), there were challenges in communicating with their Volunteer partners. The agency also fielded a survey to Volunteers to gather their perspectives on the Correspondence Match program; the results are not yet complete.

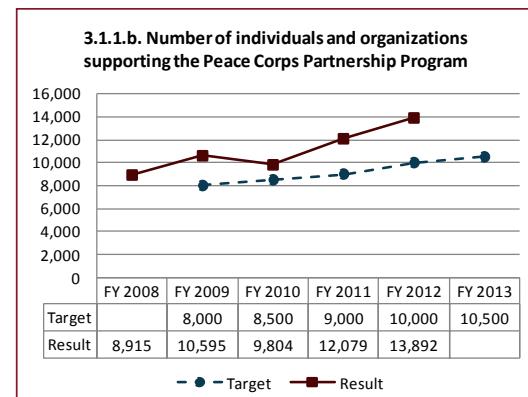
Strengthening Future Performance: The agency will continue to experiment with content-delivery alternatives that will reach the learners directly, such as including more educational materials on the website (<http://www.peacecorps.gov/wws/>). Information gathered from the teacher and Volunteer surveys will also inform additional improvements to the program.

Data Source: Annual Volunteer Survey

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

FY 2012 Target	FY 2012 Result	Target Met	Trend
10,000	13,892	Yes	Improving

Rationale: Individuals and organizations donating to a community-driven, Volunteer-developed Peace Corps Partnership Program project learn about host country communities and the issues they face. Donors build an understanding about different people and cultures and about global development issues.



Discussion of Result: *The target was met.* The Peace Corps Partnership Program (<http://donate.peacecorps.gov>) connects donors in the United States with Volunteers and their host communities overseas. Donors contribute to various types of projects initiated by communities and supported by Volunteers across the world. In FY 2012, 13,892 donors to the program made 14,179 donations for a total of over \$2.4 million. Notably, the number of Volunteer projects supported under the Peace Corps Partnership Program increased from 822 in FY 2011 to 969 in FY 2012.

The agency expanded on the gains made last year during the Peace Corps' 50th anniversary. The donor base continues to grow as individuals and organizations see the impact of their contributions through interactions with Volunteers.

Strengthening Future Performance: The Peace Corps Partnership Program will explore the use of social media to encourage and request donations to Volunteer projects, expanding opportunities for donors to become more directly involved in addressing global issues.

Data Source: Office of Strategic Partnerships

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

FY 2012 Target	FY 2012 Result	Target Met	Trend
98%	99%	Yes	Maintaining

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.* Volunteers share their experiences with the American public through a variety of means, including mail, electronic media, and hosting American visitors in their country of service. Increasingly, Volunteers are sharing their experiences through electronic means. In FY 2012, 74 percent of Volunteers shared their experiences through social media, compared to 67 percent in FY 2011. Additionally, 54 percent of Volunteers utilized personal websites or blogs.

The agency encourages Volunteers to share their experiences through initiatives such as the Peace Corps Digital Library (<http://collection.peacecorps.gov/>). Volunteers and others in the larger Peace Corps community can upload photos or stories related to their service to the Digital Library. In FY 2012, 646 stories and photos were uploaded by current and returned Volunteers.

Strengthening Future Performance: As technology evolves, the agency will continue to explore new ways to facilitate Volunteers sharing of their 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 Peace Corps Volunteers participating in agency-initiated activities

FY 2012 Target	FY 2012 Result	Target Met	Trend
10,000	10,809	Yes	Declining



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

Discussion of Result: *The target was met.* Volunteers do not finish serving America or their host country at the end of their term of official service. Instead, they become returned Peace Corps Volunteers with an ongoing responsibility to build a better understanding of peoples across the world.

Returned Volunteers take this responsibility seriously and engage in outreach efforts independently and through local returned Volunteer groups and organizations such as the National Peace Corps Association. The agency also sponsors a number of activities that provide returned Volunteers with opportunities to share their experiences with the American public.

In FY 2012, returned Volunteers shared their experiences at Peace Corps general information sessions throughout the United States. The agency held two national career conferences and four regional events to help recently returned Volunteers learn how to share their experiences with friends, family, employers, and the public. Additionally, the agency collaborated with the National Peace Corps Association at Third Goal expos in Nashville and Minneapolis to promote cross-cultural understanding.

The agency also improved the Third Goal website this year to collect more detailed information on activities and events held by returned Volunteers and friends of the Peace Corps (<https://www.peacecorps.gov/resources/returned/thirdgoal/register/>). Individuals who registered their event received a packet of materials to assist in their efforts to share their stories with the American people.

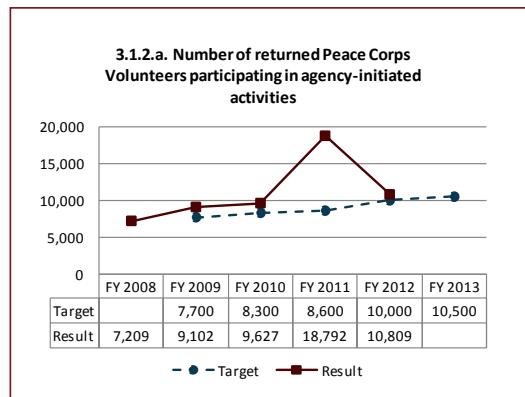
Strengthening Future Performance: Several offices in the agency will coordinate efforts to engage individual returned Volunteer groups nationwide in pledging to host a number of general information sessions over the year. The joint events will provide an opportunity for returned Volunteers to share their experiences and aid in the agency's efforts to recruit skilled and diverse individuals for service.

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 Peace Corps Volunteers engage in Third Goal activities

FY 2012 Target	FY 2012 Result	Target Met	Trend
760	656	No	Declining

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 not met.* This indicator tracks the number of educational institutions involved in the Coverdell World Wise Schools Speakers Match Program and the Coverdell Fellows Program.

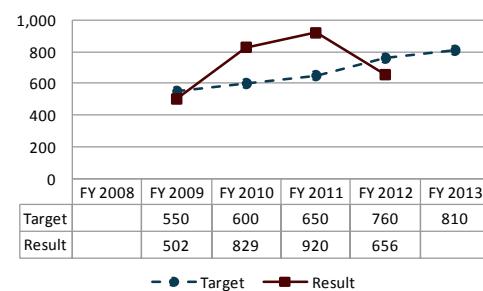
Through the Speakers Match program, K-12 schools and youth organizations ask returned Volunteers to visit and share their experiences. In FY 2012, returned Volunteers spoke at 585 educational institutions. To expand awareness of the program, the agency collaborated with various educational resource groups to post on their websites a link to the Coverdell World Wise Schools website (<http://www.peacecorps.gov/wws/>). The website includes resources for educators as well as interactive content for students.

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 American community. In the process, they continue their Peace Corps service by volunteering in communities at home and sharing their experience as Volunteers with their colleagues, friends, and the individuals they are serving. In FY 2012, the agency collaborated with 71 graduate schools through the Coverdell Fellows Program.

Strengthening Future Performance: The agency will expand opportunities for returned Volunteers by reaching out to new potential partners for the Coverdell World Wise Schools Speakers Match and Coverdell Fellows programs.

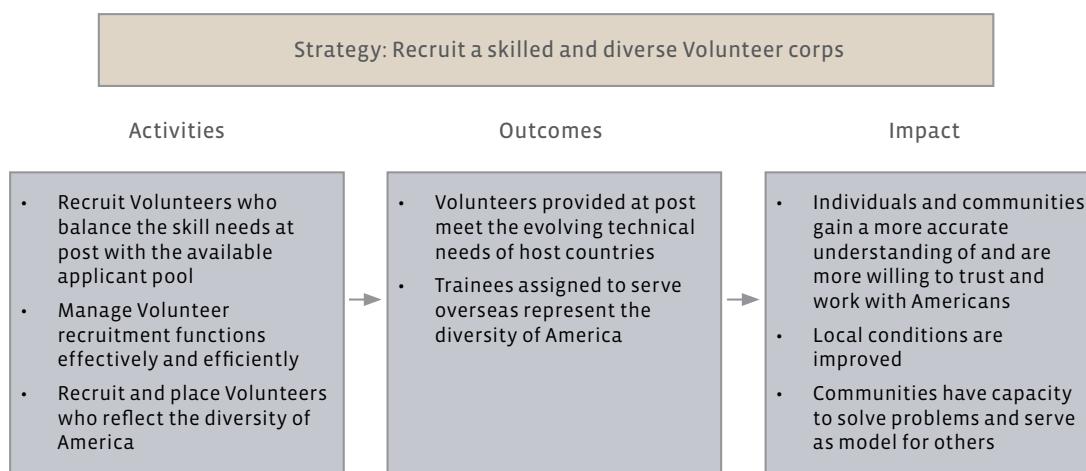
Data Source: Office of Third Goal and Returned Volunteer Services and Office of Strategic Partnerships

3.1.2.b. Number of educational institutions where returned Peace Corps Volunteers engage in third goal activities



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

Performance Management Framework



The agency meets the skill needs of local communities by recruiting and selecting individuals who have the skills, experience, and maturity to be successful Peace Corps Volunteers. Operations are organized so that Volunteers with the requested skills are recruited, selected, and fielded at the appropriate times. 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 the host country.

In FY 2012, three of six performance targets were met, and four indicators either improved performance or maintained the same level of performance as last year. While there were successes in recruiting individuals from underrepresented ethnic groups, performance in FY 2012 was constrained by inefficient Volunteer Delivery System (VDS) operations resulting from necessary programming changes. Looking forward, the process and technology changes that will be obtained through the VDS redesign project will result in more efficient and effective operations.

Begin callout: In August 2012, the Peace Corps signed an agreement under the Water and Development Alliance (WADA)—a long-standing public-private partnership between the U.S. Agency for International Development and The Coca-Cola Company—to improve local capacity to deliver sustainable water supply, sanitation, and hygiene services for the reduction of waterborne disease around the world. Through the agreement, the Peace Corps will raise awareness and build capacity among Peace Corps and community trainers around sustainable water supply and sanitation services, as well as improved hygiene behaviors. The program will focus especially on women in the communities and countries served. The agency will launch the program in West Africa and will adapt it for use worldwide. Acting Peace Corps Director Carrie Hessler-Radelet said: “Our volunteers’ intimate knowledge of cultural and community practices, plus their commitment to sustainable health projects, make this training-focused partnership a perfect fit for Peace Corps”. End callout.

Performance Goal Results

Performance Goals	Performance Indicators	FY 2012 Target	FY 2012 Result	Target Met	Trend
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	63%	69%	Yes	Improving
	4.1.1.b. Percentage of trainee requests filled by trainee inputs	95%	97%	Yes	Maintaining
4.1.2: Manage Volunteer recruitment functions in an effective and efficient manner	4.1.2.a. Nominee attrition rate	27%	28%	No	Improving
	4.1.2.b. Number of days from application to invitation	137	177	No	Declining
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%	6.6%	No	Declining
	4.2.1.b. Percentage of applications from individuals of diverse ethnicities	25%	27%	Yes	Improving

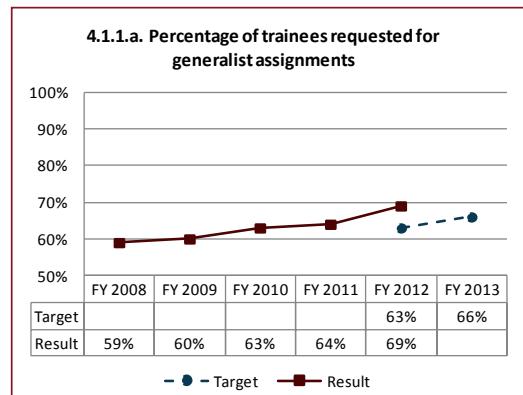
Performance Goal 4.1.1: Recruit Volunteers who balance the needed manpower and technical needs at posts with the available applicant pool and its skills

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

FY 2012 Target	FY 2012 Result	Target Met	Trend
63%	69%	Yes	Improving

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

Discussion of Result: *The target was met.* The target was met in FY 2012 as a result of the ongoing implementation of Focus In/Train Up as well as close intra-agency collaboration throughout the year determining applicant supply and developing realistic trainee requests.



Setting targets for trainees requested for generalist assignments encourages the development of projects where Volunteers can be “trained-up” to meet the technical needs of host country partners. While progress was made in this area, clear communication between overseas posts and headquarters regarding the supply of applicants remains a challenge.

Strengthening Future Performance: Process and technological improvements through the VDS redesign project will make applicant supply and trainee request information more readily available and inform decision making related to balancing the skill needs of posts with the available applicant pool.

Data Source: Peace Corps Enterprise Database

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

FY 2012 Target	FY 2012 Result	Target Met	Trend
95%	97%	Yes	Maintaining

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' human resource and technical needs.

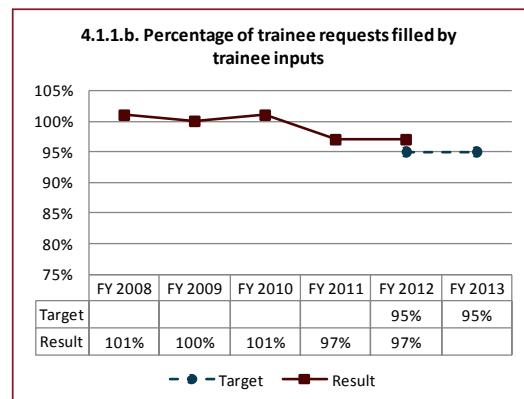
Discussion of Result: *The target was met.* Despite meeting the target, the applicant supply does not yet fully meet the demand for trainees in certain areas, particularly in specialized education and agriculture assignments. As a result, some unfilled trainee requests are expected. While the agency met this target in FY 2012, performance is declining.

The reduced level in recruitment resources from FY 2011 continued in FY 2012, contributing to a drop in applications. The agency received 10,091 applications this year, compared to 12,206 last year, a 17 percent drop. A sustained drop in applications in future years will restrict the agency's ability to field skilled Volunteers at the levels requested by posts.

Late changes to posts' trainee requests also contributed to the lower level of performance in FY 2012. The VDS operates on a structured schedule to ensure the efficient delivery of qualified and suitable trainees to posts at the requested time. Late changes to trainee requests, while often unavoidable, can disrupt this process. For example, significant changes to Volunteer presence were made in El Salvador, Guatemala, Honduras, and Mali in order to better ensure the safety and security of Volunteers. These changes reverberated through the VDS as displaced Volunteers and prospective applicants were moved to other country programs.

Strengthening Future Performance: The agency will monitor application numbers and analyze the reasons behind the drop in applications. This effort will be informed by improved data on applicant characteristics and recruitment campaigns available through the VDS redesign project. Additionally, efforts to better align data-collection activities with planning processes will provide actionable information to decision makers at the appropriate time, reducing the number of late trainee request changes. VDS operations will be managed through the redesigned Program Advisory Group, an intra-agency working group composed of senior Peace Corps staff.

Data Source: Peace Corps Enterprise Database

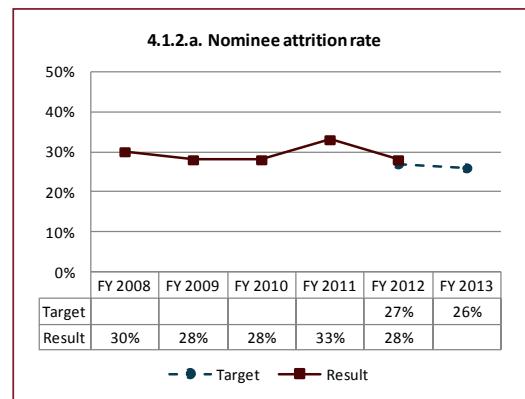


Performance Goal 4.1.2: Manage Volunteer recruitment functions in an effective and efficient manner

Indicator 4.1.2.a: Nominee attrition rate

FY 2012 Target	FY 2012 Result	Target Met	Trend
27%	28%	No	Improving

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 VDS. A higher percentage of nominees who become trainees indicates 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 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 service. However, the agency can reduce some dropouts related to poor communication or lengthy processing times, for example.

The agency's performance on this indicator in FY 2012 can be primarily attributed to volatility in the VDS related to late trainee request changes. As mentioned in performance goal 4.1.1, changes to trainee requests outside of the structured schedule of the VDS can be highly disruptive. Significant changes to programs may reduce or increase the need for applicants with particular skill-sets. As a result, nominated applicants may need to change programs or be removed from consideration. The resulting uncertainty about their departure date and assignment is a contributing factor in some applicants' decisions to drop out.

Strengthening Future Performance: The VDS redesign project will allow for more frequent and informative communication with applicants throughout the process—a key improvement in the effort to retain nominees. Changes to the medical review process will also reduce processing time and the financial burden on the majority of applicants.

Data Source: Peace Corps Enterprise Database

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

FY 2012 Target	FY 2012 Result	Target Met	Trend
137	177	No	Declining

Rationale: Reducing the processing time for applicants at critical stages in the VDS contributes to higher retention of applicants and reduces congestion in the system.

Discussion of Result: *The target was not met.* This indicator was improved to measure the average number of days elapsed at three stages of the application process identified as known bottlenecks in the VDS: from the time applications are submitted to interview date, receipt of medical documentation to medical qualification, and medical qualification to invitation. Due to process changes associated with the VDS redesign project, this indicator only measures applicant processing time prior to the launch of the new application system on August 15, 2012.

The agency set aggressive targets for each component and, while targets were not met, progress was made in reducing the number of days elapsed in the medical review process. Compared to a target of 50 days, medical staff processed applicants' medical documentation in an average of 55 days—an improvement over the FY 2011 result of 69 days. To move applicants more efficiently through the system, the agency made adjustments to medical screening guidelines, including the assignment of a mental-health provider to review mental-health cases.

In FY 2012, applicants moved from application to interview in an average of 55 days, compared to the target of 38 days. The medical qualification to invitation segment took 67 days; the target was 49 days. Both segments relate to the applicant assessment and selection process, and the low performance level can be attributed to the instability of trainee requests in the VDS, as discussed earlier in this report.

Strengthening Future Performance: The new Peace Corps application and electronic applicant processing system—a significant milestone in the VDS redesign project—became operational at the end of FY 2012, and the agency will modify the measurement of this indicator to respond to new process changes. Significant components of the applicant assessment and selection process will change, requiring the agency to re-evaluate where opportunities exist to drive performance improvement in the new process.

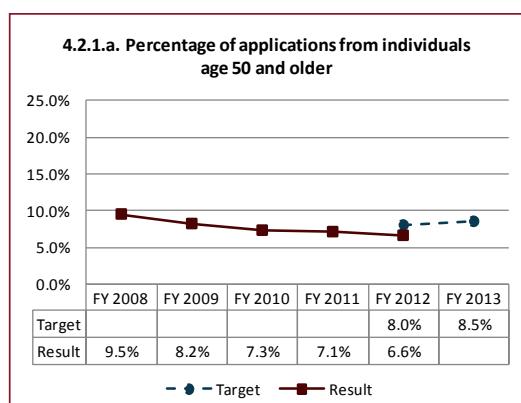
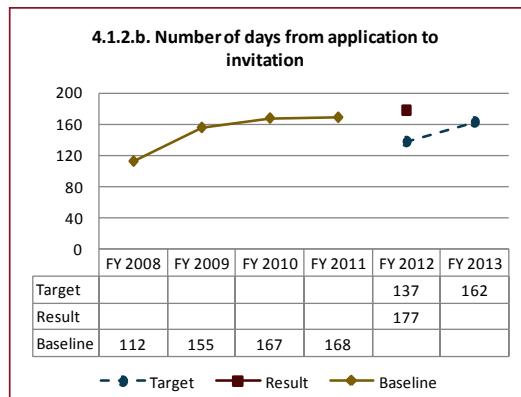
Data Source: Peace Corps Enterprise Database

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 2012 Target	FY 2012 Result	Target Met	Trend
8%	6.6%	No	Declining

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 2012, 662 individuals age 50 and older applied to serve as Peace Corps Volunteers, 6.6 percent of all applications. Of the Volunteers serving in FY 2012, 7 percent were age 50 and older.

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 and resource constraints. Performance on this indicator has declined as a result.

This year, the agency worked with partners to maintain a presence in the age 50 and older community. Notably, the agency deepened its collaboration with AARP, a domestic strategic partner, in marketing and outreach.

Strengthening Future Performance: Moving forward, the agency will leverage existing relationships in an effort to maintain an acceptable level of performance.

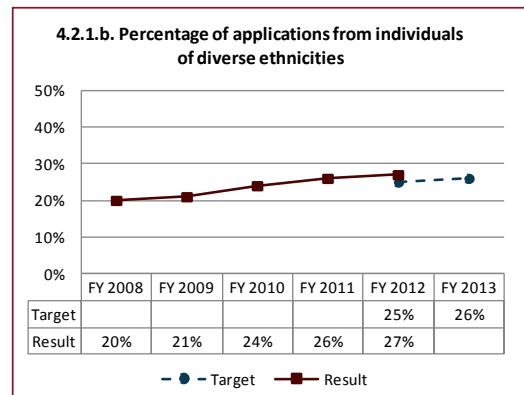
Data Source: Peace Corps Enterprise Database

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

FY 2012 Target	FY 2012 Result	Target Met	Trend
25%	27%	Yes	Improving

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

Discussion of Result: *The target was met.* The agency made diversity recruitment a priority, and performance continues to improve. In FY 2012, 27 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.



Improvement in the number of applications received from African Americans and Hispanics/Latinos is noteworthy. Applications from African Americans increased from 7.7 percent of all applications in FY 2011 to 8.2 percent in FY 2012. Hispanic/Latino applicants increased from 8.9 percent in FY 2011 to 10.2 percent in FY 2012.

The Peace Corps devoted significant attention to diversity recruitment in FY 2012, including increasing the number of 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 intensified outreach to national Pan-hellenic organizations to attract more college-educated and service-minded individuals of diverse backgrounds. In FY 2012, the agency signed a memorandum of

understanding with Alpha Kappa Alpha Sorority Inc. The agency also collaborated with Hispanic communities through activities with organizations such as the National Council of La Raza and the Hispanic Association of Colleges and Universities.

The agency has had success in encouraging applications from these ethnic groups. However, retaining applicants through the application process to become Volunteers remains a challenge. In FY 2012, 27 percent of applicants were from these ethnic groups, compared to 22 percent of the Volunteer population. The agency has taken a number of steps to better understand and address this issue.

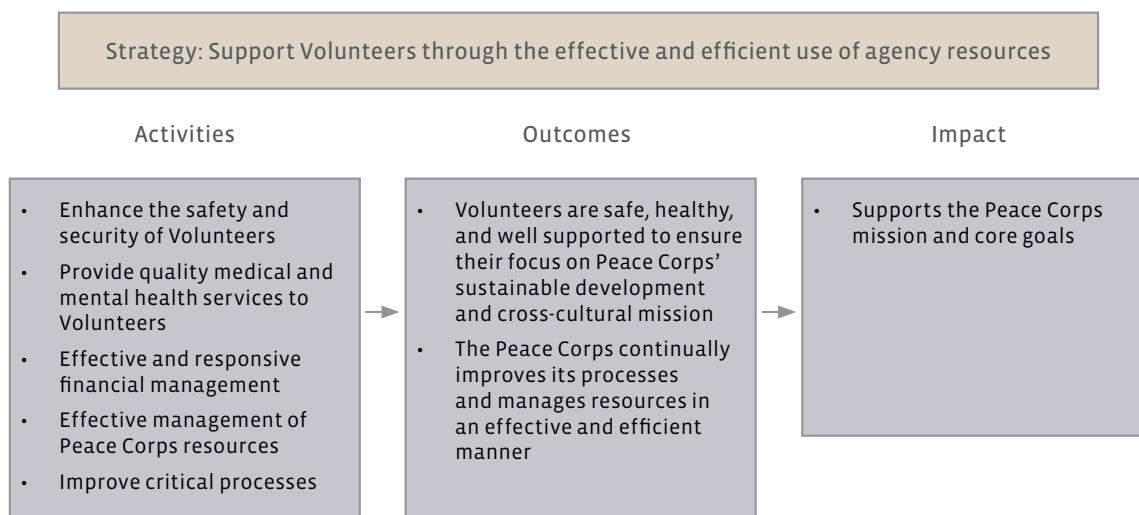
For example, to provide a more hands-on approach to applicant support and communication, one regional recruitment office implemented a discussion series, Impact Your World, where returned Volunteers, current applicants, and interested individuals from diverse ethnicities meet regularly to discuss Peace Corps service and the application process. The group continues to increase in size and provides an alternative method for communicating with and supporting the unique needs of individual applicants.

Strengthening Future Performance: Future efforts to improve the ethnic diversity of Volunteers will focus on implementing and improving existing programs, including the Impact Your World series and expanding engagement with partner organizations. The agency will work on improving the retention of applicants to increase the number of Volunteers serving from underrepresented ethnic groups. The agency will also continue to be actively engaged in the President's initiative to promote diversity and inclusion in the federal workforce.

Data Source: Peace Corps Enterprise Database

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

Performance Management Framework



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 of improvement.

The agency continued to build on improvements made in the last few years, further enhancing the safety, security, and medical support provided to Volunteers. In FY 2012, five of 13 performance targets were met, and out of the nine indicators where trend information is available, seven indicators either improved or maintained last year's level of performance. The indicator related to gathering unreported crime (5.1.1.e) is monitored, and a target is not set.

Performance Goal Results

Performance Goals	Performance Indicators	FY 2012 Target	FY 2012 Result	Target Met	Trend
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	71%	71%	Yes	Improving
	5.1.1.b. Percentage of posts that have their safety and security systems reviewed by a Peace Corps safety and security officer	33%	32%	No	Improving
	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	85%	75%	No	N/A
	5.1.1.d. Percentage of Volunteers who report they feel more than adequately safe or very safe where they live and work	90%	82%	No	Improving
	5.1.1.e. Ratio of unreported serious crimes to reported serious crimes				Monitor results
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	93%	93%	Yes	Maintaining
	5.1.2.b. Percentage of Peace Corps Volunteers who report the emotional support they received from staff as adequate or better	82%	81%	No	Improving
	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	75%	72%	No	Declining

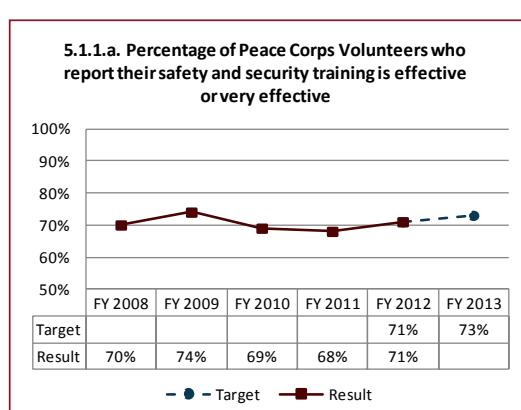
Performance Goals	Performance Indicators	FY 2012 Target	FY 2012 Result	Target Met	Trend
5.2.1: Provide effective and responsive financial management that accurately reflects domestic and overseas operations	5.2.1.a. Percentage of posts and headquarters offices that manage resources within approved budgets and operational plans	95%	78%	No	Declining
	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	95%	96%	Yes	Improving
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	Yes	N/A
	5.2.2.b. Percentage of posts and headquarters offices that adhere to agencywide staffing policies and procedures	85%	54%	No	N/A
	5.2.2.c. Percentage of posts and headquarters offices that benefit from collaboration with agency strategic partners	75%	85%	Yes	Improving
5.2.3: Ensure 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	Not completed	No	N/A

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 2012 Target	FY 2012 Result	Target Met	Trend
71%	71%	Yes	Improving

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



Discussion of Result: *The target was met.* Volunteers have consistently given high ratings to their safety and security training, and performance continues to improve even with the higher standard set in the target this year (the indicator measures “effective or very effective” responses compared to the “adequate or better” standard utilized in years past).

In FY 2012, the agency began implementing four standardized safety and security training sessions on personal security, sexual-assault awareness, reporting procedures, and bystander intervention. This year, 92 percent of posts implemented all of the new sessions; the remaining posts will begin using the new curriculum as they host pre-service and in-service training in the coming months.

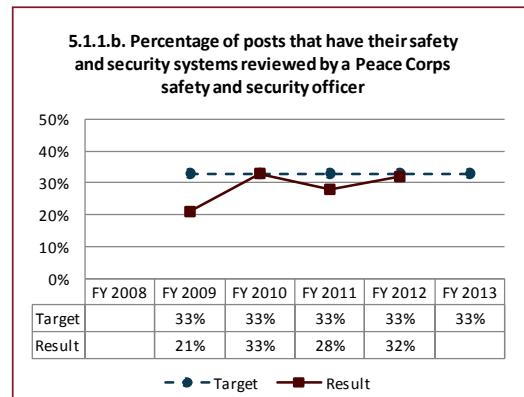
Strengthening Future Performance: With standardized training, the agency will be able to evaluate the effectiveness of its training worldwide. The agency will also work to integrate safety and security topics into other training sessions to extend the reach of the information and place it within the appropriate context.

Data Source: Office of Safety and Security

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 2012 Target	FY 2012 Result	Target Met	Trend
33%	32%	No	Improving

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 reviewed to ensure they are implemented in accordance with agency policy and reflect the current safety conditions of the country.



Discussion of Result: *The target was not met.* In FY 2012, regional Peace Corps safety and security officers reviewed the safety and security systems of 21 posts (32 percent of posts). This indicator was designed to ensure that the safety and security systems of all posts are reviewed every three years. The basic components of post safety and security systems include site selection, preparation, and monitoring; training; emergency planning and communication; and incident management. Issues identified in the review process are reviewed by the agency and corrective action is taken. The agency’s response to recommendations by safety and security officers is tracked through indicator 5.1.1.c.

Strengthening Future Performance: The agency is reviewing options for an improved data-management system to track when reviews have taken place and to collect and monitor recommendations made by safety and security officers in a more efficient manner.

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 2012 Target	FY 2012 Result	Target Met
85%	75%	No

Rationale: Peace Corps safety and security officers develop recommendations for improvement based on reviews of posts' safety and security systems. The timely implementation of recommendations is essential to providing a system that supports the safety and security of Volunteers.

Discussion of Result: *The target was not met.* This indicator was improved to measure the implementation of the most critical recommendations for improvements to safety and security systems. 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 program staff met throughout the year to identify which recommendations should be considered critical. An implementation timeline was developed for each critical recommendation. Of the 201 critical recommendations due in FY 2012, 150 were implemented (75 percent).

Scheduling conflicts at post are often cited as a challenge to the timely implementation of recommendations. Data management is also difficult and time-consuming as analysts track the status of numerous recommendations at different stages of implementation by manually entering data into spreadsheets.

Strengthening Future Performance: An improved data management system would enable the agency to better track recommendations, including critical recommendations, thereby reducing the staff time currently required to manage the process.

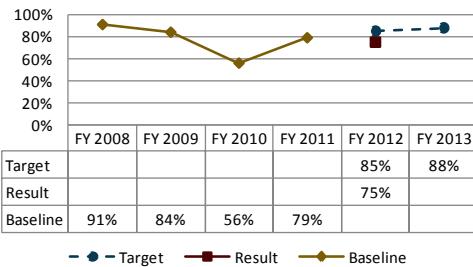
Data Source: Office of Safety and Security

Indicator 5.1.1.d: Percentage of Volunteers who report they feel more than adequately safe or very safe where they live and work

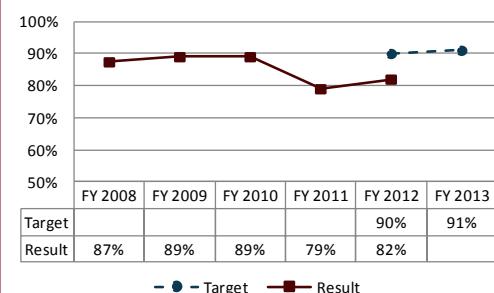
FY 2012 Target	FY 2012 Result	Target Met	Trend
90%	82%	No	Improving

Rationale: When Volunteers report that they feel safe where they live and work, they are providing an indication of the success of the systems the agency has developed to ensure the safety and security of Volunteers.

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



5.1.1.d. Percentage of Volunteers who report they feel more than adequately safe or very safe where they live and work



Discussion of Result: *The target was not met.* Traditionally, a high percentage of Volunteers have reported that they feel safe where they live and work. In FY 2011, however, Volunteers' perceptions of their personal security dropped, due in part to the increased emphasis on safety and security by the agency, instances of civil strife in the countries where the Peace Corps operates, and other external factors. While the FY 2012 target was not met, performance improved from last year.

Analysis of responses to the Annual Volunteer Survey (AVS) provides some insights into the factors that contribute to Volunteers' sense of security. Volunteers who reported they feel safe also noted that they are well integrated into their community (91 percent) and satisfied with the site selection and development process (75 percent). 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.

Additionally, 74 percent of Volunteers who reported they feel safe where they live and work also reported a high level of satisfaction with their safety and security training. Safety and security training provides Volunteers with skills to deal with cross-cultural issues and to mitigate risks. Improvements to safety and security training are detailed in indicator 5.1.1.a.

Strengthening Future Performance: Being integrated into the community and living and working in an appropriate site contribute greatly to the safety and security of Volunteers. In FY 2013, the agency will standardize site selection and development guidelines and work with posts to ensure adherence to site standards.

Data Source: Annual Volunteer Survey

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

Rationale: An increase in the number of reported serious crimes with a corresponding decrease in unreported serious crimes indicates that Volunteers are more comfortable with the response and support from Peace Corps staff in the event a crime occurs. Improved reporting suggests that Volunteers are receiving the support they need and provides the agency with a more accurate account of safety and security issues in the country.

Discussion of Result: This indicator is modeled on a measure from the Department of Defense. The Peace Corps is in the process of building its ability to measure this indicator. "Reported" serious crimes are currently disclosed by the Volunteer to post or headquarters staff and catalogued in a secure agency database. "Unreported" serious crimes are not directly disclosed by the Volunteer to post or headquarters staff but instead, are reported anonymously.

The agency currently gathers unreported crime data from Volunteers through the AVS. The AVS is an anonymous survey that includes questions about crime incidents. While the AVS provides valid data on Volunteers' experiences and perceptions, it has not been designed specifically as a victimization survey. The agency is collaborating closely with the National Institute of Justice at the Department of Justice to develop a separate crime victimization survey modeled on standards utilized by the public health and criminal justice communities.

This is the first year the agency has included this indicator in its performance plan. When the crime victimization survey is established, the agency will monitor the results of the indicator to establish a baseline.

Strengthening Future Performance: The agency is planning to administer an anonymous crime victimization survey to more accurately measure unreported serious crime.

Data Source: Office of Safety and Security

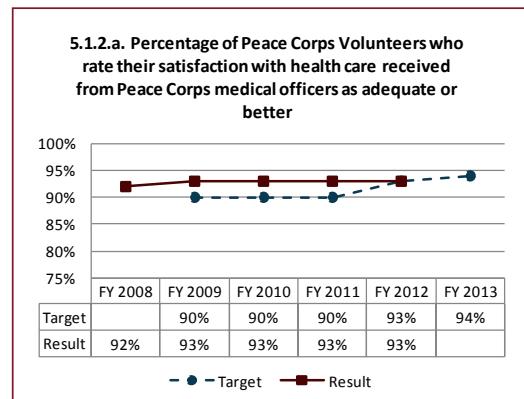
Performance Goal 5.1.2: Provide quality medical and mental health services to trainees and Volunteers

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 2012 Target	FY 2012 Result	Target Met	Trend
93%	93%	Yes	Maintaining

Rationale: Volunteers reporting on their satisfaction with the health care they receive from Peace Corps medical officers is a direct indication of the quality of the medical and mental health care being provided by the Peace Corps.

Discussion of Result: *The target was met.* Peace Corps medical officers are the primary caregivers of medical and mental-health services to Volunteers. Volunteers' satisfaction with medical officers is a result of the agency's sustained focus on improving an already high level of performance.



For the past few years, the agency has been implementing an ambitious quality improvement program through the Health Care Quality Assurance Council to systematically improve the medical and mental-health services provided to Volunteers. Utilizing FOCUS-PDSA, a quality improvement model used in health care and other industrial settings, combined with other data-collection methods, the agency has identified opportunities for improvement and executed action plans. Quality improvement teams engaged in the following efforts in FY 2012:

- **Use of the quality nurse line:** Volunteers can email nurses directly at headquarters if they have any concerns with their health care. Several email concerns were received in FY 2012 and appropriate clinical and/or administrative follow-up was conducted.
- **Quarterly medical chart reviews:** Training and standardization of practice was identified as an issue; in response, the agency instituted quarterly medical chart reviews. A sample of Volunteer medical charts is reviewed by a team of clinicians, and feedback is given to Peace Corps medical officers for improvement.
- **Medical supply stocking:** The agency is moving from a "just-in-case" to a "just-in-time" approach to medical supply stocking, which will save the agency resources by reducing unused and expired medical supplies. The agency also worked with the U.S. Army to facilitate a continuing medical education course for first responders and develop jump bags containing emergency medical supplies.

- Analysis of Volunteer satisfaction with health care:** Indicator results from FY 2011 were disaggregated by post to identify the areas with lowest satisfaction. The results were cross-analyzed with other administrative data, and the agency found that the posts with the highest medical staff turnover had the lowest Volunteer satisfaction. The analysis indicated that stability of health-care providers is a major factor in Volunteer satisfaction and the agency has redoubled its efforts to improve the retention of Peace Corps medical officers.
- Peace Corps medical officer mentoring:** Recently hired Peace Corps medical officers are being mentored by medical staff at headquarters to ensure a more consistent level of medical care across all posts.

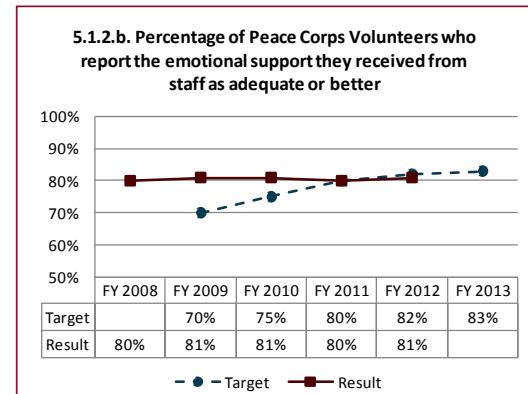
Strengthening Future Performance: The agency will continue to make gains in providing medical and mental-health services under the guidance of the Health Care Quality Assurance Council.

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 2012 Target	FY 2012 Result	Target Met	Trend
82%	81%	No	Improving

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. A high level of satisfaction with their care indicates quality mental and medical-health services are being provided to Volunteers in support of their emotional health.



Discussion of Result: *The target was not met.* Volunteers consistently report satisfaction with the emotional support provided by Peace Corps staff. Due to the importance of supporting the emotional needs of Volunteers, the agency set a stretch target to encourage high performance. While the target was not met in FY 2012, the result is an improvement from last year and constitutes a high level of performance.

All agency staff members are responsible for providing emotional support to Volunteers, including country directors, program managers, and medical officers. The agency provides emotional support to Volunteers by training Volunteers on how to deal with the unique stressors of Peace Corps service, building the skills of American and host country staff to support the emotional needs of Volunteers, and building structures to provide support in the wake of traumatic events.

The agency engaged in all of these activities in FY 2012, including holding mental-health training sessions for post staff, standardizing peer support network training, increasing the number of consultations provided to Volunteers by counselors in the Counseling and Outreach Unit, and providing support to victims of crime through the Office of Victim Advocacy.

Strengthening Future Performance: The agency is launching an initiative to explore how the Peace Corps can further improve its support of the emotional and mental-health needs of its Volunteers. The initiative will be informed by the responses to the 2012 Annual Volunteer Survey about the most stressful factors facing Volunteers.

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 2012 Target	FY 2012 Result	Target Met	Trend
75%	72%	No	Declining

Rationale: Volunteers encounter unique stressors during service that can influence their mental and medical health. Volunteers reporting a high level of support indicate that the Peace Corps is providing quality health care.

Discussion of Result: *The target was not met.* This indicator was improved to measure the range of stressors associated with Volunteers service. Volunteers reported dealing with several stressors while living and working in their communities, including working with community partners (20 percent), communicating in the local language (17 percent), and dealing with isolation and loneliness (16 percent). More than half of all Volunteers (55 percent) reported that their local diet limited their ability to maintain their physical health. Another 29 percent noted that a lack of physical exercise was also a factor in maintaining their health.

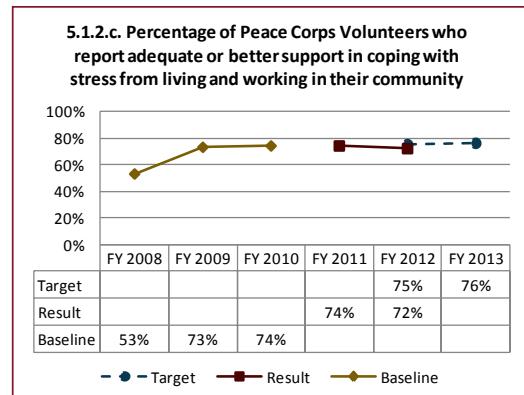
While a majority of Volunteers encounter some level of stress while living and working in their communities, one in five indicated that they have no need for support to cope with stress.

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

Resiliency among Volunteers and staff is important in responding to everyday stressors. In FY 2012, Peace Corps medical officers attended a continuing medical education session on Volunteer resiliency to learn how to empower Volunteers. The agency also started a discussion on how to better support the needs of Peace Corps staff in coping with stress.

Strengthening Future Performance: The agency's work to improve site selection and preparation may 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.

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 2012 Target	FY 2012 Result	Target Met	Trend
95%	78%	No	Declining

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 Peace Corps formulates and executes its budget by organizational unit. Each unit submits an operational plan prior to the start of the fiscal year that lays out expected funding for the year based on historical operational cost information and current and future fiscal reality.

Budget analysts work with organizational units throughout the year to formulate accurate operational plans, adjust budgets based on need, and to spend appropriately. The constant collaboration between budget and program staff ensures agency operations are budgeted properly.

Strengthening Future Performance: The agency will review methods for improving the linkage between performance planning and budgeting to ensure operational plans accurately reflect agency priorities.

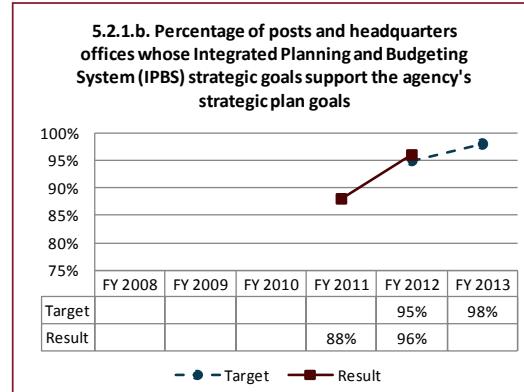
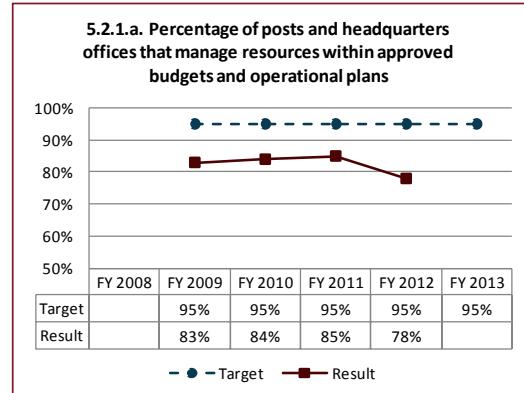
Data Source: Office of the Chief Financial Officer

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 2012 Target	FY 2012 Result	Target Met	Trend
95%	96%	Yes	Improving

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 three-year strategic plan through the Integrated Planning and Budgeting System (IPBS). Posts and headquarters offices are given the opportunity to



identify which agency strategic goals their organizational goals support. In FY 2012, all headquarters offices and 58 of 61 eligible posts submitted IPBS strategic plans that supported the agency's strategic goals.

Strengthening Future Performance: In FY 2012, the agency piloted a standardized electronic IPBS strategic plan template for headquarters offices to improve the analysis of strategic plans and to ensure all critical information is captured. The new template will be rolled out to posts in FY 2013.

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 2012 Target	FY 2012 Result	Target Met
Complete annually	Completed	Yes

Rationale: Financial and Volunteer resources allocated to posts represent a significant portion of the agency's budget. By conducting a standardized, annual process for reviewing the agency's 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 recommendations. Each of these components was completed as part of the Country Portfolio Review process in FY 2012. As much of this process extends across multiple fiscal years, work has already begun on aspects of the Country Portfolio Review to be completed in FY 2013.

The Peace Corps uses external data developed by third-party international institutions such as the United Nations 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 review completed in FY 2012 included data from nearly 90 categories for all Peace Corps posts.

The Country Portfolio Reviews completed in FY 2011 and FY 2012 informed the agency's Volunteer and financial allocation decisions. More specific details on these decisions are provided in the Research and Evaluation section.

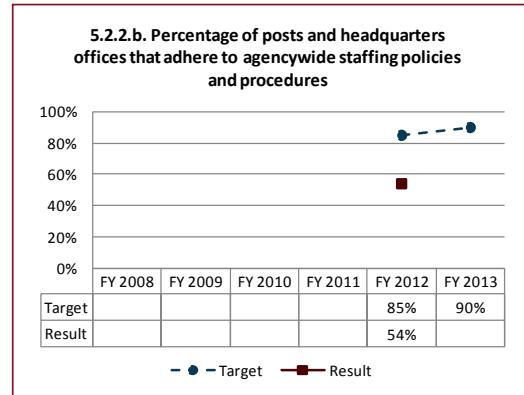
Strengthening Future Performance: The agency will better align the Country Portfolio Review process with the agency's budget formulation process so that the results of the review can be used to inform long-term resource planning.

Data Source: Office of the Director

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

FY 2012 Target	FY 2012 Result	Target Met
85%	54%	No

Rationale: Agencywide staffing policies and procedures are consistent with federal government standards and compatible with local labor requirements. The implementation of these policies and procedures demonstrates the agency's ability to effectively manage its human capital.



Discussion of Result: *The target was not met.* As a result of the standardization of personnel practices for all employees in FY 2011, the agency modified this indicator to measure the actual implementation of staffing policies and procedures—a higher performance standard. The indicator focuses on ensuring that all employees are aware of staffing policies and procedures through new employee orientation and that they receive mid-year and year-end performance appraisals.

This is the first year of measuring this indicator, and performance was lower than expected. In FY 2012, 72 percent of eligible posts fully implemented all three of the measured staffing policies and procedures for all of their employees. While several headquarters offices implemented all three staffing policies and procedures for the majority of their employees, no office fully met the indicator.

The agency was successful in providing an orientation for new employees. Ninety-five percent of headquarters offices and 94 percent of overseas posts held new employee orientations for all of their new employees. New employee orientations take place during the first three days of work for all new employees and include sessions on Peace Corps' personnel practices. The orientation provided for new employees at the post in Armenia was notable, and included—in addition to an overview of staffing policies and procedures—the history of the Peace Corps in Armenia, videos of Volunteers working in the country, and visits to Volunteer sites.

Completion of mid-year and year-end performance appraisals by the end of the fiscal year was more challenging. While 92 percent of posts completed year-end performance appraisals for all employees, only 59 percent of headquarters offices met this requirement. Further, 76 percent of posts completed mid-year appraisals, but no office conducted mid-year appraisals for all of their employees.

While the timely submission of employee performance appraisals was an issue, there is clear evidence of gaps in the reporting system where some appraisals were not properly recorded. Constraints in the reporting system may be a major factor in the low level of reported performance in FY 2012.

Strengthening Future Performance: Through the quarterly strategic plan performance review sessions in FY 2013, the agency will identify the challenges in meeting the targets for this indicator and coordinate efforts to improve performance, including developing an improved reporting system. Additionally, in FY 2012, the agency noted that the new employee orientations provided to staff in domestic regional recruitment offices did not

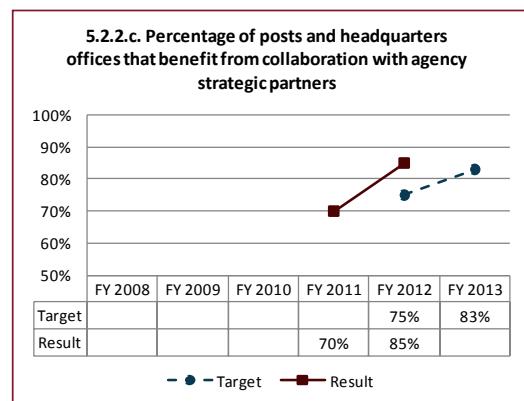
sufficiently address employee benefits. As a result, the agency will provide supplemental online training on staffing policies and procedures, including benefits, to staff in domestic regional recruitment offices in FY 2013.

Data Source: Overseas posts and headquarters offices data call

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

FY 2012 Target	FY 2012 Result	Target Met	Trend
75%	85%	Yes	Improving

Rationale: The agency collaborates with external 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 them more effectively.



Discussion of Result: *The target was met.* The agency collaborated with the following international strategic partners in FY 2012:

- CHF International
- Food and Agriculture Organization of the United Nations
- Grassroot Soccer
- International Alliance for Youth Sports
- Malaria No More
- Millennium Challenge Corporation
- Population Services International
- Save the Children
- Special Olympics
- United Nations Volunteers
- U.S. Agency for International Development—Global Education Framework
- U.S. Agency for International Development—Global Food Security
- U.S. Agency for International Development—Small Project Assistance
- U.S. Centers for Disease Control and Prevention
- U.S. Environmental Protection Agency
- U.S. President's Emergency Plan for AIDS Relief
- U.S. Department of State—Energy and Climate Partnership of the Americas
- VSO (Volunteer Service Organization) International
- World Cocoa Foundation
- World Food Program

These strategic partners provided assistance in training, volunteer assignments, material development, and the provision of logistical and strategic support. For example, with support from U.S. Agency for International Development under the Global Education Framework agreement, the Peace Corps is developing curricula to train Volunteers on integrating a gender perspective into their work. The training sessions will introduce Volunteers to topics such as training teachers to promote inclusiveness and gender awareness and how to respond to gender-based violence in their schools.

While the agency has benefited from several strategic partnerships over the years, there are costs associated with partnering with other organizations, including administrative costs and reporting requirements for Volunteers and staff.

Strengthening Future Performance: The agency will continue annual reviews of its 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 additional partnerships in sectors, regions, and headquarters offices where a mutually beneficial opportunity for collaboration exists.

Data Source: Overseas posts and headquarters offices data call

Performance Goal 5.2.3: Ensure 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 2012 Target	FY 2012 Result	Target Met
Complete annually	Not completed	No

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 on a specific area of performance improvement, contributing to more efficient and effective operations.

Discussion of Result: *The target was not 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. While neither requirement was met this year, the mission-critical work process that was ultimately selected demonstrated significant progress in FY 2012, and the effort will be sustained through the next year and beyond.

At the strategic plan performance review session for the second quarter of FY 2012, the chief operating officer announced the selection of the work process to be improved: the development of an applicant and Volunteer quality feedback loop between overseas posts and headquarters. The selection was a result of consultations with posts and headquarters offices throughout the first half of the fiscal year.

The project is a cross-agency effort that addresses recommendations made by the Peace Corps Inspector General to develop and implement a method to measure Volunteer quality, develop standards for applicant assessment, and create a mechanism for gathering feedback on Volunteer performance and suitability from post staff.

In FY 2012, the agency developed and piloted a standardized applicant assessment tool for use by headquarters staff and domestic regional recruitment offices. Additionally, the agency developed and began piloting a Volunteer performance evaluation tool to be administered by overseas staff. In FY 2013, these assessment and evaluation tools will be integrated into the redesigned Volunteer Delivery System.

When the project is complete, the applicant and Volunteer quality feedback loop will, for the first time, directly connect how applicants are assessed for Peace Corps service with their success in the field. The feedback loop will provide critical insights into why Volunteers succeed and which competencies contribute to their success.

Strengthening Future Performance: At the end of each fiscal year, the agency solicits ideas from posts and headquarters offices on what mission-critical process should be improved during the next year. In FY 2013, the agency will act more quickly on this information and announce the selected mission-critical process at the strategic plan review session for the first quarter.

Data Source: Office of the Director



Photo of a Youth Development Volunteer working with an English and German conversation club in Azerbaijan.

Research and Evaluation

The Peace Corps conducts regular studies throughout the year to evaluate the agency's progress toward its goals, ensure processes are operating efficiently, and inform resource allocation decisions. Research and evaluation activities are conducted at overseas posts and in various headquarters offices. Published agency studies can be found at www.peacecorps.gov/open/evaluations.

In FY 2012, the Peace Corps initiated the development of an overarching evaluation framework, significantly strengthening its evaluation processes. When paired with procedural guidance, the new framework will codify the agency's current best practices and add new structures and activities to improve evaluation at the agency and better demonstrate the impact of Volunteers' work. Further, it will successfully connect the evaluation work currently being conducted in disparate offices and provide a clear delineation of the roles and responsibilities of both headquarters offices and overseas posts. The new evaluation framework will be completed in FY 2013.

In FY 2012, the agency conducted the following major research and evaluation activities:

- Annual Volunteer Survey
- Country Portfolio Review
- Host Country Impact Studies
- Evaluations by Overseas Posts and Headquarters Offices

The Office of Inspector General also conducted various audits and evaluations.

While the specific purposes of the agency's research and evaluation work varied in FY 2012, the findings from the studies were used to assess progress toward the agency's strategic goals and identify actions to further improve agency performance. The results supported evidence-based decision-making and 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. The FY 2012 AVS recorded the highest response rate in the history of the survey, with 87 percent of Volunteers participating. This high overall response rate—and the fact that all but three posts achieved at least a 70-percent response rate (with 35 percent achieving a rate between 90-98 percent)—signifies that the data is highly representative of the total Volunteer population.

The AVS asks Volunteers to assess the impact of their work, the effectiveness of their training, in-country staff support, their personal health and safety, and their overall satisfaction with their service. In FY 2012, the AVS included an expanded set of health-related questions to gather more information about factors affecting Volunteers' physical and emotional health.

Findings

The results of the FY 2012 AVS provided the agency with critical insights into Volunteers' views and their in-country experiences. Results indicated that the training and support prepared Volunteers to stay safe, healthy, and productive in their work. Key results are listed below:

- Volunteers reported they effectively transferred knowledge and skills to help build the capacities of the host country individuals with whom they worked (87 percent) (Strategic Goal 1).
- Responses from Volunteers suggest that the training and support provided by the agency prepared them for service; 80 percent of Volunteers reported they were adequately or better prepared for Peace Corps service when they arrived in their country, and 96 percent reported that they were adequately or better prepared to meet the challenges of Peace Corps service at the time they took the survey, at least one month after arriving in-country (Strategic Goals 1, 2, 4, and 5).
- More than half (54 percent) of the Volunteers felt very integrated into their communities (Strategic Goals 1, 2, and 5).
- A number of Volunteers (39 percent) who were about to complete their service reported they plan to participate in other volunteer activities in the United States. In this way, Volunteers will be bringing their volunteer experience home, yielding additional benefits to the United States through their continued service at home (Strategic Goal 3).

Actions Taken

AVS results are used for potential and views across posts and, over time, identifying trends and informing Peace Corps staff about Volunteers' suggestions on how the agency can more effectively meet host country needs. Analysis of the results from prior years revealed that Volunteers' satisfaction with the selection and preparation of their work locations had decreased. As a result, the agency included a new performance indicator in its FY 2012 annual performance plan to ensure a focus on improving site selection and preparation and to measure progress.

AVS data was used in FY 2012 to better ensure the safety and security of Volunteers—the agency's highest priority. In the FY 2011 AVS, Volunteers' perceptions of their safety and security in El Salvador, Guatemala, and Honduras were lower than their peers in other countries. That information, coupled with other programmatic data compiled through the Country Portfolio Review, led the agency to realign operations in those countries in FY 2012.

Country Portfolio Review

The agency completed its second annual Country Portfolio Review in the first quarter of FY 2012. The Country Portfolio Review addresses a key recommendation of the Comprehensive Agency Assessment, 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 and possible country phase-outs, as well as the allocation of Volunteers and resources.

The 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 1, 2, and 5).

Findings

Through the Country Portfolio Review completed in FY 2012, the agency found that it is implementing the vast majority of its programs in host countries that have a demonstrated need for the Peace Corps' approach to development and have interested host country partners. The review also identified countries that had achieved a high level of development, indicating that some country programs could be graduated (closed) to enable the agency to focus its limited resources on areas of the world with greater need.

The review also provided additional data on known operational challenges, including difficult safety and security environments in some countries and variations in the level of in-kind and cash contributions from host governments to the Peace Corps country programs.

Actions Taken

The Country Portfolio Reviews in FY 2011 and FY 2012 informed the agency's decision to increase the Volunteer population in Africa and to graduate (close) programs in Bulgaria, Romania, Cape Verde, Antigua/Barbuda, and St. Kitts/Nevis in FY 2013.

Data from the Country Portfolio Review also informed the decision to suspend the program in Honduras due to the in-country security environment.

The Peace Corps is working to better align the Country Portfolio Review with the budget formulation process so that the results of the review can be used to inform agency resource planning. The agency also instructed posts to review in-kind and cash contribution levels.

Begin callout: Peace Corps Volunteers from 11 African countries gathered in Senegal for 10 days in late September to share the most effective strategies for combating malaria across the continent. Via video conferencing, Volunteers engaged some of the world's foremost authorities on malaria prevention and discussed methods to bring the latest research back to their communities. End callout.

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 1 and 2). The agency has completed 24 Host Country Impact Studies since FY 2008. Three studies were completed this year—one each in El Salvador, Ghana, and Paraguay. More than 400 beneficiaries, counterparts, and host families were interviewed in these three studies.

Findings

The studies completed in FY 2012 confirmed that Volunteers are meeting the Peace Corps goals of building local capacity and increasing the understanding of Americans on the part of local people. The results also showed that respondents felt strongly that most of the changes had been sustained after the Volunteers left their communities. A unique factor of the Peace Corps' successful approach to local development is the day-to-day interaction between the Volunteers and the communities in which they live, which respondents identified as a key catalyst for both mobilizing and sustaining community change.

- Ninety-five percent of the counterparts and 88 percent of the beneficiaries engaged in daily or weekly interaction with Volunteers.
- Seventy-five percent of the counterparts and 83 percent of the beneficiaries reported using the new skills they gained in their professional lives on a daily basis.
- Seventy-nine percent of host country individuals reported they had completely or largely sustained the changes made as a result of working with the Volunteer.
- Ninety-six percent of counterparts and beneficiaries would definitely like another Volunteer to serve in their community.

Actions Taken

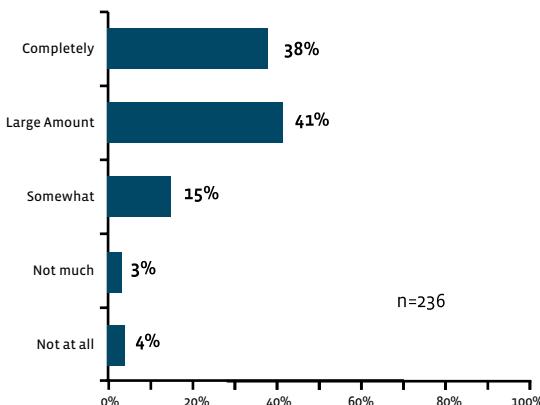
In FY 2012, the agency conducted a survey of the posts that participated in earlier Host Country Impact Studies to determine how the results have been utilized in their programs. More than half of the posts used the findings related to skill transfer, sustainability, and capacity building to refocus or redesign their Volunteer projects and activities. When asked how their training programs were changed, 48 percent of posts responded they adjusted technical training for Volunteers as a result of insights gained from their Host Country Impact Study.

Posts underscored the importance of sharing the results of the studies with Volunteers. Ninety-one percent of posts indicated they had shared the results with their Volunteers. One post noted that information from the Host Country Impact Studies can serve to motivate Volunteers, demonstrating that their efforts make a difference in people's lives and are appreciated.

Host Country Impact Studies are the agency's primary mechanism for demonstrating the long-term impact of Volunteers and, in FY 2012, the agency created short summaries of the studies to make the results more accessible to the public. Published studies and the summaries can be found at www.peacecorps.gov/open/evaluations.

Host Country Impact Study Results

Changes sustained after working with Volunteer



Begin Text box: Responses from Host Country Impact Study Participants in FY 2012***Local capacity building (Strategic Goal 1)***

“I behave differently from what I used to do. Now I believe in consensus building, consultation, and open dialogue. I now go in for the problems facing my community rather than wait for the problems to come to me.”

—*Beneficiary in Ghana*

“The Volunteer gave excellent training. On a scale of 1 to 10, I’d rate it a 10. Something that I admire about the Volunteers is that they are pragmatic and practical in their style of teaching. I have learned to be more efficient in my work as well, and it is a model for me and the school that I direct.”

—*Counterpart in El Salvador*

Opinions of Americans changed (Strategic Goal 2)

“I had not known about Americans, but because of working with the Volunteer I noted that they are good people. He liked to work in groups and help wherever he could.”

—*Beneficiary in Paraguay. End Text box.*

Evaluations Conducted by Overseas Posts

Posts conduct evaluations to improve their country programs and increase the impact of their Volunteers (Strategic Goals 1, 2, and 3). In FY 2012, 38 percent of posts completed at least one evaluation, including process evaluations (28 percent), outcome evaluations (20 percent), impact evaluations (6 percent), and cost benefit analyses (5 percent). Process evaluations assessed whether a project was operating as intended and if it was meeting community needs. Outcome evaluations described how well a program achieved its intended results. Impact studies provided an independent assessment of the agency’s programs to determine whether projects were meeting their intended outcomes. Cost benefit analyses assessed the cost of meeting a single goal or objective.

Findings

Evaluations conducted by posts identified successes and challenges in meeting project objectives. Multiple posts cited high satisfaction among local partners regarding the work of the Volunteers. At the same time, posts were constrained in collecting impact information from partners. One post noted that projects are informally evaluated at partner and community meetings. Another post mentioned that additional work is needed to collect baseline data and crafting indicators. Findings from evaluations completed by posts in FY 2012 confirm the need for greater monitoring and evaluation resources at overseas posts.

Actions Taken

Posts used information gathered from evaluations to modify their programs and operations to better meet the Peace Corps goals. Several posts engaged in project reviews as part of the Focus In/Train Up strategy, resulting

in significant changes to programming. For example, a review in the Armenia program resulted in adding a youth component in the Community Economic Development sector, better responding to local needs. In the Dominican Republic, the education project changed from information technology education to literacy, and the business project was modified to focus more on business education rather than organizational development.

Posts used evaluation findings to:

- Refocus the project or program areas (26 percent)
- Redesign training (26 percent)
- Adjust their Integrated Planning and Budget System submission (23 percent)
- Redesign the project or program areas (20 percent)
- Redesign the project or program implementation (17 percent)
- Discontinue the project or program (9 percent)

Evaluations Conducted by Headquarters Offices

The headquarters offices conducted essential program evaluations in support of Strategic Goals 1, 2, and 3, as well as cost-benefit evaluations and operational assessments related to Strategic Goals 4 and 5.

Fifteen headquarters offices (75 percent) conducted over 300 evaluation activities in FY 2012, including process evaluations (52 percent), cost-benefit analyses (42 percent), outcome evaluations (5 percent), and impact studies (1 percent). Examples of evaluation activities completed by headquarters offices are provided below.

Findings and Actions Taken

- **Annual review of global partnerships:** In FY 2012, the agency reviewed seven of its 20 global partnerships. The review identified the partnerships that are meeting the needs of the agency as well opportunities for improvement. The agency used the information from reviews of partnerships to determine the best use of partnership resources and to look for new partnership opportunities.
- **Analysis of medical evacuations:** Volunteers are medically evacuated from their country of service when the Peace Corps can no longer fully support their medical needs at post. Analysis showed that medical evacuations and consultations from care providers have increased in recent years. As a result, the agency has allocated additional resources to support and care for medically evacuated Volunteers. The new medical evacuation support team, based at the headquarters in Washington, D.C., meets Volunteers at the airport, ensures they receive the care they need, and connects them with local resources. In a survey conducted in FY 2012 of medically evacuated Volunteers, 98 percent responded that they were very satisfied with the services provided by the agency.
- **Staging event evaluation:** The agency assessed trainees' satisfaction with their staging event—the domestic pre-service orientation for Volunteers as they depart for service. Trainees were highly satisfied, with 94 percent noting that they found it helpful. However, participants also reported that they would like more interaction with fellow trainees and more country-specific information. The agency has adjusted the staging event curriculum to respond to these requests.

- **Cost-benefit analyses on delivery of medical care:** The agency analyzed several options for delivering medical care to Volunteers in a more cost-effective manner. One study compared various malaria-prevention options utilizing projected numbers of Volunteers and inflation rates for the calculation of medical costs. The agency also evaluated the current policy for post-service schistosomiasis testing. As a result of the evaluation, the agency changed the policy and now provides preventative medicine for the condition to Volunteers at the end of their service rather than conducting tests after service.

Begin text box: Small Project Assistance (SPA) Program Evaluation

The agency conducted a major evaluation of the SPA program, a joint collaboration between the Peace Corps and the U.S. Agency for International Development (USAID) to support development projects in local communities. The evaluation included two components: a survey of Peace Corps and USAID program managers on management processes and in-country evaluations of the programs in Senegal and Ukraine.

Program managers indicated a high level of confidence in the effectiveness of the SPA program. The management survey revealed that Peace Corps post staff (95 percent of respondents) and USAID mission staff (79 percent) believe that SPA projects are both relevant to the community and provide lasting benefits. Results from the two country evaluations support the conclusion that SPA projects help to advance local development. In Ukraine, 96 percent of the project beneficiaries and partners indicated they both acquired and applied new skills or knowledge in their work. Further, 91 percent of the organizations reported they continued the project activities after the completion of the project. In the Senegal study, 78 percent of the partners interviewed stated their capacity was built through their active involvement in the SPA projects' planning, implementation, and monitoring phases.

The recommendations from the evaluation were reviewed and incorporated into the new SPA agreement, which contains the requirement to promote independent, in-country evaluations of the impact of the SPA program. The program will also conduct baseline studies, visit project sites to monitor projects, and undertake regional evaluations. End text box.

Audits and Evaluations Conducted by 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 operations and strengthen the agency's ability to implement country programs that increase host country capacity. OIG audits focus on fiscal accountability and the effectiveness of internal control over worldwide and domestic Peace Corps resources. OIG evaluations analyze the program operations of the Peace Corps at both overseas posts and domestic offices. OIG audits and evaluations are submitted to agency management, which then takes appropriate action to address the concerns that have been identified. OIG audits and evaluations can be found at www.peacecorps.gov/oig.

During FY 2012, the OIG issued six audit reports and six evaluation reports concerning 11 country programs. The audits were conducted in Costa Rica, Jordan, Lesotho, Mali, and Tonga and a limited scope audit of China was conducted from headquarters. These reports covered administrative and financial operations at overseas posts. Other OIG FY 2012 audit work included: an audit of the mid-Atlantic regional recruiting office, an audit of the Peace Corps budget formulation process, a review of the agency's compliance with the Federal Information Security Management Act, and oversight of the independent auditor's annual audit of the agency's financial statements.

OIG country program evaluations were conducted in China, Fiji, Indonesia, Kyrgyz Republic, Peru, and Uganda. The program evaluation reports addressed issues such as the extent to which the post has developed and implemented programs that met agency goals and provided adequate training, health care, and support and oversight to Volunteers to enable them to increase host country capacity and promote cross-cultural understanding. During FY 2012, the OIG evaluations unit also issued a report on the impacts of the five-year rule on agency operations and a review of the Peace Corps' implementation of guidelines related to Volunteer victims of rape and sexual assault.

Program Evaluations Conducted by Office of Inspector General

Major Findings and Recommendations:

Impacts of the Five-Year Rule on Operations of the Peace Corps

The Five-Year Rule, a personnel rule unique to the Peace Corps, limits staff appointments to a maximum of five years. While it has enabled the agency to hire returned Volunteers and prevent employees from making life-long careers at the agency, it has also created challenges for the agency. The OIG evaluation determined that a comprehensive examination of the Five-Year Rule is needed to address the negative effects that excessive employee turnover and brief employee tenure have had on the operations of the Peace Corps. The agency is still working to address the five recommendations issued in this report.

Review of Peace Corps' Implementation of Guidelines Related to Volunteer Victims of Rape and Sexual Assault

The OIG completed a review of agency guidelines related to response to Volunteer sexual-assault victims and reported that the Peace Corps accomplished a number of initiatives in 2011 that addressed concerns raised by victims. The agency established a response framework predicated on compassion, safety, open communication, and respect for victim privacy and it issued new guidance and provided training for staff. However, the OIG determined that Volunteers who reported sexual-assault incidents not classified as a rape or major sexual-assault were not consistently receiving the care or support that some of them needed. The report recommended that agency guidelines include procedures for response to all sexual assault incidents; that staff roles and resources be more clearly described; and that all staff with response roles attend training on the guidelines and protocols. The report identified additional steps the agency should take to ensure consistency and accountability in the response effort, including establishing a centralized case management system. The agency is working to address the 12 recommendations issued in this report.

China

The OIG evaluation of China included findings and recommendations intended to achieve improvements in the following areas:

- Remove obstacles that were impeding office communications
- Increase the effectiveness of the Volunteer leader program
- Clarify Volunteers' emergency consolidation point locations
- Improve the accuracy of Volunteer site locator forms
- Increase staff support for the peer support network

Some actions taken by the agency in response to the evaluation include adjusting the Volunteer leaders' position responsibilities and developing a process to select appropriate staff members to serve on a Volunteer support committee.

Fiji

The OIG evaluation of Fiji included findings and recommendations intended to achieve improvements in the following areas:

- Develop stronger relationships with government partners and ensure the country agreement is up-to-date
- Provide improved technical training, particularly for small business Volunteers
- Improve consistency in post leadership's actions and the timeliness and transparency of decisions
- Provide additional emotional and mental-health support for Volunteers
- Prepare Volunteers for weather-related emergencies
- Adhere to the post's health and safety criteria for Volunteer housing
- Increase medical officers' participation in Volunteer site development

Some of the many actions taken by the agency in response to the evaluation include implementing improvements to the post's site identification and approval system, which now includes more involvement from medical officers; creating a photo file to help ensure that housing criteria are met; conducting staff development training focused on Volunteer support; and requiring Volunteers to develop a personal safety plan after arriving at their site.

Indonesia

The OIG evaluation of Indonesia included findings and recommendations intended to achieve improvements in the following areas:

- Provide new country entry and re-entry posts with adequate time to ensure important health- and safety-related activities are completed before trainees arrive
- Differentiate programming staff responsibilities
- Improve technical and secondary local language training
- Prepare Volunteers to respond to emergencies when cell phones may not be operable
- Ensure Volunteers are aware of their emergency consolidation point locations
- Distribute important emergency action plan (EAP) updates to staff and Volunteers

In response to the report, the agency is reviewing new country entry procedures and timelines to ensure that key Volunteer health and safety activities are completed before trainees arrive in-country. The post has reviewed staff positions to clarify duties, and it has hired additional training staff who began implementation of a new core curriculum for its technical training program.

Kyrgyz Republic

The OIG evaluation of Kyrgyz Republic included findings and recommendations intended to achieve improvements in the following areas:

- Increase staff's participation in the EAP revision process and their understanding of EAP roles and responsibilities
- Prepare staff and Volunteers to respond to a variety of emergency situations, including earthquakes and events that interrupt telephone communications
- Encourage Volunteers to complete intended community integration activities
- Improve the timeliness and usefulness of staff's feedback on Volunteer performance reports
- Assist Volunteers in identifying viable work partners
- Conduct more effective budgeting and resource planning
- Improve staff morale by reviewing statements of work and pay grades
- Address deficiencies in grants management

Since the completion of the evaluation, the post has conducted an EAP training session for staff, provided additional training for Volunteers on the agency's performance reporting tool, and implemented earthquake training.

Peru

The OIG evaluation of Peru included findings and recommendations intended to achieve improvements in the following areas:

- Ensure that Volunteers are placed in sites where they can achieve their project goals
- Improve technical and language training
- Adhere to the post's health and safety criteria for Volunteer housing
- Ensure that Volunteers are aware of their emergency consolidation points
- Develop and utilize site criteria that sufficiently consider travel-related risks for Volunteers

In response to the evaluation, the post conducted a thorough review of the accessibility of Volunteers' sites and closed sites that presented an unacceptable level of travel risk. The post also updated its site development manual to include programmatic site selection criteria and adjusted the timing of site assignments so Volunteers could receive more site-specific training.

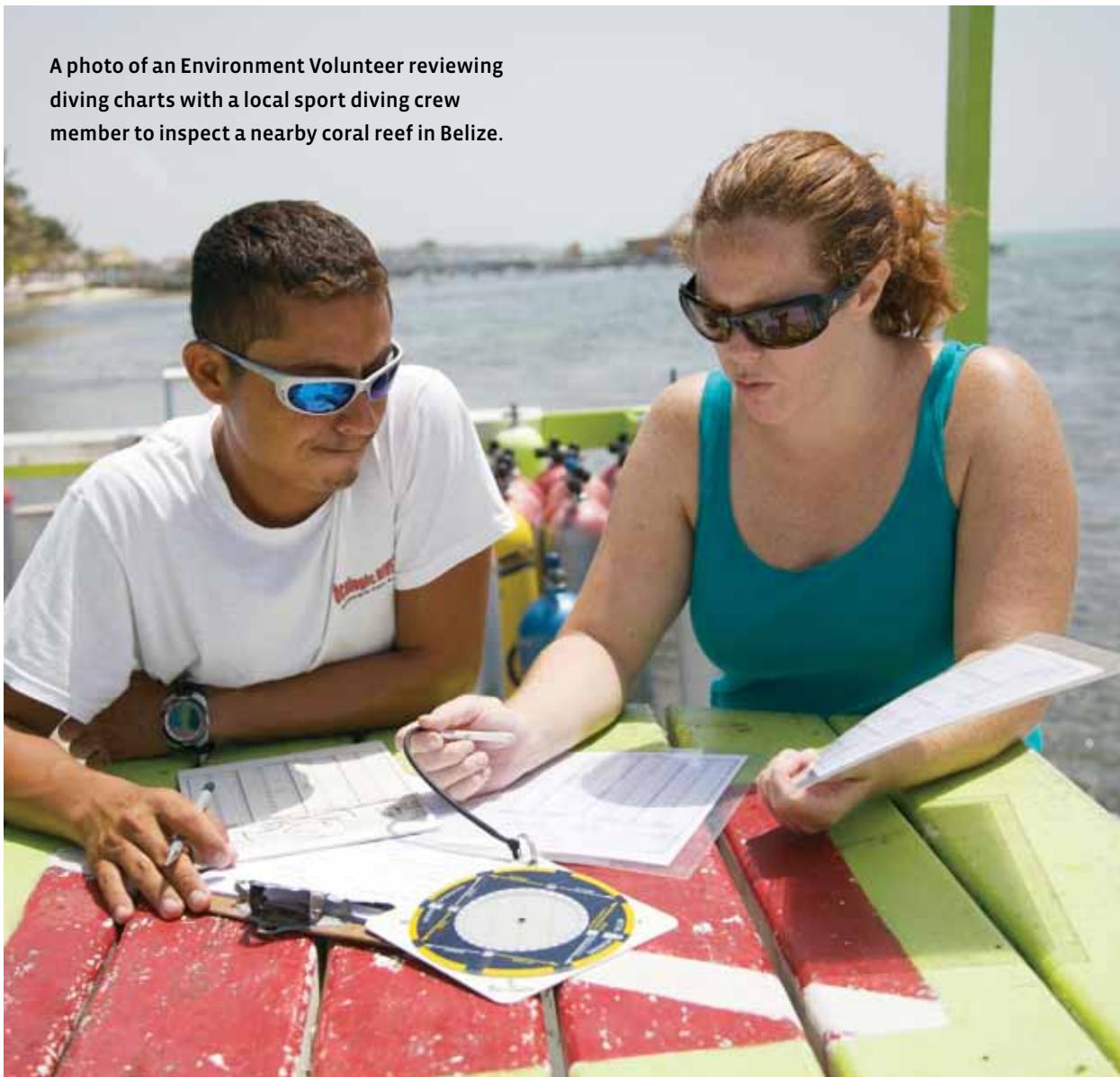
Uganda

The OIG evaluation of Uganda included findings and recommendations intended to achieve improvements in the following areas:

- Stabilize post operations after a period of leadership turnover
- Ensure that Volunteers are aware of their emergency consolidation points
- Develop stronger relationships with project stakeholders and communicate annual project progress to them
- Improve technical training
- Ensure the post has an up-to-date medical evacuation plan that is understood by staff
- Bring the post into compliance with agency safety and security policies
- Develop and utilize site criteria that sufficiently consider the availability of post-approved transportation options

- Improve organization of the education project
- Increase the medical officers' participation in site identification and site visits

In response, the agency provided headquarters support that helped the post develop a strategy to improve operations programming. The post also adopted a new pre-service training model, modified technical training, and developed a process to ensure that Volunteers are aware of their emergency consolidation point and have experience traveling to that location.



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FINANCIAL SECTION



A photo of a Health Volunteer giving computer lessons to youth as secondary project in Senegal.

Message from the Chief Financial Officer

For the sixth consecutive year, an unqualified (clean) audit opinion on the financial statements was issued by independent auditors, CliftonLarsonAllen. No material weaknesses or federal system noncompliances were identified during the financial statement audit or through management reviews within the agency.

Quality reporting in the FY 2011 Performance and Accountability Report earned the agency its fifth award of the prestigious Association of Government Accountants' Certificate of Excellence in Accountability Reporting.

This year the agency received its annual appropriation of \$375 million during the first fiscal quarter and operated with a far more level funding stream despite receiving \$25.8 million less than the FY 2010 funded level. The FY 2011 appropriation was \$374.3 million. Some system initiatives completed this year, notably DOVE (Database of Volunteer Experience) and MAXx (Medical Application Exchange System), continued important steps toward fully updating the Volunteer Delivery System. These systems manage the outreach, recruitment, evaluation, placement, support and return of the Volunteers, and handle the medical requirements for pre-service applicants. The relative steady funding stream of these last two years minimized the ramping up and down in the number of Volunteers, helping to limit the volatility in the recruitment systems that require long lead times.

We processed more than 400 thousand financial transactions in 77 currencies in 76 countries during FY 2012 to support the more than 8,000 Volunteers. Each year, the financial management staff in the headquarters and those supporting financial management throughout the three regions and the worldwide posts continue their tireless efforts to ensure that the Volunteers are fully supported in their work efforts within the local communities around the world.

During this fiscal year, agency managers worked to correct the two significant deficiencies in internal control and the 26 associated audit recommendations identified during the FY 2011 financial statement audit through Senior Assessment Team meetings and monitoring the corrective action plan. The agency's property accountability system deployed in late FY 2011 continues to experience operational and accountability issues in working toward gaining agencywide control over the \$35 million Property, Plant, and Equipment assets. Progress on the corrective action plan and implementing the new system was not sufficient to resolve the two significant deficiencies in Property, Plant, and Equipment and Information System Security which remain open following the FY 2012 audit.

The 24 outstanding audit recommendations associated with these two significant deficiencies and their currently projected completion dates are shown in Appendix 1, Audit Significant Deficiencies. Those unresolved audit recommendations carried over from prior years are also identified in the Appendix.

Financial management improvements implemented during FY 2012 included the following:

- Converting 100 percent of the African posts to electronic funds transfer
- Implementing a "Do Not Pay" program in compliance with U.S. Treasury regulations in conjunction with the Office of Acquisitions and Contract Management to identify prohibited vendors and ensure no business is conducted with excluded vendors

- Decommissioning the Electronic Certification System for the processing of overseas payments to Volunteers and vendors as required by the U.S. Department of State
- Reassessing and strengthening agency accounts payable and receivables processes at the post level to ensure the accurate and prompt collection of debts
- Implementing a strengthened encryption and transmission application for all overseas transactions to allow for greater security and data protection for all payments
- Consolidating the accounts receivable and cash management functions to include collections, eliminating the need for one director position
- Making greater use of the agency's budget formulation and financial analysis software, Hyperion Planning, resulting in significantly improved analytics, forecasting, and allocation of scarce agency resources
- Completing the rollout of the application for posts and the Office of Safety and Security to track employment security certifications
- Recovering \$9.6 million through open obligation reviews by closing or adjusting obligations in current and expired funds

Beginning in FY 2013, the recently implemented DOVE system will allow the extraction of important information—personal contact information, Next of Kin, Emergency Contacts, Life Insurance, and Savings Bonds—directly from the Volunteers' applications, eliminating the previous manual keying process and potential duplicate entries and keying errors.

When the annual 2012 W-2s are issued to the Volunteers, all taxable allowance information will be included for the first time. This eliminates the requirement for the Volunteers to manually calculate portions of their taxable income for federal and state taxes.

The agency's budget formulation and financial analysis software, Hyperion Planning, developed and implemented over the past two fiscal years to manage the agency's appropriated funding is being expanded to cover the President's Emergency Plan for AIDS Relief (PEPFAR) funding. When the project is completed this next fiscal year, the FY 2013 Implementation Plans for PEPFAR will be submitted to the U.S. Global AIDS Coordinator of the Department of State and the posts' financial operations will be improved by reporting, analyzing, and managing projections of multiple funds through a single financial system.

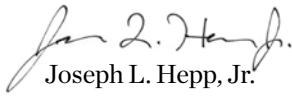
A new personal services contractor application was completed in FY 2012, and worldwide deployment is planned in FY 2013, allowing posts to enter contractor data at their locations, automatically computing payroll elements, and eliminating error-prone manual re-entry at the headquarters. This application will allow online approval in the headquarters, improving the efficiency and transparency of the contractor payment process. As with other financial system applications implemented at the Peace Corps, internal control requirements were evaluated and included in the system design to ensure automated compliance of internal control processes to the maximum extent possible.

We have laid out solid steps to achieve the administration's directed savings in agency operations related to conferences and travel during FY 2013. Those savings will improve the transparency of and accountability for spending this next fiscal year and will further reduce any wasteful spending, if found.

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. Consistent with the Inspector General's Peace Corps Budget Formulation Process audit conducted in FY 2012, studies are underway to assess the feasibility of more closely linking performance and budgeting through cost allocation if proven to be cost effective. Accurate correlation of actual costs with applied overhead to the strategic goals and outputs remains unachievable without capturing significantly more granular direct costs and implementing indirect cost allocation models within the financial system for cost-stratification purposes.

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

Moving forward, we will continue to seek new improvements in financial management and will work harder toward resolving outstanding significant audit deficiencies.



Joseph L. Hepp, Jr.
Chief Financial Officer
November 15, 2012

Financial Statements

**Peace Corps
Balance Sheet
As of September 30, 2012 and 2011**
(In Thousands)

	<u>2012</u>	<u>2011</u>
Assets		
Intragovernmental		
Fund Balance With Treasury (Note 2 and 3)	\$ 180,689	\$ 175,205
Accounts Receivable (Note 4)	2,324	1,336
Total Intragovernmental	<u>183,013</u>	<u>176,541</u>
Accounts Receivable, Net (Note 4)	221	72
General Property, Plant, and Equipment, Net (Note 5)	35,176	43,888
Other		
Prepaid Volunteer Living Allowances (Note 6)	2,220	3,106
Other Assets (Note 7)	3,369	2,835
Subtotal Other	<u>5,589</u>	<u>5,941</u>
Total Assets	<u><u>\$ 223,999</u></u>	<u><u>\$ 226,442</u></u>
Liabilities		
Intragovernmental		
Accounts Payable	\$ 1,544	\$ 2,937
Other		
Unfunded FECA Liability (Note 8)	30,558	30,737
Other Liabilities (Note 9)	429	785
Subtotal Other	<u>30,987</u>	<u>31,522</u>
Total Intragovernmental	<u><u>32,531</u></u>	<u><u>34,459</u></u>
Accounts Payable	10,559	7,091
Federal Employee and Veterans Benefits (Note 8)	139,531	133,121
Other		
Other Employment Related Liability (Note 8)	4,660	11,573
Non-Entity Funds (Note 2)	55,739	53,904
Accrued Funded Payroll and Leave	5,762	6,786
Unfunded Annual Leave (Note 8)	9,415	9,136
Other Liability (Note 9)	820	770
Subtotal Other	<u>76,396</u>	<u>82,169</u>
Total Liabilities	<u><u>259,017</u></u>	<u><u>256,840</u></u>
Commitments and Contingencies (Note 10)		
Net Position		
Unexpended Appropriations	103,531	97,955
Cumulative Results of Operations	(138,549)	(128,353)
Total Net Position	<u><u>\$ (35,018)</u></u>	<u><u>\$ (30,398)</u></u>
Total Liabilities and Net Position	<u><u>\$ 223,999</u></u>	<u><u>\$ 226,442</u></u>

The accompanying notes are an integral part of these statements

Peace Corps
Statement of Net Costs
For the Years Ended September 30, 2012 and 2011
(In Thousands)

	<u>2012</u>	<u>2011</u>
Program Costs:		
Gross Costs	\$ 392,669	\$ 395,293
Less: Earned Revenue (Note 11)	<u>6,969</u>	<u>5,033</u>
Net Cost of Operations	<u><u>\$ 385,700</u></u>	<u><u>\$ 390,260</u></u>

The accompanying notes are an integral part of these statements

Peace Corps
Statement of Changes in Net Position
For the Years Ended September 30, 2012 and 2011
(In Thousands)

	<u>2012</u>	<u>2011</u>
Cumulative Results of Operations:		
Beginning Balances	\$ (128,353)	\$ (142,436)
Budgetary Financing Sources:		
Appropriations Used	368,702	397,809
Donations and Forfeitures of Cash and Cash Equivalents	41	-
Other Financing Sources (Non-Exchange):		
Donations and Forfeitures of Property	(81)	170
Transfers-In/Out Reimbursement	990	(154)
Imputed Financing (Note 16)	<u>5,852</u>	<u>6,518</u>
Total Financing Sources	375,504	404,343
Net Cost of Operations	<u>385,700</u>	<u>390,260</u>
Net Change	<u>(10,196)</u>	<u>14,083</u>
Cumulative Results of Operations	(138,549)	(128,353)
Unexpended Appropriations:		
Beginning Balances	97,955	121,532
Budgetary Financing Sources:		
Appropriations Received	375,000	375,000
Other Adjustments	(722)	(767)
Appropriations Used	<u>(368,702)</u>	<u>(397,810)</u>
Total Budgetary Financing Sources	<u>5,576</u>	<u>(23,577)</u>
Total Unexpended Appropriations	<u>103,531</u>	<u>97,955</u>
Net Position	<u>\$ (35,018)</u>	<u>\$ (30,398)</u>

The accompanying notes are an integral part of these statements

Peace Corps
Statement of Budgetary Resources
For the Years Ended September 30, 2012 and 2011

(In Thousands)

	<u>2012</u>	<u>2011</u>
Budgetary Resources:		
Unobligated Balance, Brought Forward, Oct 1	\$ 51,089	\$ 58,532
Recoveries of Prior Year Unpaid Obligations	9,590	12,594
Other Changes in Unobligated Balance (+ or -)	(709)	(20)
Unobligated Balance from Prior Year Budget Authority, Net	59,970	71,106
Appropriations (Discretionary and Mandatory)	375,000	374,250
Spending Authority from Offsetting Collections (Discretionary and Mandatory)	18,091	6,323
Total Budgetary Resources	<u>\$ 453,061</u>	<u>\$ 451,679</u>
Status of Budgetary Resources:		
Obligations Incurred (Note 12)	\$ 386,590	\$ 400,590
Unobligated Balance, End of Year:		
Apportioned	58,968	46,240
Exempt from Apportionment	41	-
Unapportioned	7,462	4,849
Total Unobligated Balance, End of Year	<u>66,471</u>	<u>51,089</u>
Total Budgetary Resources	<u>\$ 453,061</u>	<u>\$ 451,679</u>
Change in Obligated Balance:		
Unpaid Obligations, Brought Forward, Oct 1 (Gross)	\$ 71,165	\$ 90,315
Uncollected Customer Payments from Federal Sources, Brought Forward, Oct 1 (-)	(1,233)	(1,026)
Obligated Balance, Start of Year (Net), Before Adjustments (+ or -)	<u>69,932</u>	<u>89,289</u>
Obligations Incurred	386,590	400,590
Outlays (Gross) (-)	(379,287)	(407,145)
Change in Uncollected Customer Payments from Federal Sources (+ or -)	(9,138)	(207)
Recoveries of Prior Year Unpaid Obligations (-)	(9,590)	(12,594)
Obligated Balance, End of Year		
Unpaid Obligations, End of Year (Gross)	68,878	71,165
Uncollected Customer Payments from Federal Sources, End of Year (-)	(10,371)	(1,233)
Obligated Balance, End of Year (Net)	<u>\$ 58,507</u>	<u>\$ 69,932</u>
Budget Authority and Outlays, Net:		
Budget Authority, Gross (Discretionary and Mandatory)	\$ 393,091	\$ 380,574
Actual Offsetting Collections (Discretionary and Mandatory) (-)	(8,953)	(6,116)
Change in Uncollected Customer Payments from Federal Sources (Discretionary and Mandatory) (+ or -)	(9,138)	(207)
Budget Authority, Net (Discretionary and Mandatory)	<u>\$ 375,000</u>	<u>\$ 374,251</u>
Outlays, Gross (Discretionary and Mandatory)	\$ 379,287	\$ 407,145
Actual Offsetting Collections (Discretionary and Mandatory) (-)	(8,953)	(6,116)
Agency Outlays, Net (Discretionary and Mandatory)	<u>\$ 370,334</u>	<u>\$ 401,029</u>

The accompanying notes are an integral part of these statements

Notes to the Financial Statements

Note 1 Significant Accounting Policies

a) Reporting Entity

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

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

b) Basis of Presentation

The financial statements present the financial position, the net cost of operations, and changes in net position, along with budgetary resources activities of the agency pursuant to the requirements of 31 U.S.C. 3515 (b). They have been prepared using Peace Corps' books and records in accordance with agency accounting policies, the most significant of which are summarized in this note. The statements are in addition to the financial reports used to monitor and control budgetary resources, which are prepared from the same books and records. The statements are presented in accordance with the applicable form and content requirements of OMB Circular A-136, Financial Reporting Requirements, issued August 2012. The statements should be read with the realization that they are for a component of the U.S. government, a sovereign entity.

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 are subdivided in two categories: intragovernmental and public. 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 government 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 government 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. The balances in the agency's trust funds are non-entity assets and are included in the financial statements.

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.

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 funds.

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.

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

The Fund Balance with the U. S. Treasury consists of appropriated 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 cash in commercial bank accounts for the funds reported in the balance sheet. 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, 2012, cashier imprest funds represented by cash on hand, checks on hand, interim advances, and cashier checking account balances totaled approximately \$1.1 million 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 Department of State Financial Service 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 more likely than not to be totally uncollected. 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. 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). Vehicles in the amount of \$10,000 and over are capitalized. 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. The agency has established a policy that uses an estimated salvage value of 40 percent for the agency's vehicles based on their resale value in recent years.

Nonexpendable personal property is depreciated over three to 15 years. The agency operates land, buildings, and equipment that are provided by the General Services Administration and overseas. Rent for General Services Administration property is expensed. Deferred maintenance amounts are immaterial with respect to the financial statements.

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 government 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. Until systems are in place to track this liability in a timely manner, the estimate of the current and future costs of the severance and retirement liability is determined annually.

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 fiscal year 2012 were immaterial.

s) Allocation Transfer

The Peace Corps is a party to allocation transfers with the Department of State 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 (Department of State) 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 trust fund, special fund, 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, 2012 (In Thousands)	September 30, 2011 (In Thousands)
Trust Fund		
FSN Separation Liability Trust Fund	\$ 5,396	\$ 6,972
Special Fund		
Host Country Residents Contractors Separation Liability Fund	22,600	18,140
Deposit Funds		
Volunteer Readjustment Allowance	26,724	27,712
Clearing Accounts	1,019	1,080
Total Non-Entity Assets	55,739	53,904
Total Entity Assets	168,260	172,538
Total Assets	\$ 223,999	\$ 226,442

Trust Fund—The FSN Separation Liability Trust Fund represents the estimated accrued liability for separation pay (based on local labor law) of the FSN employees.

Special Fund—Host Country Residents Contractor Separation Liability Fund represents the estimated accrued liability for separation pay (based on local labor law) of the personal services contractors.

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. The Volunteer payroll allotment account reflects the value of held U. S. government bonds purchased by the Volunteers through allotments from the readjustment allowance. The bonds allow the Volunteers to earn interest on their earnings while in service overseas.

Clearing Accounts—The proceeds of sales funds represent cash received from the sale of assets, primarily vehicles, and are available 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, 2012 <i>(In Thousands)</i>	September 30, 2011 <i>(In Thousands)</i>
Appropriated Funds	\$ 124,950	\$ 121,301
Total Non-Entity Assets (Note 2)	55,739	53,904
Total	\$ 180,689	\$ 175,205
Status of Fund Balance with Treasury	September 30, 2012 <i>(In Thousands)</i>	September 30, 2011 <i>(In Thousands)</i>
Unobligated Balance		
Available	\$ 58,968	\$ 46,240
Unavailable	7,462	4,849
Obligated Balance Not Yet Disbursed	58,520	70,212
Non-Budgetary Fund Balance with Treasury	55,739	53,904
Total	\$ 180,689	\$ 175,205

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.

Note 4 Accounts Receivable, Net

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
Accounts Receivable as of September 30, 2011 (In Thousands)	Accounts Receivable, Gross	Allowance for Doubtful Accounts	Accounts Receivable, Net
Intragovernmental	\$ 1,336	\$ -	\$ 1,336
Other	72	-	72
Total	\$ 1,408	\$ -	\$ 1,408

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.

Annually, a determination of the amount of the Allowance for Doubtful Accounts will be established for material amounts exceeding \$30,000. The agency recognizes an Allowance for Doubtful Accounts when it is determined that the amounts of nonfederal (public) debts are more likely than not to be totally uncollected. An allowance was not required by the agency as of September 30, 2012, since the threshold was not exceeded.

Note 5 General Property, Plant, and Equipment, Net

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
Components of Fixed Assets as of September 30, 2011 (In Thousands)	Useful Life in Years	Cost	Accumulated Depreciation	Net Book Value
Land		\$ 83	\$ -	\$ 83
Buildings	10	234	10	224
Construction in Progress		10,798	-	10,798
General Property, Plant, and Equipment	5–10	4,240	1,374	2,866
Vehicles	5	22,767	7,598	15,169
IT Hardware	3–15	16,406	9,898	6,508
Leasehold Improvements	10	402	221	181
Internal-Use Software in Development		248	-	248
Internal-Use Software	3–9	33,722	25,911	7,811
Total		\$ 88,900	\$ 45,012	\$ 43,888

As of September 30, 2012, 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 eight 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. Peace Corps acquired land and building in Swaziland during FY 2010. Renovation of the headquarters building classified as Construction in Progress in FY 2011 has been completed and capitalized as Leasehold Improvements in FY 2012. There are no restrictions on the use or convertibility of General Property, Plant, and Equipment owned by the Peace Corps.

Note 6 Prepaid Volunteer Living Allowances

	September 30, 2012 (In Thousands)	September 30, 2011 (In Thousands)
Prepaid Volunteer Living Allowances	\$ 2,220	\$ 3,106

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, 2012 (In Thousands)	September 30, 2011 (In Thousands)
Travel Advances to Employees	\$ 442	\$ 382
Relocation Advances to Employees	2	35
Prepaid Rent	2,855	2,418
Other Advances	70	-
Total Other Assets	\$ 3,369	\$ 2,835

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.

Note 8 Liabilities Not Covered by Budgetary Resources		
	September 30, 2012 (In Thousands)	September 30, 2011 (In Thousands)
Intragovernmental Liabilities		
Unfunded FECA Liability	\$ 30,558	\$ 30,737
Liabilities		
Unfunded Annual Leave	9,415	9,136
Unfunded Employment-Related Liability	4,660	11,573
Federal Employee and Veterans Benefits	139,531	133,121
Total Liabilities Not Covered by Budgetary Resources	\$ 184,164	\$ 184,567

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, 2012. 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 183 Foreign Service Nationals and 1,944 Foreign National PSCs working for the Peace Corps at the end of the fiscal year. 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.

Note 9 Other Liabilities		
	September 30, 2012 (In Thousands)	September 30, 2011 (In Thousands)
Intragovernmental		
Advances from Others	\$ 429	\$ 785
Other Liabilities		
Contingent Liability-General Counsel Cases	820	770
Total Other Liabilities	\$ 1,249	\$ 1,555

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).

Note 10 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 that are probable and measurable in the amount of \$820,000 as of September 30, 2012.

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 is estimated to be \$450,000 as of September 30, 2012.

Note 11 Exchange Revenue

	September 30, 2012 <i>(In Thousands)</i>	September 30, 2011 <i>(In Thousands)</i>
Intragovernmental Earned Revenues	\$ 6,762	\$ 4,671
Earned Revenues from the Public	207	362
Total Exchange Revenues	\$ 6,969	\$ 5,033

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 12 Apportionment Categories of Obligations Incurred: Direct vs. Reimbursable

	September 30, 2012 <i>(In Thousands)</i>		September 30, 2011 <i>(In Thousands)</i>	
	Direct	Reimbursable	Direct	Reimbursable
Category A	\$ 379,110	\$ 7,480	\$ 395,309	\$ 5,281
Total Obligations Incurred	\$ 379,110	\$ 7,480	\$ 395,309	\$ 5,281

All obligations incurred are Category A. The Peace Corps does not have any Category B or exempt from apportionment obligations in FY 2012.

Note 13 Undelivered Orders at End of the Period

	September 30, 2012 <i>(In Thousands)</i>	September 30, 2011 <i>(In Thousands)</i>
Undelivered Orders – End of Period	\$ 56,602	\$ 60,588

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 14 Fiduciary Activities

Schedule of Fiduciary Activity (In Thousands)	HCC Cash 2012	HCC Cash 2011	HCC In-Kind 2012	HCC In-Kind 2011
Fiduciary Net Assets, Beginning	\$ 769	\$ 970	\$ -	\$ -
Contributions	1,021	1,173	4,743	4,523
Disbursements	(986)	(1,374)	(4,743)	(4,523)
Increase/(Decrease) in Fiduciary Net Assets	35	(201)	-	-
Fiduciary Net Assets, Ending	\$ 804	\$ 769	\$ -	\$ -
<hr/>				
Schedule of Fiduciary Net Assets (In Thousands)	HCC Cash 2012	HCC Cash 2011	HCC In-Kind 2012	HCC In-Kind 2011
Fiduciary Net Assets				
Cash and Cash Equivalents	\$ 804	\$ 655	\$ -	\$ -
Less: Liabilities	-	(114)	-	-
Total Fiduciary Net Assets	\$ 804	\$ 769	\$ -	\$ -

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 \$4.7 million in fair market value were received at posts through the end of September 30, 2012, for services, supplies, equipment, and facilities. The host country cash balance is \$.8 million as of September 30, 2012.

Note 15 Reconciliation of Net Cost of Operations to Budgetary Obligations			
As of September 30, 2012	Direct	Reimbursable (In Thousands)	Total
Resources Used to Finance Activities:			
Budgetary Resources Obligated:			
Obligations Incurred	\$ 379,110	\$ 7,480	\$ 386,590
Less: Spending Authority from Offsetting Collections and Recoveries	<u>12,819</u>	<u>14,862</u>	<u>27,681</u>
Obligations Net of Offsetting Collections and Recoveries	<u>366,291</u>	<u>(7,382)</u>	<u>358,909</u>
Less: Offsetting Receipts	<u>(2,113)</u>	<u>-</u>	<u>(2,113)</u>
Net Obligations	\$ 368,404	\$ (7,382)	\$ 361,022
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>-</u>	<u>5,852</u>
Net resources used to finance activities	\$ 6,761	\$ -	\$ 6,761
Total resources used to finance activities	\$ 375,165	\$ (7,382)	\$ 367,783
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 (+/-)	\$ 4,419	\$ 7,382	\$ 11,801
Resources that fund expenses recognized in prior periods	<u>6,410</u>	<u>-</u>	<u>6,410</u>
Budgetary offsetting collections and receipts that do not affect net cost of operations	<u>41</u>	<u>-</u>	<u>41</u>
Resources that finance the acquisition of assets	<u>(3,589)</u>	<u>(46)</u>	<u>(3,635)</u>
Other resources or adjustments to net obligated resources that do not affect net cost of operations (+/-)	<u>(3)</u>	<u>-</u>	<u>(3)</u>
Total resources used to finance items not part of the net cost of operations	\$ 7,278	\$ 7,336	\$ 14,614
Total resources used to finance the net cost of operations	\$ 382,443	\$ (46)	\$ 382,397
Components Requiring or Generating Resources in Future Periods:			
Future Funded Expenses	<u>(6,528)</u>	<u>-</u>	<u>(6,528)</u>
Employer Contribution to Employee Benefits	<u>(234)</u>	<u>-</u>	<u>(234)</u>
Components not Requiring or Generating Resources:			
Depreciation and amortization	<u>10,224</u>	<u>14</u>	<u>10,238</u>
Other (+/-)	<u>(173)</u>	<u>-</u>	<u>(173)</u>
Total Components of Net Cost of Operations that will not require or generate resources	<u>3,289</u>	<u>14</u>	<u>3,303</u>
Net Cost of Operations	<u>\$ 385,732</u>	<u>\$ (32)</u>	<u>\$ 385,700</u>

Note 15 Reconciliation of Net Cost of Operations to Budgetary Obligations

As of September 30, 2011	Direct	Reimbursable (In Thousands)	Total
Resources Used to Finance Activities:			
Budgetary Resources Obligated:			
Obligations Incurred	\$ 395,309	\$ 5,281	\$ 400,590
Less: Spending Authority from Offsetting Collections and Recoveries	13,637	5,281	18,918
Obligations Net of Offsetting Collections and Recoveries	381,672	-	381,672
Less: Offsetting Receipts	(1,209)	-	(1,209)
Net Obligations	\$ 382,881	\$ -	\$ 382,881
Other Resources			
Donations and Forfeitures of Property	\$ 170	\$ -	\$ 170
Transfers in/out without reimbursement (+/-)	(154)	-	(154)
Imputed financing from costs absorbed by others	6,518	-	6,518
Net resources used to finance activities	\$ 6,534	\$ -	\$ 6,534
Total resources used to finance activities	\$ 389,415	\$ -	\$ 389,415
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 (+/-)	\$ 14,836	\$ -	\$ 14,836
Resources that fund expenses recognized in prior periods	(5,036)	-	(5,036)
Resources that finance the acquisition of assets	(22,948)	-	(22,948)
Other resources or adjustments to net obligated resources that do not affect net cost of operations (+/-)	640	-	640
Total resources used to finance items not part of the net cost of operations	\$ (12,508)	\$ -	\$ (12,508)
Total resources used to finance the net cost of operations	\$ 376,907	\$ -	\$ 376,907
Components Requiring or Generating Resources in Future Periods:			
Future Funded Expenses	3,481	-	3,481
Employer Contribution to Employee Benefits	824	-	824
Components not Requiring or Generating Resources:			
Depreciation and amortization	9,081	-	9,081
Other (+/-)	(33)	-	(33)
Total Components of Net Cost of Operations that will not require or generate resources	\$ 13,353	\$ -	\$ 13,353
Net Cost of Operations	\$ 390,260	\$ -	\$ 390,260

Note 16 Imputed Financing

	September 30, 2012 (In Thousands)	September 30, 2011 (In Thousands)
Federal Employees Health Benefit Program	\$ 4,260	\$ 4,681
Federal Employees Group Life Insurance Program	14	14
Civil Service Retirement System	787	775
Federal Employees Retirement System	719	974
Foreign Service Retirement and Disability System	72	74
Total Imputed Costs	\$ 5,852	\$ 6,518

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.

Note 17 Disclosure on Contributions to the Peace Corps

Media Contributions Received —The agency was provided free donated space equivalent to \$16.1 million in print, radio, and television media through public service announcements for FY 2012. The National Association of Broadcasters provided the data used by Peace Corps to determine the value for media contributions. These donations are not included in the financial statements.

Inspector General's Audit Transmittal Letter



Office of Inspector General

To: Carolyn Hessler-Radelet, Acting Director

From: Kathy A. Buller, Inspector General 

Date: November 8, 2012

Subject: Audit of Peace Corps' Fiscal Year 2012 Financial Statements

This letter transmits the reports of CliftonLarsonAllen LLP (CLA) on its financial statement audit of the Peace Corps' Fiscal Year (FY) 2012 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 and Other Matters

We contracted with CLA, an independent certified public accounting firm, to audit the Peace Corps' financial statements as of September 30, 2012 and 2011. 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*.

CLA's audit report for FY 2012 includes: (1) an opinion on the financial statements, (2) conclusions on internal control over financial reporting, and (3) a section addressing compliance and other matters. In the audit of the Peace Corps, CLA found:

- The financial statements were fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles,
- There were no material weaknesses in internal control.¹

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.

- CLA's report on internal control identified two 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 management, contingency planning, access controls, and configuration management as areas needing improvement.
- CLA found no instances of reportable noncompliance with laws and regulations it tested or other matters that are required to be reported under Government Auditing Standards or OMB guidance.

OIG Evaluation of CLA's Audit Performance

In connection with the contract, we reviewed CLA'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 about the effectiveness of internal control or conclusions on compliance with laws and regulations. CLA is responsible for the attached auditor's reports dated November 8, 2012 and the conclusions expressed in the reports. However, our review disclosed no instances where CLA 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 CLA'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

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.

Auditor's Report



CliftonLarsonAllen LLP
www.cliftonlarsonallen.com

Independent Auditor's Report

To the Acting Director and Inspector General
 Peace Corps

We have audited the accompanying balance sheets of Peace Corps as of September 30, 2012 and 2011, and the related statements of net cost and changes in net position, and the statements of budgetary resources ("financial statements") for the years then ended. The objective of our audit was to express an opinion on the fairness of these financial statements. In connection with our audit, we also considered the internal control over financial reporting and considered Peace Corps' compliance with laws and regulations. In our audit, we found:

- The financial statements are presented fairly, in all material respects, in conformity with accounting principles generally accepted in the United States of America (U.S.);
- No material weakness in internal control over financial reporting (including safeguarding assets) and compliance with laws and regulation;
- Two significant deficiencies in internal control over financial reporting; and
- No instances of reportable noncompliance with selected provisions of laws and regulations tested.

The following sections and Exhibits discuss in more detail: (1) these conclusions, (2) our conclusions on Management's Discussion and Analysis (MD&A) and other accompanying information, (3) our responsibility for the audit, (4) management's responsibility for the financial statements, (5) Peace Corps' response and our evaluation of their response, and (6) the current status of prior year findings and recommendations.

Opinion on the Financial Statements

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Peace Corps as of September 30, 2012 and 2011, and its net costs, changes in net position, and budgetary resources for the years then ended in conformity with accounting principles generally accepted in the U.S.

Report on Internal Control

In planning and performing our audit, we considered Peace Corps' internal control over financial reporting and compliance (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Peace Corps internal control. Accordingly, we do not express an opinion on the effectiveness of Peace Corps' internal control.

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

INDEPENDENT AUDITOR'S REPORT (Continued)

deficiency or a 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.

Our consideration of internal control was for the limited purpose described above and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control that we consider to be material weaknesses. However, we identified two deficiencies in internal control described below and in Exhibit A that we consider to be significant deficiencies. A *significant deficiency* is a control 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.

Significant Deficiencies

These control deficiencies, detailed in Exhibit A are summarized as follows:

1. Controls over property plant and equipment need improvement
2. Information systems security controls need improvement

Report on Compliance

In connection with our audit, we performed tests of Peace Corps' compliance with certain provisions of laws and regulations. The results of our tests disclosed no instances of noncompliance that are required to be reported in accordance with *Government Auditing Standards*, issued by the Comptroller General of the United States or OMB Bulletin No. 07-04 *Audit Requirements for Federal Financial Statements*, as amended (OMB Bulletin 07-04). However, the objective of our audit was not to provide an opinion on compliance with laws and regulations. Accordingly, we do not express such an opinion.

We noted certain other nonreportable matters involving internal control and its operations that we plan to communicate in a separate letter to Peace Corps management

Status of Prior Year's Control Deficiencies

We have reviewed the status of Peace Corps' corrective actions with respect to the findings and recommendations included in the prior year's Independent Auditors' Report, dated November 11, 2011. Many of the weaknesses described in the significant deficiencies (Exhibit A) are repeat findings over a number of years. Peace Corps has been unable to remediate these weaknesses in a timely manner. The status of prior year findings and recommendations is presented in Exhibit B.

Other Information

Accounting principles generally accepted in the U.S. require that Peace Corps' MD&A be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by the Federal Accounting Standards Advisory Board who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the MD&A in accordance with auditing standards generally accepted in the U.S., which consisted of inquiries of management about the methods of preparing the information and

INDEPENDENT AUDITOR'S REPORT (Continued)

comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The Message from the Director, Performance Section, Other Accompanying Information and Appendices listed in the table of contents is presented for additional analysis and is not a required part of the financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Management's Responsibility for the Financial Statements

Peace Corps management is responsible for (1) preparing the financial statements in conformity with accounting principles generally accepted in the U.S., (2) designing, implementing, and maintaining internal control to provide reasonable assurance that the broad control objectives of FMFIA are met, and (3) complying with other applicable laws and regulations.

Auditor's Responsibility

We are responsible for conducting our audit in accordance with auditing standards generally accepted in the U.S.; the standards applicable to the financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Bulletin 07-04. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are presented fairly, in all material respects, in conformity with accounting principles generally accepted in the U.S. We are also responsible for: (1) obtaining a sufficient understanding of internal control over financial reporting and compliance to plan the audit, (2) testing compliance with selected provisions of laws and regulations that have a direct and material effect on the financial statements and laws for which OMB Bulletin 07-04 requires testing, and (3) performing limited procedures with respect to certain other information appearing in the Annual Report.

In order to fulfill these responsibilities, we (1) examined, on a test basis, evidence supporting the amounts and disclosures in the financial statements; (2) assessed the appropriateness of the accounting policies used and the reasonableness of significant estimates made by management; (3) evaluated the overall presentation of the financial statements; (4) obtained an understanding of Peace Corps and its operations, including its internal control related to financial reporting (including safeguarding of assets) and compliance with laws and regulations, (including execution of transactions in accordance with budget authority); (5) evaluated the effectiveness of the design of internal control; (6) tested the operating effectiveness of relevant internal controls over financial reporting and compliance; (7) considered the design of the process for evaluating and reporting on internal control and financial management systems under FMFIA; and (8) tested compliance with selected provisions of certain laws and regulations. The procedures selected depend on the auditors' judgment, including our assessment of risks of material misstatement of the financial statements, whether due to fraud or error. We believe we obtained sufficient and appropriate audit evidence on which to base our opinion.

We did not evaluate all internal controls relevant to operating objectives as broadly defined by the FMFIA, such as those controls relevant to preparing statistical reports and ensuring efficient

INDEPENDENT AUDITOR'S REPORT (Continued)

operations. We limited our internal control testing to controls over financial reporting and compliance. Because of inherent limitations in internal control, misstatements due to error or fraud, losses, or noncompliance may nevertheless occur and not be detected. We also caution that projecting our audit results to future periods is subject to risk that controls may become inadequate because of changes in conditions or that the degree of compliance with controls may deteriorate. In addition, we caution that our internal control testing may not be sufficient for other purposes.

We did not test compliance with all laws and regulations applicable to Peace Corps. We limited our tests of compliance to selected provisions of laws and regulations that have a direct and material effect on the financial statements and those required by OMB Bulletin 07-04 that we deemed applicable to Peace Corps' financial statements for the fiscal year ended September 30, 2012. We caution that noncompliance with laws and regulations may occur and not be detected by these tests and that such testing may not be sufficient for other purposes.

Agency Comments and our Evaluation

Management's response to our report is presented in Exhibit C. We did not audit Peace Corps' response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of Peace Corps' management, Peace Corps' Office of Inspector General, OMB, the U.S. Government Accountability Office, and the U.S. Congress, and is not intended to be, and should not be, used by anyone other than these specified parties.

A handwritten signature in black ink that reads "CliftonLarsonAllen LLP". The signature is fluid and cursive, with "CliftonLarson" on the first line and "Allen LLP" on the second line.

Arlington, Virginia
November 8, 2012

INDEPENDENT AUDITOR'S REPORT (Continued)**EXHIBIT A****SIGNIFICANT DEFICIENCY 1****CONTROLS OVER PROPERTY PLANT AND EQUIPMENT NEED IMPROVEMENT**

The Office of the Chief Financial Officer (OCFO) continues to make improvements to the Property, Plant & Equipment (PP&E) process but there remains an inability to account for assets accurately and timely by the Office of the Chief Information Officer (OCIO) and the Office of Management (OM).

The contract for the new property accountability software solution, BarTracks, was awarded in September 2010. It was deployed in the fourth quarter of fiscal year 2011 and fully implemented in the first quarter of FY 2012. BarTracks was to provide headquarters with a significantly improved oversight of Post property and to provide Post with an automated tool to properly account for its property. On August 25, 2011, new procedures were written to address implementation of BarTracks. These procedures were documented by OM in MS 511, Property Management, and Property Accountability Handbook and MS 527: Vehicle Acquisition, Disposal, and Management, and the Vehicle Fleet Management Handbook.

We found that disposed property is not properly recorded in BarTracks and in Odyssey. Our testing found that:

- Seven of ten (or 70% of) assets were without a serial number;
- One of ten (or 10% of) assets were without invoice number;
- Four of ten (or 40% of) assets were entered in the system 3 months after their in-service date;
- Another three of ten (or 30% of) assets were entered in the system 10 months after their in-service date (crossing fiscal years);
- Three of ten (or 30% of) assets were capitalized at a higher costs during the allocation process for shipping, freight and travel cost for multiple goods on one invoice; and
- Hours charged internally to software development projects are without support (only estimates used).

During our Post reviews, we also noted in-service date issues and delays with entering assets in Odyssey.

We also found that the asset listing contained numerous assets without identification numbers.

Recommendations

We recommend the Peace Corps Director ensure that:

- 1a. Current policies designed to ensure complete and accurate asset listings are enforced. Procedures should be developed to ensure assets are properly tagged upon receipt and that OCIO, Office of Management and the OCFO are provided with complete and timely data to record additions.
- 1b. Roles and responsibilities outlined on Peace Corps Standard Operating Procedures (SOP) are carried out by posts and HQ for property accounting and financial reporting personnel

INDEPENDENT AUDITOR'S REPORT (Continued)

that perform accuracy, verification, and completeness checks on the capitalized property listings. Office of Management and OCIO should determine the responsible party for managing and maintaining the records of overseas IT assets.

- 1c. Procedures are developed to ensure that additions and disposals are recorded accurately and timely. OCIO should provide OCFO with timely disposal data to ensure the property balances are not overstated.
- 1d. Timekeeping policies and procedures are implemented to adequately track, capture and record hours worked on capital projects such as internal-use software in development and construction-in-progress.

INDEPENDENT AUDITOR'S REPORT (Continued)**SIGNIFICANT DEFICIENCY 2****INFORMATION SYSTEM SECURITY CONTROLS NEED IMPROVEMENT**

Peace Corps made improvements to its information systems control environment during FY 2012. However, we found that certain internal control weaknesses related to Peace Corps' overall IT environment continued to exist at September 30, 2012. Our evaluation of the general and application controls of Peace Corps' key IT infrastructure and financial systems identified the following conditions.

Control Weaknesses*Security Management*

Security management controls provide a framework and continuing cycle of activity for periodic assessments and validation of risk, security control policies and procedures, security awareness training and other security-related personnel issues, periodic testing and evaluation of information security policies, procedures and practices, remediation of information security weaknesses and security over activities performed by external third parties.

The National Institute of Standards and Technology Special Publication (NIST SP) 800-53 Revision 3, *Recommended Security Controls for Federal Information Systems and Organizations* controls (RA-3) Risk assessments: states "The organization reviews risk assessment results [Assignment: organization-defined frequency] and updates the risk assessment [Assignment: organization-defined frequency] or whenever there are significant changes to the information system or environment of operation (including the identification of new threats and vulnerabilities), or other conditions that may impact the security state of the system."

The finding described below represents Peace Corps' lack of compliance with the NIST requirement to update risk assessments whenever there are significant changes to the information system or environment. The risk exists that management and system owners may not be adequately aware of the scope and boundaries of their system and its related control environment.

- The Global Infrastructure Risk Assessment (dated September 20, 2010) did not include the Europe, Mediterranean, and Asia (EMA) Region component general support system or the Africa Region component general support system.

Contingency Planning

Contingency planning controls provide reasonable assurance that (1) information resources are protected, (2) the risk of unplanned interruptions is minimized and (3) provides for recovery of critical operations should interruptions occur.

Per National Institute of Standards and Technology Special Publication (NIST SP) 800-53 Revision 3, *Recommended Security Controls for Federal Information Systems and Organizations* controls: MP-5, Media Transport: states "The organization protects and controls [Assignment: organization-defined types of digital and non-digital media] during transport outside of controlled areas using [Assignment: organization-defined security measures]; Additionally, related control Enhancement 4) states: "The organization employs cryptographic

INDEPENDENT AUDITOR'S REPORT (Continued)

mechanisms to protect the confidentiality and integrity of information stored on digital media during transport outside of controlled areas.” Additionally, CP-4 Contingency Plan Testing and Exercises: states “The organization: (a) tests and/or exercises the contingency plan for the information system [Assignment: *organization-defined frequency, at least annually*] using [Assignment: *organization-defined tests and/or exercises*] to determine the plan’s effectiveness and the organization’s readiness to execute the plan; and (b) reviews the contingency plan test/exercise results and initiates corrective actions. The organization coordinates contingency plan testing and/or exercises with organizational elements responsible for related plans.”

NIST Special Publication 800-34, Revision 1, *Contingency Planning Guide for Information Technology Systems* states: “Accordingly, in order for contingency planning to be successful agency management must ensure they understand the IT Contingency Planning Process and its place within the overall Continuity of Operations Plan and Business Continuity Plan process, and develop or reexamine their contingency policy and planning process and apply the elements of the planning cycle, including preliminary planning, business impact analysis, alternate site selection, and recovery strategies.”

The findings described below represent Peace Corps’ lack of compliance with NIST and OMB requirements to encrypt backup tapes, incorporate a business impact analyses into contingency plans, and test contingency plans on a regular basis. The risk exists that unauthorized individuals could obtain access to sensitive data stored on backup tapes, contingency plans may not effectively support critical business functions, and these plans may not work as intended upon activation, thus delaying recovery or restoration efforts.

- Backup tapes were not being encrypted by Peace Corps.
- The following deficiencies were noted with regards to Peace Corps’ Contingency Planning:
 - The Peace Corps agency-wide Business Impact Analysis (BIA) was not in alignment with the disaster recovery testing performed.
 - CLA visited the following Peace Corps posts during 2012: Burkina Faso and Vanuatu and noted that contingency plans did not identify procedures to follow if alternate sites cannot send or receive information. Additionally, neither post had performed contingency testing.

Access Controls

Access controls should be in place to consistently limit, detect inappropriate access to computer resources (data, equipment, and facilities), or monitor access to computer programs, data, equipment, and facilities. These controls protect against the unauthorized modification, disclosure, loss or impairment. Such controls include both logical and physical security controls to ensure that Federal employees and contractors will be given only the access privileges necessary to perform business functions. Inappropriate access controls do not provide Peace Corps with sufficient assurance that financial information and financial assets are safeguarded from inadvertent or deliberate misuse, fraudulent use, improper disclosure, or destruction.

Per National Institute of Standards and Technology Special Publication (NIST SP) 800-53 Revision 3, *Recommended Security Controls for Federal Information Systems and Organizations* controls: AC-2, Account Management: “The organization manages information system accounts, including identifying account types, identifying authorized users of the information system and specifying access privileges, requiring appropriate approvals for

INDEPENDENT AUDITOR'S REPORT (Continued)

requests to establish accounts, and establishing, activating, modifying, disabling, and removing accounts." Additionally, PE-2, Account management: "The organization a. develops and keeps current a list of personnel with authorized access to the facility where the information system resides (except for those areas within the facility officially designated as publicly accessible); b. Issues authorization credentials; c. Reviews and approves the access list and authorization credentials [Assignment: organization-defined frequency], removing from the access list personnel no longer requiring access.

The findings described below represent Peace Corps' lack of compliance with NIST requirements to require appropriate approvals for requests to establish accounts, manage information system accounts, and review and approval of access lists to information system facilities. The risk exists that electronic media could be misplaced or accidentally disposed, and unauthorized individuals could potentially have or obtain access to Peace Corps data and systems.

- Peace Corps media retention policies and procedures were not developed.
- Media was not properly tracked prior to sanitization and disposal as hard drives and tapes were not all labeled with a unique identifier.
- Evidence of an access request authorization (PTS request ticket/email) could not be provided for one Global Infrastructure Network account created during FY 2012.
- Deficiencies were identified regarding access controls (inactive accounts and accounts that did not require a password) surrounding Active Directory accounts.
- Five individuals who accessed the data center during FY12 were not listed on the CIO approved listing of individuals authorized access. In addition, we noted three temporary individuals whom had accessed the data center; however since these temporary access cards were not assigned to a specific individual, management was unable to identify the temporary individuals and if they were properly granted or needed access.

Configuration Management

Controls provide reasonable assurance that changes to information system resources are authorized and systems are configured and operated securely as intended.

Per National Institute of Standards and Technology Special Publication (NIST SP) 800-53 Revision 3, *Recommended Security Controls for Federal Information Systems and Organizations* controls:

- CM-1, Configuration management policy and procedures: "The organization develops, disseminates, and periodically reviews/updates: (i) a formal, documented, configuration management policy that addresses purpose, scope, roles, responsibilities, management commitment, coordination among organizational entities, and compliance; and (ii) formal, documented procedures to facilitate the implementation of the configuration management policy and associated configuration management controls."
- CM-2, Baseline configurations: "The organization develops, documents, and maintains under configuration control, a current baseline configuration of the information system."

INDEPENDENT AUDITOR'S REPORT (Continued)

- RA-5 Vulnerability scanning:, "The organization: (e) shares information from the vulnerability scanning process and security control assessments with designated personnel throughout the organization to help eliminate similar vulnerabilities in other information systems (i.e. systemic weaknesses or deficiencies)."

OMB Memorandum M-08-22, *Guidance on the Federal Desktop Core Configurations (FDCC)*, "Microsoft Windows XP and Windows Vista are desktop operating systems. Accordingly, FDCC is applicable to all computing system using Windows XP and Windows Vista, including desktops and laptops but not including servers. It is important for the collective security of the Federal Government for all the Windows XP and Windows Vista computers to meet or exceed FDCC, regardless of function."

Additionally, the Federal CIO Council created the Technology Information Subcommittee (TIS) at the direction of OMB to govern, among other federal activities, the FDCC initiative. The TIS, based on federal agency input, selects platforms and application configuration settings for federal implementation. The TIS also is the Change Control Board (CCB) for configuration settings. As stated in the Federal CIO Council Memo to federal agencies, "The USGCB settings replace the Federal Desktop Core Configuration (FDCC) settings and provide the recommended security baselines for Information Technology products widely deployed across agencies." The platforms addressed by USGCB are Microsoft's Windows 7, Windows 7 Firewall, Windows Vista, Windows Vista Firewall, Windows XP, Windows XP Firewall, Internet Explorer 7, Internet Explorer 8, and Red Hat Enterprise Linux 5.

The findings described below represent Peace Corps' lack of compliance with NIST and OMB requirements to develop a formal documented configuration management policy, implementation of security baseline requirements, and to share information from the vulnerability scanning process with designated personnel for remediation. The risk exists that configuration management policies may not be consistently implemented throughout Peace Corps, desktops and workstation security configurations may not be sufficient or consistently hardened against an attack, and vulnerabilities noted on Peace Corps information systems may not be resolved/mitigated in a timely manner.

- Although system level configuration management policies and procedures were developed, they did not exist at the agency level.
- Peace Corps had not implemented all of the FDCC requirements as required by OMB Memorandum M-08-22, *Guidance on the Federal Desktop Core Configurations (FDCC)*. For example, workstations were lacking centrally managed controls such as session locking. Additionally, the Peace Corps Microsoft Windows Servers did not have mandatory security settings and related baseline configurations documented.
- Although Peace Corps scanned workstations and servers as stated in the Standard Operating Procedures for Vulnerability Scanning, workstations and server scan results stopped being reported to management for remediation after the second quarter of FY 2012.

Recommendations

We recommend the Peace Corps Director ensure that:

INDEPENDENT AUDITOR'S REPORT (Continued)

- 2a. Formal risk assessments are completed and updated for all Peace Corps major applications and general support systems.
- 2b. Encryption is implemented on all backup tapes in accordance with the Peace Corps policies and procedures.
- 2c. The Business Impact Analysis is reevaluated and updated to ensure that it accurately addresses the deficiencies noted in the disaster recovery tests.
- 2d. All system Contingency Plans are tested to determine if procedures for reconstitution and recovery of the systems are adequate.
- 2e. Guidance is provided to posts regarding the development of post contingency plans and testing of contingency scenarios to determine if procedures for reconstitution and recovery of the post systems are adequate.
- 2f. Media retention policies and procedures are developed and implemented.
- 2g. Media is tracked with unique identifiers upon receipt and prior to sanitization and disposal.
- 2h. Formal procedures are implemented for requesting access to portable and mobile devices and to include management approved access requests that document each user's approval and assigned device.
- 2i. A method is developed to track the assignments of portable and mobile devices by specific equipment identifiers and individual assigned.
- 2j. Procedures are developed and implemented to ensure the timely return of portable and mobile devices and updating of equipment inventories to reflect current possession.
- 2k. An access request procedure is implemented that includes managing network access requests via a centralized mechanism.
- 2l. Account management procedures are enhanced to include quarterly network account review requirements, identification of those network accounts which remain inactive for more than 90 days, have never been logged into, represent generic or group accounts, or accounts with passwords not defined to expire, and analyze accounts identified as questionable (during the review process) for reasonableness and disable or delete as necessary.
- 2m. Individuals currently granted data center access are compared to the most recent listing of authorized individuals (provided by the OCIO) to ensure no discrepancies. Following up as needed to disable or delete access.
- 2n. A formalized procedure is implemented which includes assignment of department/individual responsibilities to review data center access reasonableness on a quarterly basis, and disabling access if no authorized or no longer needed to perform an individuals' position responsibilities.
- 2o. The use of temporary badges to access the data center is either discontinued, or documented records of individuals assigned to each card are maintained including when issued, when returned, issued to whom, and who authorized issuance of the badge to the individual.

INDEPENDENT AUDITOR'S REPORT (Continued)

- 2p. System change control procedures are integrated fully with the agency wide change control plan and include methodologies for approving specific change types, identifying the use of the varying change types, and identifying the process flows for each type of change.
- 2q. Change control policies are updated to ensure that formal procedures for requesting, approving, coding, testing and promoting a change are appropriately documented.
- 2r. Mandatory security settings and baseline configurations are maintained for Microsoft Windows Servers.
- 2s. FDCC/United States Government Configuration Baseline (USGCB) compliant group policies are implemented and ensure that all workstations are compliant with the FDCC/USGCB requirement checklists.
- 2t. Vulnerability scan results are reported to the appropriate individuals immediately following the scans and tracked for remediation purposes.

INDEPENDENT AUDITOR'S REPORT (Continued)

EXHIBIT B

STATUS OF PRIOR YEAR FINDINGS AND RECOMMENDATIONS

Prior Year Condition	Status As Reported at September 30, 2012	Status as of September 30, 2012
Controls over Property Plant and Equipment Need Improvement	<p><i>Significant Deficiency:</i> The Office of the Chief Financial Officer (OCFO) continues to make improvements to the Property, Plant & Equipment (PP&E) process but there remains an inability to account for assets accurately and timely by the Office of the Chief Information Officer (OCIO) and the Office of Management (OM).</p> <p>The contract for the new property accountability software solution, BarTracks, was awarded in September 2010. It was deployed in the fourth quarter of fiscal year 2011 and fully implemented in the first quarter of FY 2012. BarTracks was to provide headquarters with a significantly improved oversight of Post property and to provide Post with an automated tool to properly account for its property.</p> <p>We found that disposed property is not properly recorded in BarTracks and in Odyssey.</p> <p>During our Post reviews, we also noted in-service date issues and delays with entering assets in Odyssey.</p> <p>We also found that the asset listing contained numerous assets without identification numbers.</p>	This is a repeat finding – See Significant Deficiency 1
Information System Security Controls Need Improvement	<p><i>Significant Deficiency:</i> Peace Corps made improvements to its information systems control environment during FY 2012. However, we found that certain internal control weaknesses related to Peace Corps' overall IT environment continued to exist at September 30, 2012. Our evaluation of the general and application controls of Peace Corps' key IT infrastructure and financial systems identified weaknesses in the areas of security management, contingency planning, access controls and configuration management.</p>	This is a repeat finding – See Significant Deficiency 2

EXHIBIT C

AGENCY COMMENTS TO THE AUDITOR'S REPORT

The agency reviewed the Auditor's Report and concurs with the findings in the report.

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OTHER ACCOMPANYING INFORMATION



A photo of an Education Volunteer crushing grapes for wine with her host mother in Moldova.

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

Office of Inspector General

TO: Carolyn Hessler-Radelet, Acting Peace Corps Director

FROM: Kathy A. Buller, Inspector General 

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

DATE: October 26, 2012

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 2012. OIG has concluded that three of the five areas it identified as management and performance challenges in previous years continue to present significant challenges at the Peace Corps. Further, for FY 2012 OIG has included two challenge areas (Property Management and Protection of PII) under "Business Processes and Information Systems" that were previously presented separately. In addition, OIG has identified three new challenge areas.

This year's challenge areas are:

- IT Management (first reported in FY 2009)
- Effective and Timely Remediation of OIG Findings and Recommendations (FY 2010)
- Business Processes and Information Systems (FY 2011)
- Excessive Personnel Turnover (new)
- Programming and Volunteer Training (new)
- Accountability of Medical Supplies (new)

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. By addressing the issues related to these challenge areas, the agency could potentially increase operational efficiencies and improve mission effectiveness.

Attachment

Peace Corps' Management and Performance Challenge Areas

Challenge IT Management

As noted in previous years the most significant risk for this challenge area is ensuring that limited resources will be put to use where most needed. OCIO has made significant progress in managing IT resources by improving its customer service through enhancements in how it responds to meet customer requirements and restructuring and streamlining its operations. OCIO has also aligned IT resources with the agency's business processes by establishing programs to better link goals and objectives to resources and developing a business process five-year Enterprise and Architecture and a roadmap to guide its work. Further, OCIO management continues to make substantial IT upgrades at overseas locations.

Management has also made good progress in strengthening Peace Corps' IT security management and further improvements to the process are ongoing. However, some issues 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; and some risk assessment and systems security planning documentation have not been completely updated. Achieving full compliance with federal laws and regulations that apply to managing the Peace Corps' IT infrastructure are continuing management challenges. Resourcing issues continue to have a major impact on OCIO priorities as evidenced by high personnel turnover in key technical areas due in large part from term limited personnel appointments imposed by law and availability of qualified resources to fill vacant positions. As a result, throughout the past fiscal year OCIO has been about 20 percent below its programmed staffing strength.

Challenge Effective and Timely Remediation of OIG Findings and Recommendations

Over the last two years OIG has been reporting a challenge related to untimely remediation of OIG findings and recommendations. Although management has made progress in remediating findings and recommendations, it continues to not be timely in taking corrective actions necessary to remediate the deficiencies noted in OIG reports. During FY 2012 management fully remediated 121 recommendations of the 245 recommendations issued in FY 2012 and took actions to close 96 prior year's recommendations. The table below indicates the total number of recommendations open for more than 180 days for the last eight years.

OIG Open Audit/Evaluation Report Recommendations

Fiscal Year OIG Report Issued	Number of Open Post and Agency-wide Recommendations	Number of Open FISMA and Financial Statement Audit Recommendations
2012*	27	N/A
2011	34	6
2010	7	3
2009	2	5

2008	5	4
2007	0	5
2006	0	0
2005	0	1
2004	0	1
Total No. of Open Recommendations	75	25

*Includes only those open since March 31, 2012. The FY 2012 FISMA and Financial Statement Audit Recommendations have not been included.

The lack of effective and timely remediation of OIG findings and recommendations is a trend that has continued through the current fiscal year. There are a number of significant audit and evaluation findings and recommendations that have remained in an open status for 2-8 years. Although the agency generally remediates recommendations for overseas posts in a timely and efficient manner, remediation of some of the more complex recommendations requiring corrective actions that change how the agency operates as a whole or have wide-ranging impact has not been closed timely. More complex recommendations often involve a more substantial level of effort and broader coordination and communication. For example, some recommendations having an impact on information security and property accountability have been open for more than two years. OIG believes agency management needs to place greater emphasis on improving its overall remediation process to include focusing on the higher priority and long outstanding recommendations.

Challenge Business Processes and Information Systems

Although the Peace Corps continued to streamline operations and improve the technology that supports key business processes and critical Volunteer support functions, 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 IT systems.

Agency business processes must also support effective internal controls and access to reliable data. During the past fiscal year, OIG's work has 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 agency management implements the necessary automated and manual controls throughout their processes to ensure the desired results are achieved. The agency is improving its controls through recent revisions to policies and procedures and automated solutions in areas such as Volunteer payments, property management, and bills of collection. However, some important initiatives to improve business processes have been delayed or postponed. Further, management must develop monitoring mechanisms to ensure their controls are operating effectively. As shown in OMB Circular A-123, "Monitoring the effectiveness of internal control should occur in the normal course of business. In addition, periodic reviews, reconciliations or comparisons of data should be included as part of the regular assigned duties of personnel. Periodic assessments should be integrated as part of management's continuous monitoring of internal control, which should be ingrained in the agency's operations."

Although progress has been made, the agency still requires improvements in critical mission areas such as:

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's new property accountability system was deployed in the fourth quarter of FY 2011. The Office of Management (OM) assisted posts in rectifying some of the initial system implementation issues and provided additional hands-on training to general services managers in August 2012. OM continues to work closely with staff members responsible for property management. However, OIG's FY 2012 audits found that posts were still struggling to design work processes around the new system and that the initial data loaded into the system had inaccuracies. In addition, OIG's external auditor continues to report that the agency has not taken the necessary corrective actions to ensure accurate tracking of assigned laptop computers at headquarters. Management has acknowledged the internal control deficiencies found by the external auditor and recently initiated corrective actions.

Safety and Security

The agency continues to improve aspects of its safety and security program however it has not yet established some critical processes, such as developing a system to ensure safety and security recommendations are implemented by posts. The majority of the 42 posts visited by OIG in 2009–2011 struggled to fully implement agency safety and security policies and procedures, specifically with regards to emergency action plans and consolidation points, Volunteer housing, site locator forms, and security background certifications for staff. For example, while the agency has established instructions to assist in these areas, additional training and monitoring are needed to ensure consistent implementation at posts. Similarly, the agency made progress by entering into a memorandum of understanding (MOU) with the DOS in May 2012 defining the roles and responsibilities for responding to staff and Volunteer safety and security incidents overseas. The execution of the MOU was included in a recommendation in the 2010 audit of the Volunteer safety and security program and subsequently mandated by the Kate Puzey Peace Corps Volunteer Protection Act of 2011(P.L. 112-57). While the execution of the MOU is an important milestone, dissemination of the MOU, follow up guidance from the Office of Safety and Security, and training will determine how effectively the MOU will be implemented. Given the decentralized nature of the Volunteer safety and security program and the number of overseas personnel with safety and security roles, it will be a management challenge to adequately train and oversee staff to ensure posts are fully complying with agency policies and guidance, a finding that was reported in OIG's 2008 *Final Program Evaluation Report: Volunteer Safety and Security*.

Data Management

As the agency automates business processes, proper data management is essential to ensure the accessibility of useful and accurate data. Several new systems that will streamline operations and provide more robust data for management analysis and decision making are being developed. For example, the agency deployed systems to automate fleet vehicle management and process requests for personnel actions, and is piloting an e-solution to automate the process for approving

employee leave. However, progress in modernizing the Peace Corps' timekeeping system has been delayed due to the inability of current available products to fulfill the timekeeping requirements for overseas staff. Further, the Peace Corps continues to process travel requests and reimbursement submissions manually. Although the General Services Administration has recently awarded a new vendor contract for a government-wide e-travel system slated to begin in FY 2013, the agency's review of system capabilities and necessary subsequent training may push actual Peace Corps' implementation of the new system to sometime in FY 2014. Another major initiative is the new electronic medical records system to be fully deployed in FY 2014, which will have a component that will give the agency access to data on medical expenditures and other important related information. These systems are essential for recording and tracking useful data to help managers make informed decisions.

Protection of PII

This challenge was identified by OIG in FY 2009, and although the number of reported breaches decreased during FY 2012, the issue continues to be of concern. The agency reported six PII breaches in FY 2012 compromising the data of 17 individuals. One of the reported breaches involved 40 boxes of information containing post files that went missing. The extent to which those boxes contain PII and the number of affected individuals is unknown. In a separate incident, a box of records containing completed confidential financial disclosure report forms (OGE Form 450) was lost during an office move. Agency officials concluded that this loss was not a PII breach. Although OGE Form 450 does not ask for PII, it is possible some agency staff members provided such information with the forms submitted. Since FY 2009, the agency has updated incident response policy and modified breach notification policy, provided training in New Employee Orientation, with additional training offered after a confirmed breach; and reduced paper files containing PII through the DOVE automated system. The agency is in the process of automating the medical records, which will further reduce the paper files containing PII.

Challenge Excessive Personnel Turnover

In June 2012 OIG issued its final report on the impacts the 'five-year rule' (FYR) has had on operations of the Peace Corps.¹ Peace Corps management concurred with the report's five recommendations and is in the process of formulating its plan for reform. The FYR, which became law in 1965, generally limits employment of Peace Corps' U.S. direct hire personnel to five consecutive years (two 30-month tours). The purpose of the FYR was to create a constant flow of new employees including returned Peace Corps Volunteers (RPCVs) and overseas staff; avoid the inflexibility associated with the civil service system; and prevent employees from working their entire career at Peace Corps. OIG's evaluation found that the FYR has enabled the agency to attract a mission-driven, energetic workforce and to employ RPCVs extensively, including in leadership positions at overseas posts. However, the FYR has caused unique employee retention problems and exacerbated a range of common management challenges.

The FYR has accelerated the annual rate of employee turnover to between 25 and 38 percent, quadruple that of the rest of the federal government. Most employees do not stay for five years; average employee tenure over the past 10 years has been just under three years. High turnover

¹ Final Evaluation Report: Impacts of the Five-Year Rule on Operations of the Peace Corps

has undermined the agency's ability to retain its employees on the basis of performance, conduct succession planning, ensure continuity of needed skills and abilities, provide training and professional development to staff; and deploy its workforce efficiently.

The FYR has weakened the agency's ability to attract and retain highly qualified professionals in the areas of contracting, financial management, IT, human resources management, and medical support functions. It has also led to frequent staffing gaps in key management positions overseas. Further, the practice of employing staff on 30-month tours has compromised performance management by allowing supervisors to avoid actively managing underperforming employees. Finally, OIG estimated that over the five-year period from 2005-2009, excessive turnover driven by the FYR accounted for approximately 60 percent of \$20.7 million in total turnover management costs.²

Challenge Programming and Volunteer Training

Programming and Volunteer training is at the heart of the Peace Corps' operations and enables 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 2012, 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. Sixty-nine percent of OIG evaluation reports issued in FYs 2009–2011 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. To mitigate site development weaknesses, the agency presented training sessions on site identification and preparation at their worldwide conferences in 2012 for country directors and directors of programming and training. Additionally, the agency added an indicator in the FY 2012 annual performance plan that measures Volunteers' satisfaction with site selection and preparation to underscore the importance of this issue and to promote the identification of opportunities for performance improvement.

Volunteer Training

Training provides Volunteers with important knowledge and skills needed for productive and fulfilling service. Seventy-five percent of the posts OIG evaluated in FY 2009–2011 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

² This estimate only includes 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.

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. The agency's "Focus In/Train Up" initiative should help improve training if posts implement the changes needed to focus programming and deliver relevant training.

Host Country/Project Partner Coordination

OIG evaluations have consistently reported that post relationships with host country ministries and project partners often need 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. Without a structured way to work with project partners, posts were not able to take full advantage of their partners' expertise. Some posts had not developed and maintained MOUs with host country ministries and project partners. The agency is encouraging the use of project advisory committees (PACs) to ensure local partners are consulted throughout the cycle of a project. The FY 2012 annual performance plan also includes an indicator that sets targets for program managers' use of PACs to improve performance and gather best practices. As a result, PACs use increased from 33 percent of all projects in FY 2011 to 69 percent of projects in FY 2012.

Challenge Accountability of Medical Supplies

Audit and investigative work performed during FY 2012 has clearly shown that agency management needs to continue to place strong emphasis on improving accountability of medical supplies. The Peace Corps maintains medical supplies to provide Volunteers with needed vaccinations, medications, and emergency medical support. Peace Corps posts spend approximately \$5 million a year on medical supplies. In FY 2008, 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. During FY 2012 the Office of Medical Services (OMS) further revised its policies and procedures by issuing technical guidance and provided training on the policies and procedures to country directors, Peace Corps medical officers and other overseas staff. It also regularly communicated with posts to provide support. In the past year OMS further enhanced support by providing on-site assistance to four posts, and performing detailed analyses of medical supply inventory submissions from posts. Also, management has been reviewing options for automating elements of medical supply inventory which could potentially strengthen accountability.

Although OMS has taken an active role in improving accountability of medical supplies, OIG has found that many posts have continued to struggle with implementing policy requirements, including separating medical supplies custody from recordkeeping responsibilities; establishing proper workflow processes; and maintaining accurate and complete medical supply inventories. Without sufficient oversight and compliance of the policies and procedures associated with internal control, the Peace Corps has been unable to maintain accountability and adequately ensure that medical supplies were not vulnerable to theft, loss, and spoilage. This lack of

effective oversight by post management contributed to opportunities for fraud, waste, and abuse. For example, a recent OIG review of an African post found that post management did not enforce policies and procedures or maintain accurate and complete inventory records and failed to document receipt and dispensing of controlled substances as required by federal regulations. In addition, prescription medications at the post were being dispensed without consultation of a medical professional, potentially placing Volunteers at risk. Further, there was no accountability of over \$165,000 worth of medical supplies it received from another post. Effective control over medical supplies is crucial to ensuring that Volunteers receive proper medical services and minimizing exposure to loss, theft, and misuse of expensive medical supplies including controlled substances.

Summary of Financial Statement Audit and Management Assurances Tables

Summary of Financial Statement Audit					
Audit Opinion	Unqualified				
Restatement	No				
Material Weaknesses	Beginning Balance	New	Resolved	Consolidated	Ending Balance
Total Material Weaknesses	0	0	0	0	0
Summary of Management Assurances					
Effectiveness of Internal Control over Financial Reporting (FMFIA § 2)					
Statement of Assurance	Unqualified				
Material Weaknesses	Beginning Balance	New	Resolved	Consolidated	Reassessed
Total Material Weaknesses	0	0	0	0	0
Effectiveness of Internal Control over Operations (FMFIA § 2)					
Statement of Assurance	Unqualified				
Material Weaknesses	Beginning Balance	New	Resolved	Consolidated	Reassessed
Total Material Weaknesses	0	0	0	0	0
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
Total Non-Conformances	0	0	0	0	0

Improper Payments Information Act

The Improper Payments Information Act of 2002, Public Law Number 107 to 300, as amended by Public Law 111 to 204, Improper Payments Elimination and Recovery Act, defines “significant improper payments” as thresholds of both (1) 2.5 percent of program outlays and \$10,000,000 of all program or activity payments or (2) \$100,000,000 (regardless of the improper payment percentage of total program outlays). The Peace Corps, a small agency, has no programs and activities that are risk-susceptible to the amounts in the above specified thresholds. Each agency payment, though, is subjected to a multi-tiered clearance process that requires review and signature of the requesting official who requests the goods or services and later certifies that the goods or services have been received, the applicable budget officer or administrative officer who ensures funds have been obligated, and the requesting official’s supervisor prior to release. 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 dated April 12, 2012 and prior Executive Orders and Memorandums. Payments by the overseas posts are processed through the International Treasury Services program of the Department of State’s Global Financial Services Centers, and payments made in the United States are processed through the U.S. Treasury, Kansas City Finance Center. Overseas payments are subjected to subsequent selective voucher sampling review in the headquarters where payment vouchers representing more than 80 percent of the dollars expended are fully reviewed. All requests for payments that exceed \$2,500 are individually certified for accuracy and completeness. Further, a semi-annual system-generated report of all payments in the amount of \$250,000 and above is extensively reviewed. No significant improper payments were identified during FY 2012 through any internal management reviews or by the external auditors, indicating that adequate internal controls are in place to prevent or detect improper payments.

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APPENDICES



An photo of an Agriculture Volunteer working side by side with his community on an organic farming project in Uganda.

Appendix 1

Audit Significant Deficiencies Summary

Independent auditor CliftonLarsonAllen LLP issued the FY 2012 financial statement audit report beginning on page 122, through the Inspector General. While this audit report did not identify any material weaknesses or noncompliances with laws and regulation, two significant deficiencies in internal control were again identified. Significant Deficiency 1, Controls over Property, Plant, and Equipment Need Improvement, consists of four audit recommendations shown in the table below. Significant Deficiency 2, Information Systems Security Controls Need Improvement, consists of 20 audit recommendations also shown in the table. The table contains estimated dates for completion of each of the audit recommendations. Those audit recommendations issued in prior years not resolved during FY 2012 are identified as Prior Year (**PY**).

Significant Deficiency 1 – Controls over Property, Plant, and Equipment Need Improvement

Audit Recommendations	Estimated Completion
Enforce current policies and procedures to ensure complete and accurate asset listings; develop procedures to ensure assets are properly tagged upon receipt; and provide complete and timely data to record additions (PY)	Q2 FY 13
Perform accuracy, verification, and completeness checks on capitalized property listings; determine responsibility for managing and maintaining records of overseas IT assets (PY)	Q2 FY 13
Develop procedures to ensure additions and disposals are recorded accurately and timely; provide timely disposal data to ensure property balances are not overstated (PY)	Q1 FY 13
Implement timekeeping policies and procedures to adequately track, capture, and record hours Worked on capital projects such as internal use software in development and construction in progress (PY)	Q1 FY 13

Significant Deficiency 2 – Information System Security Controls Need Improvement

Audit Recommendations	Estimated Completion
Complete formal risk assessments for all major applications and general support systems (PY)	Q4 FY 13
Implement encryption on all backup tapes	Q2 FY 13
Reevaluate/update agency Business Impact Analysis to ensure that it accurately addresses deficiencies noted in disaster recovery tests (PY)	Q2 FY 13
Test all system Contingency Plans to determine if procedures for reconstitution and recovery of systems are adequate (PY)	Q4 FY 13
Provide guidance to posts regarding development of contingency plans and testing of scenarios to determine if reconstitution and recovery of posts systems are adequate (PY)	Q4 FY 13
Develop and implement media retention policies and procedures	Q4 FY 13
Track media with unique identifiers upon receipt and prior to sanitization and disposal	Q2 FY 13

(Continued)

Audit Recommendations	Estimated Completion
Implement formal procedures for requesting access to portable and mobile devices and include management approved access request forms documenting user's approval and assigned device (PY)	Q1 FY 13
Develop a method to track assignments of portable and mobile devices by specific equipment identifiers and individual assigned (PY)	Q1 FY 13
Develop/implement procedures to ensure the timely return of portable and mobile devices and update equipment inventories to reflect current possession (PY)	Q1 FY 13
Implement an access request procedure that includes managing network access requests via a centralized mechanism	Q1 FY 13
Enhance account management procedures to include quarterly network account review requirements, identification of those network accounts which remain inactive for more than 90 days, have never been logged into, represent generic or group accounts, or accounts with passwords not defined to expire, and analyze accounts identified as questionable (during the review process) for reasonableness and disable or delete as necessary	Q2 FY 13
Compare individuals currently granted data center access to the most recent listing of authorized individuals (provided by the OCIO) to ensure no discrepancies; follow up as needed to disable or delete access (PY)	Q1 FY 13
Implement a formal procedure which includes assignment of department/individual responsibilities to review data center access reasonableness on a quarterly basis, and disable access if not authorized or no longer needed to perform an individuals' position responsibilities (PY)	Q2 FY 13
Discontinue use of temporary badges to access the data center or maintain records of individuals assigned to each card including when issued, when returned, issued to whom, and who authorized issuance of the badge to individual (PY)	Q1 FY 13
Integrate system change control procedures fully with the agencywide change control plan and include methodologies for approving specific change types, identifying the use of the varying change types, and identifying the process flows for each type of change	Q3 FY 13
Update change control policies to ensure formal procedures for requesting, approving, coding, testing, and promoting a change are appropriately documented (PY)	Q2 FY 13
Maintain mandatory security settings and baseline configurations for Microsoft Windows Servers (PY)	Q4 FY 13
Implement FDCC/USGCB compliant group policies and ensure all workstations are compliant with the FDCC/USGCB requirement checklists	Q4 FY 13
Report vulnerability scan results to appropriate individuals immediately following the scans and track for remediation purposes	Q4 FY 13

Appendix 2

Glossary of Acronyms

AC-2	Account Management*	NGO	Nongovernmental Organization
AVS	Annual Volunteer Survey	NIST	National Institute of Standards and Technology
BIA	Business Impact Analysis	NIST SP	National Institute of Standards and Technology Special Publication
CCB	Change Control Board	OCFO	Office of the Chief Financial Officer
CLA	CliftonLarsonAllen LLP	OCIO	Office of the Chief Information Officer
CM-1	Configuration Management Policy and Procedures*	OGE	U.S. Office of Government Ethics
CM-2	Baseline Configuration*	OIG	Office of Inspector General
CP-4	Contingency Plan Testing and Exercises*	OM	Office of Management
DOL	Department of Labor	OMB	Office of Management and Budget
DOS	Department of State	OMS	Office of Medical Services
DOVE	Database of Volunteer Experience	OPM	Office of Personnel Management
EAP	Emergency Action Plan	OSIRP	Office of Strategic Information, Research, and Planning
EMA	Europe, Mediterranean, and Asia	PAC	Project Advisory Committee
FDCC	Federal Desktop Core Configurations	PAR	Performance and Accountability Report
FECA	Federal Employees Compensation Act	PCR	Peace Corps Response
FISMA	Federal Information Security Management Act	PE-2	Physical Access Authorizations*
FMFIA	Federal Managers' Financial Integrity Act	PEPFAR	President's Emergency Plan for AIDS Relief
FSN	Foreign Service National	PII	Personally Identifiable Information
FY	Fiscal Year	PP&E	Property, Plant, and Equipment
FYR	Five Year Rule	PSC	Personal Services Contractor
GLOW	Girls Leading Our World	PTS	Personnel Tracking System
GPRA-MA	Government Performance and Results Modernization Act of 2010	RA-3	Risk Assessment*
HQ	Headquarters	RA-5	Vulnerability Scanning*
IAP	Inter-America and Pacific	RPCV	Returned Peace Corps Volunteer
IPBS	Integrated Planning and Budgeting System	SOP	Standard Operating Procedure
IT	Information Technology	SPA	Small Project Assistance
MD&A	Management's Discussion and Analysis	TIS	Technical Information Subcommittee
M&E	Monitoring and Evaluation	USAID	U.S. Agency for International Development
MOU	Memorandum of Understanding	USGCB	U.S. Government Configuration Baseline
MP-5	Media Transport*	VDS	Volunteer Delivery System
MS	Manual Section	WADA	Water and Development Alliance

*NIST SP 800-53



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Peace Corps Congressional Budget Justification

Fiscal Year 2012

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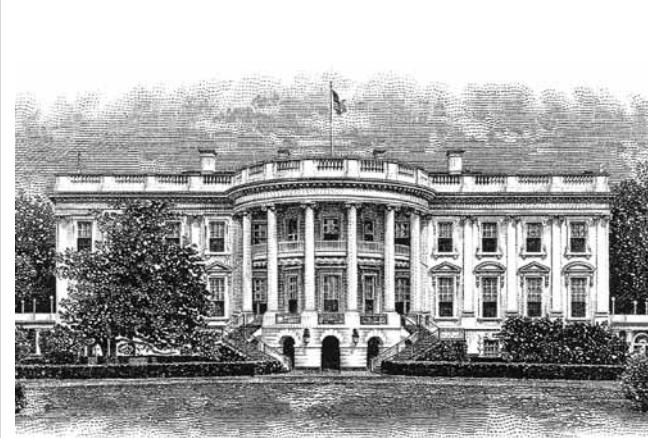


Peace Corps Congressional Budget Justification Fiscal Year 2012

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CONTENTS

Letter from the Director	
Executive Summary	vi
Budget Information	1
Peace Corps' Operational Areas	11
Direct Volunteer Operations	13
Volunteer Operations Support Services	23
Appendices	27
A. Volunteer Statistics	29
B. Home States of Peace Corps Volunteers	30
C. Languages Spoken by Peace Corps Volunteers Across the World	31
D. Volunteer Activities by Program Area	34
E. Volunteers Working in HIV/AIDS Activities During FY 2010	38
F. Peace Corps Application Process and Phases of Volunteer Service	39
G. The Peace Corps' Educational Partnerships in the United States	41
H. Peace Corps Response	43
I. Where Peace Corps Volunteers Serve	44
J. Africa Region Country Profiles	45
K. Europe, Mediterranean, and Asia Region Country Profiles	56
L. Inter-America and the Pacific Region Country Profiles	64
M. Foreign Currency Fluctuations Account	73
N. Inspector General Budget Justification	74
O. Government Performance and Results Act	76



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

BUDGET

OF THE U.S. GOVERNMENT

PEACE CORPS FY 2012 BUDGET REQUEST

The Peace Corps budget request for FY 2012 is \$439,600,000, a decrease of \$6,550,000 from the FY 2011 request of \$446,150,000. The FY 2012 request will enable the Peace Corps to provide support to Americans serving as Volunteers in approximately 75 countries worldwide in FY 2012. The Peace Corps' FY 2012 budget request reflects President Obama's strong commitment to the Peace Corps and will enable the agency to continue to strengthen and reform all aspects of its operations through implementation of the comprehensive agencywide assessment completed in June 2010.

THE DIRECTOR OF THE PEACE CORPS
WASHINGTON, DC

Dear Member of Congress:

I am pleased to submit the Peace Corps' FY 2012 budget request of \$439.6 million. This funding level reflects President Obama's strong commitment to the Peace Corps and will enable the agency to continue to strengthen and reform all aspects of our operations through implementation of the comprehensive agencywide assessment completed in June 2010.

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 other men, women, and children throughout the world. Fifty years later, the mission and three goals that inspired the creation of the Peace Corps are not only still relevant, they are more important than ever in an increasingly complex world.

Volunteer health, safety, and security remain top agency priorities. The complex operating environments of developing countries are addressed through quality training, a committed staff, and well-functioning systems. Having served as a Volunteer in the Dominican Republic from 1967 to 1970, I have the utmost appreciation for the extraordinary contributions made today by our Volunteers, and I am personally committed to providing them with the best support possible.

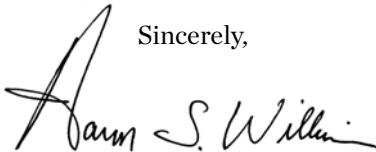
Guided by the six strategies and 63 recommendations identified in the comprehensive assessment completed in June 2010, the Peace Corps has embarked upon an effort to reform and strengthen all aspects of agency operations. It is my expectation that this assessment report will serve as a guide for Peace Corps development over the next decade. Implementation is already underway but will continue to require significant innovation, improved management practices, and modernized systems that enable a higher level of efficiency, transparency, and quality.

For the first time in agency history, the Peace Corps has conducted a rigorous review of all of our current country programs and requests for new programs using a standard set of criteria. As a result of this analysis, we are better positioned to target our resources and country presence in order to enhance the quality of the Volunteer experience and to maximize our grassroots impact in the developing world. In FY 2012, we will use this analysis to guide strategic decisions regarding investment of agency resources.

Peace Corps Volunteers are America's best and most cost-effective grassroots development workers, building relationships from the ground up as partners with communities across the globe. The return on investment the United States receives from its Peace Corps Volunteers is substantial. During their service, Volunteers assist in improving the human condition in some of the world's poorest countries while representing the best America has to offer—a commitment to service, generosity, and openness to new ideas.

I recognize the considerable challenges that you and your congressional colleagues face in determining the federal budget for FY 2012. 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 2012 budget and appropriations process.

Sincerely,



Aaron S. William

Director



Congressional Budget Justification | Fiscal Year 2012 Executive Summary

Mission and Goals

The mission of the Peace Corps is firmly rooted in then-Sen. John F. Kennedy's challenge to students at the University of Michigan in 1960 to serve their country in the cause of peace by living and working in developing countries. That mission—to promote world peace and friendship—remains as critical today as it was when the first generation of Peace Corps Volunteers was sworn into service in 1961.

For 50 years, the Peace Corps' mission has been expressed in three core 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.

The agency's approach to achieving these goals is unique within the U.S. government. Volunteers spend 27 months living and working alongside community members. They interact with their host communities on a regular basis, eating the same food, living in the same types of houses, using the same transportation, and communicating in the local language. This builds mutual trust and understanding. Such interaction also sets the stage for a collaboration that allows Volunteers to address host country development goals at both the individual and community levels.

Volunteers serve only in those countries where they have been invited by the host government. Peace Corps operates in 77 host countries in Africa, Asia, the Caribbean, Eastern Europe/Central Asia, Latin America, North Africa/Middle East, and the Pacific Islands.

Wherever they serve, the work of the Volunteers is focused on projects that fall into six sectors:

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

The medium and long-term development outcomes achieved contribute to more stable communities, build strong people-to-people relationships, and expand the number of 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.

Overview of the Peace Corps

In 1961, President John F. Kennedy launched an innovative program to spearhead progress in developing countries and promote friendship between the American people and other men, women, and children throughout the world. The passion that launched the Peace Corps is very evident in the lives of the 8,600+ Volunteers who serve today.

As the agency marks its 50th anniversary, Peace Corps Volunteers continue to strengthen the capacity of host countries to address their development goals, to build a better understanding of Americans around the world, and to create greater knowledge about, and appreciation for, foreign countries and cultures here in the United States. The fact that requests for Volunteers still far exceed the Peace Corps' capacity to place them within its budget is a clear and convincing measure of the Peace Corps' importance to many nations and its impact around the world.

Since the Peace Corps' creation, over 200,000 Americans have served as Volunteers, living and working side-by-side with local community members in 139 countries around the world. Volunteers return to the United States eager and well prepared to share what they have learned with friends, family members, co-workers, and the broader American public. For many Volunteers, this first exposure to international public service becomes a life's calling, launching large numbers of returned Volunteers into careers dedicated to improving the lives of others.

The Peace Corps balances the pursuit of its longstanding mission with the spirit of innovation. Today's Peace Corps is faithful to the vision first set forth by then-Sen. John F. Kennedy and brought to life by generations of Volunteers. The agency is dedicated to bringing new ideas, fresh approaches, and five decades of promising practices together to ensure that the Peace Corps remains in the vanguard of international volunteerism, community development, and cross-cultural exchange.

The Peace Corps' FY 2012 budget request will support key initiatives, including:

Quality Volunteer Support

Throughout its 50-year history, the Peace Corps has been dedicated to supporting Peace Corps Volunteers to the fullest extent possible. Ever mindful that Volunteers serve in some of the least developed countries in the world, the Peace Corps is committed to minimizing the risks that Volunteers face in the field so they are able to safely, successfully, and productively complete two years of service.

The safety and security of Peace Corps Volunteers is the agency's highest priority. The Peace Corps devotes significant resources to providing Volunteers with the training, support, and information they need to stay healthy and safe. The agency has dedicated health and safety personnel at each post overseas and at Peace Corps headquarters who are part of an extensive support network.

In the past two years, the agency has instituted significant reforms to enhance the quality of Peace Corps service. These reforms include strengthening all health and safety procedures. In FY 2012, the Peace Corps will build upon these improvements by pursuing and implementing additional initiatives to further ensure Volunteer health, safety, and security.

Comprehensive Agency Assessment

As required by the Consolidated Appropriations Act, 2010 (Public Law 111-117), and in keeping with the agency's commitment to improving its level of performance, the Peace Corps Director launched an independent, comprehensive assessment of the agency's operations in December 2009. The Comprehensive Agency Assessment Report was delivered to the Committees on Appropriations on June 14, 2010. Immediately following its submission, Director Williams established an implementation team to work across the agency to ensure successful adoption of the report's vision, strategies, and recommendations.

Guided by the six strategies and 63 recommendations identified in the comprehensive assessment, the Peace Corps has embarked upon an effort to reform and strengthen all aspects of agency operations. The recommendations have been endorsed by the agency's senior leadership and will inform the Peace Corps' work in the years to come.

In FY 2012, implementation of the assessment will continue to require significant innovation, improved management practices, and modernized systems that are capable of providing a higher level of efficiency, transparency, and quality.

The six key strategies identified to guide the agency in the coming decade are:

1. Targeting 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.
2. Focusing on a limited number of highly effective technical areas that will enable Peace Corps to show impact and achieve global excellence.
3. Embracing the committed service-oriented generalist; aggressively recruiting from this diverse population, training them intensively, and supporting them to achieve success in meeting the three Peace Corps goals.
4. Fully utilizing the Peace Corps Response model to pilot new ways of meeting the development needs of Peace Corps' partners, capitalizing on the skills of experienced returned Volunteers and qualified nonReturned Volunteer applicants.
5. Strategically partnering with private sector companies, schools, civil society, returned Peace Corps Volunteer groups and government agencies; actively engaging these groups in order to increase understanding of other cultures and generate commitment to volunteerism and community service as a way to continue service.
6. Strengthening Peace Corps' management and operations by using modern technology, innovative approaches, and improved business processes that will enable the agency to effectively carry out this new strategic vision.

In FY 2011, the agency made great strides toward the implementation of Strategy no.1: Targeting Peace Corps' resources. For the first time in Peace Corps history, the agency initiated a rigorous, evidence-based review of the countries where the Peace Corps serves and the allocation of Volunteers and financial resources using a standard, transparent set of criteria. Based on a participatory process run by agency leadership to engage country programs overseas, it was determined that the Peace Corps should prioritize country presence and Volunteer levels in places offering safe Volunteer service experiences, carrying the largest burdens of poverty and demonstrating a high level of engagement from the host country for Peace Corps operations. In FY 2012, the Peace Corps will be making adjustments in its country portfolio as a result of this analysis in order to increase the effectiveness of programs and to maximize resources around the world.

The Peace Corps is also committed to providing the resources necessary to follow through with the rigorous training program and Volunteer support measures described in Strategy no. 2. In FY 2012, the agency will focus on upgrading and strengthening core training curricula in a number of key technical areas. It will also support full-time training capacity at the field level, supplementing that with a new cadre of highly-skilled technical advisors to support the Peace Corps' move to a more rigorous technical agenda.

The Peace Corps' Third Goal is a commitment to educate Americans by "bringing the world back home." In FY 2012, as recommended in the comprehensive assessment, the agency will strengthen the Peace Corps' Third Goal activities to affirm that it is a long-term commitment at every stage of the Volunteer life cycle—recruitment, training, service, and the return home. The Peace Corps will be proactive in developing concrete tools and resources to assist Volunteers in this effort.

Strategic Partnerships and Interagency Collaboration

A renewed focus on strategic partnerships and interagency collaboration can enhance the Peace Corps' ability to meet agency goals. In FY 2012, the Peace Corps will continue to emphasize partnerships as a critical component of its development strategy and will guide the development, implementation, and evaluation of purposeful partnerships. Partnerships with host governments, international and local non-government organizations, and the private sector can provide additional technical training and materials and facilitate volunteer assignments. Agreements with other U.S. government agencies contribute to a "whole of government" approach to global development and augment the Peace Corps' developmental impact in key sectors through the provision of additional financial and technical resources.

The agency plays an important role in maximizing the impact in places where Peace Corps Volunteers work. The Peace Corps is already working closely with a number of Presidential initiatives, including the President's Emer-

gency Plan for AIDS Relief (PEPFAR), the Global Health Initiative, Feed the Future, and regional climate change initiatives. In FY 2012, the Peace Corps will expand its contribution to these initiatives through improved Volunteer training, development of tools and resources to be used by Volunteers and counterparts, development of partnership programs, and improved monitoring and evaluation.

Peace Corps Innovation and IT Infrastructure

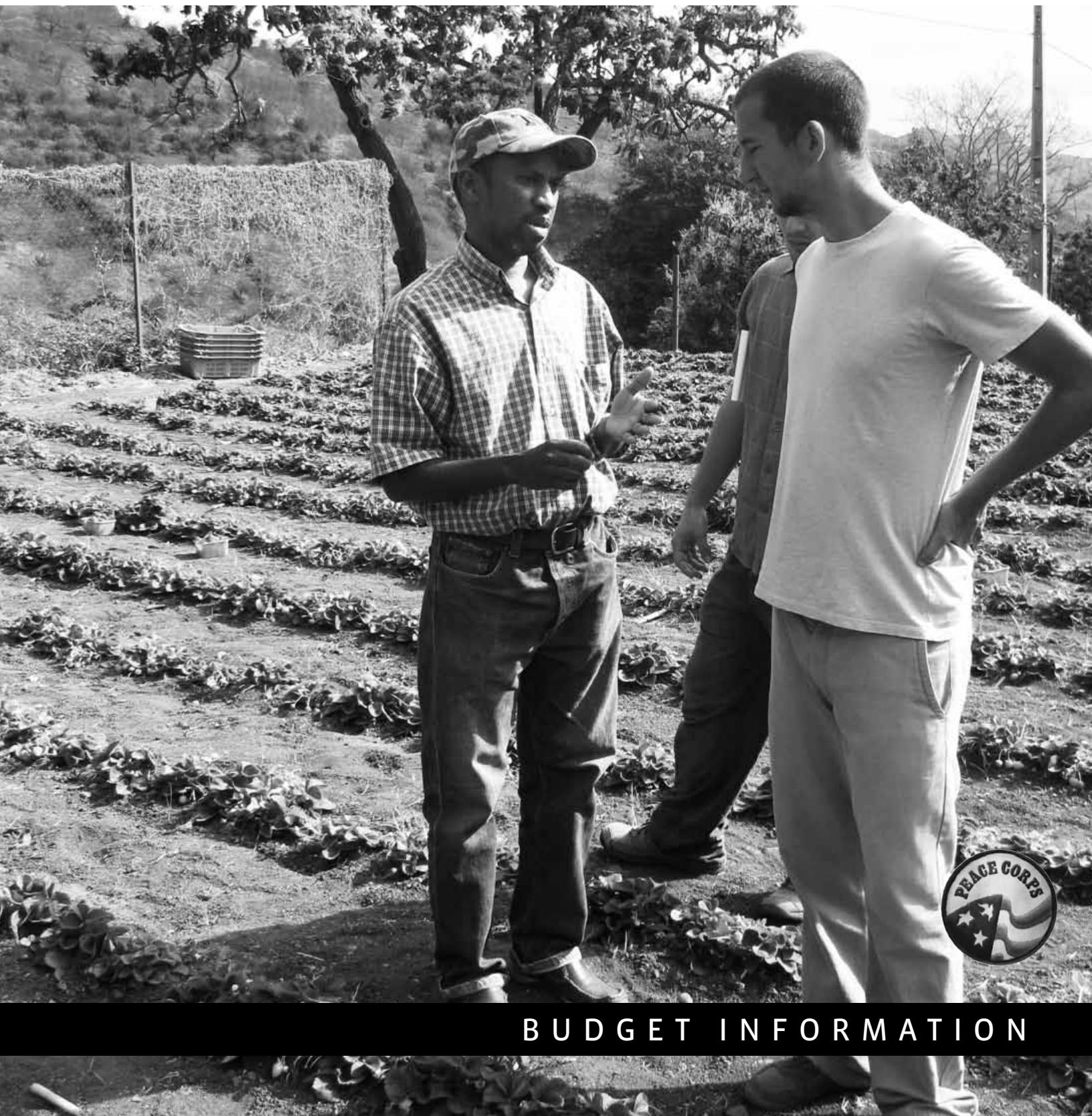
Throughout its history, the Peace Corps has adapted and responded to the issues of the times. In an ever-changing world, Peace Corps Volunteers have met new challenges with innovation, creativity, determination, and compassion. In FY 2012, the Peace Corps will continue to balance its longstanding mission with a spirit of innovation, consistent with the strategy laid out in the June 2010 assessment to strengthen management and operations through updated technology and innovative approaches. By the beginning of FY 2012, the agency will have completed the new Volunteer Delivery System (VDS) that will streamline the application process for new recruits and improve the timeliness and quality of the recruitment, selection, and placement process. In FY 2012, the Peace Corps will move forward with a second phase of the VDS, to integrate all formal and informal Volunteer-related business processes for medical screening. Full integration of the core business processes of Peace Corps' medical screening and care systems will promote efficiency and protect federally mandated privacy information. The Peace Corps will be able to more quickly and accurately screen recruits medically, thereby simultaneously increasing Volunteer satisfaction and host country benefits.

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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, \$439,600,000, of which \$5,308,000 is for the Office of the Inspector General, to remain available until September 30, 2013: Provided, That none of the funds appropriated under this heading shall be used to pay for abortions: Provided further, 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 of the funds appropriated under this heading, not to exceed \$4,000 may be made available for entertainment expenses.

BUDGET OF THE UNITED STATES GOVERNMENT, FISCAL YEAR 2012



Peace Corps Budget Request by Program Operations

(in thousands of dollars)

	FY 2010 Actual	FY 2011 Estimate	FY 2012 Estimate
DIRECT VOLUNTEER OPERATIONS			
Overseas Operational Management			
Office of Global Operations	400	1,000	900
Africa	84,600	97,100	106,200
Europe, Mediterranean, and Asia	57,000	66,100	72,900
Inter-America and Pacific	65,900	75,500	81,900
Office of AIDS Relief	200	300	200
Overseas Program and Training Support	5,300	5,700	6,100
Peace Corps Response	2,200	4,600	5,600
United Nations Volunteers	-	100	100
FX Centralization Account & Unallocated Orgs	-	-	-
Subtotal, Overseas Operational Management	215,700	250,400	274,000
Overseas Operational Support			
Centrally Processed Overseas Equipment and Supplies	5,500	4,300	4,500
Federal Employees' Compensation Act	11,100	12,300	13,300
Medical Services Centrally Shared Resources	7,200	11,200	14,000
Private Sector Initiatives	700	800	700
Reimbursements to Department of State	8,200	9,100	10,000
Volunteer Readjustment Allowance	23,300	29,400	35,100
Volunteer Recruitment and Selection	18,300	25,000	23,800
Volunteer Support Operations	8,400	8,900	9,900
Subtotal, Overseas Operational Support	82,700	101,000	111,300
SUBTOTAL, DIRECT VOLUNTEER OPERATIONS	298,400	351,400	385,300
VOLUNTEER OPERATIONS SUPPORT SERVICES			
Third Goal Programs			
Public Engagement			
Returned Volunteer Services	900	1,100	1,100
University Programs	300	300	400
World Wise Schools	600	600	700
Subtotal, Third-Goal Programs	1,800	2,000	2,200
Agency Administration			
Acquisitions & Contracts	1,800	2,000	2,100
Communications	5,000	2,400	2,100
Congressional Relations	200	300	300
Director's Office	3,200	4,800	4,800
General Counsel	1,700	1,800	1,900
Inspector General ¹	3,800	4,800	5,300
Office of Management	5,900	6,000	6,400
Office of Management Centrally Managed Resources	18,700	19,000	13,800

(continued)

Peace Corps Budget Request by Program Operations

(in thousands of dollars)

Office of the Chief Financial Officer	13,300	12,400	13,500
Office of the Chief Financial Officer Centrally Managed Resources	1,300	2,200	2,200
Office of the Chief Information Officer	11,200	10,400	12,100
Office of the Chief Information Officer Centrally Managed Resources	11,900	7,900	7,800
Office of Strategic Information, Research, and Planning	1,100	1,400	1,500
Peace Corps National Advisory Council	--	600	600
Safety and Security	2,400	2,000	2,500
Safety and Security Centrally Managed Resources	300	1,400	1,500
Subtotal, Agency Administration	82,000	79,600	78,500
SUBTOTAL, VOLUNTEER OPERATIONS SUPPORT SERVICES	83,800	81,600	80,600
TOTAL NON-REIMBURSABLE	382,200	433,100	465,900

Appropriated Resources	400,000	400,000	439,600
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Unobligated balance, carried forward, start of year	21,000	49,100	22,000
New budget authority (gross)	400,000	400,000	439,600
Resources available from recoveries of prior year obligations	7,000	6,000	6,000
Unobligated balance transferred from other accounts	1,300	-	-
Reimbursable balance carried forward, end of year	2,000	-	-
 Total budgetary resources available for obligation	 431,300	 455,100	 467,600
Total new obligations	(382,200)	(433,100)	(465,900)
 Unobligated balance carried forward, end of year	 49,100	 22,000	 1,700

*Detail may not add due to rounding.

1. Please see Appendix N for the Inspector General's Fiscal Year 2012 Budget Request.

PEACE CORPS
FY 2011–12 Volunteers and Program Funds

Regions	On Board Strength on September 30		Program Funds (\$000)	
	FY 2011	FY 2012	FY 2011	FY 2012
Africa	3,110	3,360	98,400	105,000
Europe, Mediterranean, and Asia	2,840	2,970	67,000	71,800
Inter America and Pacific	2,830	2,810	76,200	80,900
REGIONAL TOTAL	8,780	9,140	241,600	257,700
Peace Corps Response Volunteers	250	350	4,600	5,600
United Nations Volunteers	1	1	100	100
GRAND TOTAL	9,030	9,500	246,300	263,400

Volunteers and Program Funds by Post

Country	On Board Strength on September 30		Post Funding (\$000)	
	FY 2011	FY 2012	FY 2011	FY 2012
Albania	90	110	2,800	3,500
Armenia	90	130	3,000	3,800
Azerbaijan	160	170	3,000	3,500
Belize	90	60	3,100	2,700
Benin	110	120	4,700	5,000
Bolivia	0	0	700	700
Botswana	70	80	2,200	2,500
Bulgaria	120	70	4,100	1,500
Burkina Faso	150	150	4,700	4,800
Cambodia	100	180	2,400	3,800
Cameroon	220	190	4,900	4,500
Cape Verde	60	60	2,400	2,600
China	170	220	2,900	4,700
Colombia	30	60	1,000	2,300
Costa Rica	110	110	3,300	3,500
Dominican Republic	220	210	4,900	4,700
Eastern Caribbean	90	90	3,700	3,900

PEACE CORPS
FY 2011-12 Volunteers and Program Funds

Country	On Board Strength on September 30		Program Funds (\$000)	
	FY 2011	FY 2012	FY 2011	FY 2012
Ecuador	200	230	4,400	5,100
El Salvador	120	130	3,800	4,100
Ethiopia	80	150	2,700	4,200
Fiji	60	40	2,500	2,300
Gambia, The	100	90	2,800	2,800
Georgia	70	100	2,200	2,900
Ghana	130	170	4,100	5,100
Guatemala	250	220	5,400	5,300
Guinea	30	50	2,300	2,700
Guyana	50	60	2,500	2,900
Honduras	180	180	4,400	4,900
Indonesia	50	70	1,800	2,100
Jamaica	60	70	3,300	3,800
Jordan	60	100	2,400	2,600
Kazakhstan	190	190	4,200	4,600
Kenya	100	120	3,000	3,700
Kyrgyz Republic	80	100	2,800	3,000
Lesotho	60	70	2,700	2,900
Liberia	40	60	2,400	2,800
Macedonia	110	90	2,700	2,500
Madagascar	170	140	2,900	2,700
Malawi	130	130	3,200	3,500
Mali	160	160	6,100	6,300
Mauritania	0	0	1,800	0
Mexico	100	110	2,300	2,500
Micronesia	50	40	2,200	2,100
Moldova	120	180	3,100	4,800
Mongolia	140	200	3,000	3,700
Morocco	290	340	6,100	7,500
Mozambique	190	170	4,000	3,600

PEACE CORPS
FY 2011-12 Volunteers and Program Funds

Country	On Board Strength on September 30		Program Funds (\$000)	
	FY 2011	FY 2012	FY 2011	FY 2012
Namibia	130	110	3,400	3,300
Nicaragua	260	230	3,900	3,700
Niger	0	0	4,000	2,300
Panama	220	230	5,300	5,700
Paraguay	260	280	5,000	5,600
Peru	300	300	5,600	5,500
Philippines	240	180	4,900	4,400
Romania	90	50	3,100	1,400
Rwanda	90	160	2,500	4,600
Samoa	30	30	1,700	1,900
Senegal	270	270	5,500	5,700
Sierra Leone	70	90	3,300	3,900
South Africa	170	190	5,000	5,600
Suriname	40	40	2,300	2,600
Swaziland	70	80	2,300	2,600
Tanzania	140	150	3,700	3,800
Thailand	110	130	3,300	3,600
Togo	110	80	3,600	3,200
Tonga	40	30	1,900	1,900
Turkmenistan	50	50	1,900	2,300
Uganda	90	110	2,900	3,600
Ukraine	510	310	7,300	5,600
Vanuatu	70	60	3,000	3,200
Zambia	170	210	5,300	6,700
TOTAL	8,780	9,140	241,600	257,700

Numbers may not add due to rounding.

Peace Corps Authorizations and Appropriations | FY 1962–FY 2012
 (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 2012
 (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	—	4,400 ^{est}	8,800 ^{est}
2012		439,600	—	4,500 ^{est}	9,500 ^{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 throughout 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 and United Nations Volunteers.
- 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

The Direct Operations components of the budget enhance Volunteers' abilities to successfully serve in host communities around the world. Funding supports offices that manage and oversee Volunteers' work in the field and provides Volunteers with living allowances and medical support. Direct Operations funding also prepares Volunteers for their service through recruitment, training, and transportation.

Overseas Operational Management

Office of Global Operations

The Office of Global Operations (OGO) provides overarching strategic support and management for several aspects of the agency's direct Volunteer operations. This office encourages efficiencies by streamlining agency operations, disseminating best practices among the regions, providing an organized, cohesive voice to agency leadership, and coordinating the activities of overseas operations.

OGO provides leadership, staffing, and resources to foster alignment, manage development, coordinate programming and training initiatives, and track both 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 includes the Office of Overseas Program and Training Support, the Office of AIDS Relief, and Peace Corps Response.

Sahel

Cape Verde, The Gambia, Mali, Mauritania, Niger, 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 67,000 Peace Corps Volunteers have served in countries throughout Africa. At the end of FY 2010, 3,168 Volunteers were working in 27 countries in the Africa region. The Peace Corps re-entered Sierra Leone in August 2010 with 35 education Volunteers.

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 information and communication technology (ICT), girls' education, and food security. In addition to French and Portuguese, the Peace Corps provides Volunteers training in over 150 local languages and in sign language in Ghana and 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 help provide 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 (NGOs), credit institutions, and ICT-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 by Volunteers 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 Girls Leading Our World (GLOW) 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 will help foster equitable and sustainable capacity building for girls, increasing their participation in the economic, social and political lives of their communities and countries.

Sierra Leone

The first group of Volunteers arrived in Sierra Leone in 1962. Due to political instability, Peace Corps ceased operations in 1994. In November 2009, an agreement was signed with the government of Sierra Leone, launching the return of Peace Corps to the country. In June 2010, the first 37 Peace Corps Volunteers arrived. Volunteers currently work as secondary education teachers in math, science, and English. The Peace Corps/Sierra Leone office is located in Freetown.

Balkans and North Africa	Albania, Bulgaria, Republic of Macedonia, Morocco
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, Philippines, Thailand



Europe, Mediterranean, and Asia

Since the Peace Corps began in 1961, more than 55,000 Volunteers have served in the Europe, Mediterranean, and Asia (EMA) region. At the end of FY 2010, EMA had 2,692 Volunteers and trainees working in 20 countries. In December 2009, the Peace Corps signed an agreement to establish a program in Indonesia, with the first Volunteers arriving in March 2010.

Volunteers in EMA serve in five of the agency's program sectors – business development, education, environment, health and HIV/AIDS, and youth development. 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, cooperatives and local nongovernmental organizations (NGOs), municipal governments, and universities. Volunteers in EMA trained in 33 languages during FY 2010. (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, 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 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 fertiliz-

ers. Other Volunteers train guides at national parks, improve sanitation, or work to improve rural fuel and energy usage through the promotion of alternative fuel options.

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. Important areas of activity include life-skills training for employment, conflict resolution, entrepreneurship, leadership training, and promoting tolerance and self-esteem.

In the near term, the region anticipates continued growth in its programs in Georgia, Indonesia, Mongolia, the Philippines, and Ukraine. Peace Corps Response Volunteers served in seven EMA countries in FY 2010: Bulgaria, Georgia, Kazakhstan, Moldova, Morocco, Romania, and the Philippines.

Indonesia

In December 2009, the Peace Corps and the Republic of Indonesia signed an agreement to develop a Peace Corps program. This partnership encourages Americans and Indonesians to work side by side on Indonesia's education initiatives, while advancing a greater understanding of the culture and people of both countries. Currently, 18 Volunteers have been trained in the Bahasa Indonesia language and are engaged in English education activities, principally teaching in high schools throughout East Java, Indonesia. The Peace Corps office in Indonesia is located in Surabaya, East Java. Peace Corps Volunteers previously served in Indonesia from 1963 to 1965.



Central America	Belize, Costa Rica, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama
Caribbean	Dominican Republic, Eastern Caribbean (Antigua/Barbuda, Dominica, Grenada/Carriacou, St. Kitts and Nevis, St. Lucia, St. Vincent/Grenadines), Jamaica
South America	Bolivia, Colombia, Ecuador, Guyana, Paraguay, Peru, Suriname
Pacific	Federated States of Micronesia and Palau, Fiji, Samoa, Tonga, Vanuatu

Inter-America and Pacific

Nearly 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 2010, 2,772 Volunteers were working in 23 posts in 29 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 (ICT), energy and climate change, food security, 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 53 languages, enabling Volunteers 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.

Business Development: Volunteers coordinate activities with government counterparts and other Volunteers working in small business programs to promote integrated and sustainable rural 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 introducing new teaching methodologies and curricula. They also help create libraries and resource centers, promote adult literacy, and encourage parents and communities to become more involved in the education of their children.

Environment: Environmental degradation impacts air and water quality in communities where 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 region. Volunteers work to improve the health of individuals, families, and schools by training health care providers on basic hygiene, nutrition education, disease prevention, and ways to access water and sanitation systems. Volunteers help their communities gain a better understanding of HIV/AIDS and avoid high-risk behaviors by integrating awareness and prevention messages into their work.

Youth: Youth under the age of 25 account for over half of the population in many IAP countries. Peace Corps programs target youth in order to develop life and leadership skills and to improve employability. In several 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.

Colombia

After conducting thorough programmatic and safety and security assessments, the Peace Corps returned to Colombia in 2010. The Peace Corps signed an understanding with the government of Colombia in May and the first staff arrived in June to set up operations in Barranquilla, in the Atlantic Province. In September, the first Peace Corps

Volunteers arrived. They are the first to serve in Colombia since 1981. Volunteers are currently focused on teaching English as a foreign language (TEFL) and team-teaching with Colombian English teachers.

Overseas Operational Management (Continued)

Office of AIDS Relief (OAR)

This office formulates agency-level policy, and provides leadership and direction for all domestic and foreign HIV/AIDS activities relating to agency programs. OAR is also responsible for coordinating the agency's participation in the President's Emergency Plan for AIDS Relief (PEPFAR).

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 2010, over 695,000 individuals, including service providers, benefitted from volunteer interventions. 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.

Attainable HIV/AIDS program goals are established with a clear framework of accountability. Much of this direction is supported through the agency's participation in PEPFAR, which has expanded from six to 50 posts between 2004 and 2010, and is managed through OAR participation in the interagency Deputy Principals forum convened by the Office of the Global AIDS coordinator

OAR reviews, interprets, and recommends policies related to PEPFAR and provides guidance for post participation in interagency teams, utilization of funds, and compliance with requirements and guidance. In order to attain its goals, OAR works in close collaboration with the regions and the Office of Overseas Programming and Training Support to provide support related to HIV/AIDS. The number of Volunteers who conducted HIV/AIDS activities during 2010 is detailed in Appendix E.

Overseas Programming and Training Support (OPATS)

This office provides training guidance, assistance in designing Volunteer projects, and advice on monitoring and evaluating project and training outcomes. OPATS also collects and analyzes data from Peace Corps projects, training, initiatives, and partnerships. Promising practices in these areas are shared in the field. OPATS is at the cutting edge in applying new technology as it provides training and professional development opportunities to overseas staff.

Volunteers are involved in a variety of host country projects. They speak the languages and appreciate the cultural traditions of the locale, and are eager to respond to community needs. Currently, the Peace Corps' work falls into six technical areas of development: agriculture, business, education, environment, health and HIV/AIDS, and youth.

Additionally, all Volunteers incorporate elements of one or more of Peace Corps' four cross-cutting initiatives: information and communication technology (ICT); women in development/gender and development (WID/GAD); HIV/AIDS; and youth development. A discussion of technical area objectives and examples of Volunteer activities appear in Appendix D.

Peace Corps Response

Peace Corps Response provides opportunities for returned Peace Corps Volunteers (RPCVs) to gain additional international experience through challenging, short-term assignments in various program areas around the world. Response Volunteers are able to draw on their existing professional skills, academic training, and previous service to hit the ground running, immediately providing technical expertise critical for partner organizations and the communities they serve. Peace Corps Response Volunteers are able to quickly effect great change in their assigned communities because they are experienced international community development workers who have already acquired strong language, technical, and cross cultural skills. Further discussion of the Peace Corps Response Program appears in Appendix H.

Peace Corps Response Volunteers work in six main program areas:

- Agriculture and Environment
- Business/NGO Development and Information Technology
- Community and Youth Development
- Disaster Preparedness and Response
- Education and Teacher Training
- Health and HIV/AIDS

United Nations Volunteers

The Peace Corps participates in the United Nations Volunteer program by recruiting American volunteers and providing them with some financial and logistical support.

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, including care and travel for medical evacuations and the costs of pre- and post-service physical examinations.

Private Sector Initiatives (OPSI)

The Office of Private Sector Initiatives (OPSI) oversees and manages all donations to the Peace Corps. OPSI offers a transparent mechanism for family and friends of Volunteers, returned Peace Corps Volunteer groups, schools, foundations, trusts, corporations, businesses, faith-based organizations, and civic groups to be part

of the Peace Corps experience by donating to the important work of Volunteers and agency initiatives.

The Peace Corps Partnership Program (PCPP) is one of the main ways for Peace Corps Volunteers and their host communities to obtain financial 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. Other projects use ingenuity and creativity to give an important message. For example, a Volunteer in Burkina Faso worked with his community to increase awareness of health and human rights issues through a traveling theater troupe. This method of communication was an effective way to share critical information about malaria, HIV/AIDS, birth registration, and school enrollment with a largely rural and illiterate population of about 22,000 individuals.

OPSI manages PCPP and ensures contributions are in compliance with relevant policies and procedures. All donations are tax deductible and 100 percent of donations made to the Partnership Program are used for project purposes.

Partnership Program projects have made a tremendous impact in communities across the globe since the program was launched in 1964. In FY 2010, PCPP received donations from 9,804 donors, totaling \$1.96 million. These funds were applied to 670 community-initiated projects in 62 countries. A minimum 25 percent community contribution is required for a project to receive Partnership Program assistance. In FY 2010, the actual community contributions totaled approximately 48 percent of the total project costs, with over \$1.95 million in cash and in-kind community contributions.

OPSI estimates that in the last year over 1 million individuals have benefited from Partnership Program projects, ensuring that Peace Corps Volunteers can continue to promote sustainable development, peace, friendship, and understanding in the communities they serve.

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 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 every phase of recruitment, placement, and staging (pre-service orientation), beginning with an applicant's first inquiries about the Peace Corps until the moment the trainee boards an airplane to begin his or her service overseas.

This process begins with the recruitment of Volunteers through nine Regional offices across the United States, assessing the technical and personal skills of applicants and placing qualified persons in specific Volunteer projects and country programs. Applicants go through a multifaceted and competitive screening process that includes interviews, evaluations, medical screening, a background check, and a thorough review of references. The 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 and promoting university and community-based Peace Corps recruitment programs. Regional offices assist candidates during the initial stages of the application process, interviewing and nominating applicants for further consideration.

Eighty-five percent of the Peace Corps' Volunteer force today is composed of recent college graduates and young professionals. These highly motivated individuals will continue to be the primary target audience for the Peace Corps' recruitment efforts, but they have many domestic and international service opportunities available to them. In order to continue to attract the most qualified applicants the office is currently modernizing the application process and is considering alternative recruitment models and approaches that appeal to today's applicant. While Peace Corps will focus efforts on attracting top quality young professional candidates, the agency will also

strengthen efforts aimed at attracting applicants with greater professional experience.

Within the Recruitment unit, the Office of Diversity Recruitment and National Outreach supports activities to attract and retain a diverse cadre of applicants. For example, the Master's International Program partners with 61 graduate schools to attract potential volunteers with high levels of education, technical expertise, and scarce skills.

The Placement Office then evaluates and matches the applicants with specific assignments in specific countries. Immediately prior to departing for a country, trainees meet at a staging location in the U.S. to prepare for their Volunteer service. (Application and Volunteer Cycles are explained in Appendix F.)

Volunteer Support Operations

This office provides medical support for Volunteers, medical screening and clearance of applicants, and initial and ongoing training for overseas medical staff and contractors. Sub-offices of Volunteer Support Operations include the Office of Medical Services and the Office of Volunteer Support.

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 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 the agency Medical Quality Assurance and Improvement activities, the selection and management of all Peace Corps medical officers assigned to overseas posts, the supervision of regional medical officers and regional medical hubs, and the management of all budgets and finances related to health care worldwide.

Office of Volunteer Support

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 administration 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.

Third Goal Programs

Office of Public Engagement (OPE)

This office manages the following four initiatives that help the Peace Corps achieve its Third Goal (to help promote a better understanding of other peoples on the part of Americans), and help returned Peace Corps Volunteers (RPCVs) transition back to the United States after their service.

National Partnerships

This program has developed several new partnerships with AmeriCorps organizations and higher education organizations that will help the Peace Corps promote its volunteer, education, and career opportunities throughout the country. Through these partnerships, Peace Corps and its partner organizations have agreed to participate in each other's conferences and meetings, support each other's recruiting efforts, and exchange training and technical assistance materials.

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 2010, more than 1,800 returned Volunteers from all across the United States participated in Peace Corps regional, national, and online career conferences.

Fellows/USA

This program includes graduate schools across the country that provide financial assistance to returned Peace Corps Volunteers who work in underserved American communities as they pursue their graduate degrees.

In FY 2010, 512 returned Volunteers were enrolled at 55 Fellows/USA partner graduate schools in 28 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.

Coverdell World Wise Schools (CWWS)

This program develops educational resources that help America's elementary and secondary school students better understand the people of other cultures. In FY 2010, the Peace Corps' CWWS website attracted more than 2.5 million visitors.

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 2010, more than 5,400 Volunteers shared their Peace Corps experiences with students in all 50 states and the District of Columbia through the CWWS Correspondence Match program.

Through the CWWS Speaker's Match program, returned Peace Corps Volunteers share their Peace Corps experiences in person in elementary, secondary, and postsecondary schools in their communities. In FY 2010, more than 800 returned Peace Corps Volunteers participated in the program.

Agency Administration

Office of Acquisitions and Contracts

This office is responsible for all forms of procurement, including contracting, simplified acquisitions, contract administration, interagency agreements, personal services contracts, leases, and strategic sourcing. The office also provides policy and procurement support to Peace Corps staff and Volunteers. Staff members consist primarily of contract specialists 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.

Office of Communications

This office manages all official communications, including marketing and advertising, video production and photography, an external website, 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. Communications personnel also work with public affairs specialists in the nine regional recruitment offices.

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 Intergovernmental Affairs, and the Office of Innovation.

Office of American Diversity Programs

This office develops and carries out the agency's affirmative employment program; ensures equal opportunity for Volunteers, employees, and applicants for Volunteer service or employment; and provides guidance to management to do the same.

Office of Intergovernmental Affairs and Partnerships (IGAP)

This office is responsible for developing and implementing the Director's policy and strategy for building and maintaining relationships with other U.S. government agencies, nongovernmental organizations, and international 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 Innovation

This office introduces new ideas and approaches that enable the agency to operate more efficiently and effectively. This includes identifying and sharing best practices, implementing "smarter government" initiatives, identifying and helping to implement cost efficiencies, and preparing the agency for quality growth by addressing current capacity constraints that may exist within recruitment, training, field support, and information systems.

Office of General Counsel

This office provides legal advice and services to the Director and overseas and domestic staff and assists in the development of agencywide policies.

Inspector General

This office fulfills the mandates of the Inspector General Act of 1978, as amended.

Office of Management

This office provides administrative, logistics, human resources management, and general operations support to all headquarters offices, the nine regional recruiting offices (RROs), 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 nine RROs, mailroom service, warehousing, emergency medical supplies, and replacement of vehicles as needed at field posts.

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, foreign currency fluctuations, and overseas staff medical evacuation.

Office of the Chief Information Officer (OCIO)

This office is responsible for the development and application of information technology solutions in support of the Peace Corps' mission and business strategy across the agency (headquarters, U.S. regional recruiting offices, and overseas posts).

OCIO provides mobility, connectivity, security, collaboration, and information technology (IT) solutions that enable headquarters, recruiting offices, and post staff and Volunteers to perform their functions. OCIO oversees global technical assets (hardware, software, and communications); agency IT strategic planning, customer support and training (including training for overseas IT specialists); and application systems development and maintenance.

Office of the Chief Information Officer Centrally Managed Resources

These funds include the costs of staffing and equipment for telecommunications, data center operations, mainframe and distributed computing environments, overseas equipment, disaster recovery, and enterprise information architecture.

Office of Strategic Information, Research, and Planning (OSIRP)

The mission of this office is to guide performance planning and reporting, enhance the stewardship and governance of data, and improve the measurement and evaluation of agency-level programs. These three key agency-level functions are designed to enhance performance and to link performance to strategic planning and agency resources.

Peace Corps National Advisory Council

Under the Peace Corps Act, the Peace Corps National Advisory Council is a Presidential advisory committee appointed by the President with the advice and consent of the Senate. Given the anticipated significant growth in the activities and programs of the Peace Corps, as well as the financial resources being devoted to the Peace Corps over the next few years, the President believes it is important to have an advisory council in place. Members of the council are responsible for reviewing the activities of the Peace Corps to evaluate accomplishments and potential capabilities of the agency. The council is also charged with making

recommendations for the purpose of guiding the future direction of the Peace Corps and of helping to ensure that the purposes and programs of the Peace Corps are carried out in ways that are economical, efficient, and responsive to changing needs of, and relationships with, the countries and peoples being served.

The council will consist of 15 voting members and four ex-officio non-voting members: the Secretary of State, the USAID Administrator (or their designees), and the Director and Deputy Director of the Peace Corps. Seven of the voting members must be returned Peace Corps Volunteers and no more than eight voting members may be from the same political party. In addition, no voting member of the council may be an officer or employee of the United States government. The two-year terms of voting members are staggered and no voting member may serve longer than two consecutive two-year terms.

Office of Safety and Security (OSS)

The Peace Corps' overall safety and security program is overseen by the Office of Safety and Security, which directs and oversees all security programs for the agency, with the exception of information technology (IT) security. The Office of Safety and Security also manages the crime reporting program and coordinates with host country law enforcement and other federal agencies, such as the Department of State and the Department of Justice, as needed, to support the investigation and prosecution of crimes against Volunteers.

At each post, the country director is responsible for the safety and security of Volunteers and for implementing the safety and security program. A safety and security coordinator is positioned at each post to assist the country director in carrying out this responsibility. Each post has a detailed emergency action plan that is developed in coordination with Peace Corps headquarters, the regional security office in the U.S. Embassy, and Peace Corps' host country counterparts. These plans set forth strategies to prepare for, respond to, and recover from localized and widespread emergencies, such as natural disasters or political unrest.

The Peace Corps devotes significant resources to minimize safety risks to Volunteers and to give them the training, support, and information they need for a safe experience. OSS collaborates closely with Peace

Corps' three regions and provides support directly to posts through ten regionally based Peace Corps safety and security officers (PCSSOs). These officers serve as security consultants for country directors and OSS by providing training, threat assessment, physical security guidance, crisis management, response, and support to Volunteers who have been victims of crime.

The Peace Corps' safety and security program is built on three concepts: Protection, Mitigation and Integration. These three elements overlap and work together to provide a comprehensive strategy to support the Volunteers.

Protection is the cumulative efforts taken to provide for the security and well-being of the Volunteer. This involves the site and housing standards developed at post, transportation policies, the Emergency Action procedures, medical support and response to incidents by both post and Headquarters. Another key element is the support that is provided to the Volunteer by the community, especially in an emergency.

Mitigation reflects the actions taken to reduce the likelihood of something bad happening or reducing the impact if something does happen. Through comprehensive risk assessments and effective site development, posts are able to identify areas where Volunteers can serve with relative safety. Training and information sharing help make Volunteers aware of the risks they face and provide them with strategies to counter those risks.

Integration is founded on 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. Pre-service training is designed to help Volunteers adopt a culturally appropriate lifestyle that is consistent with the values and traditions of their host community.

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.



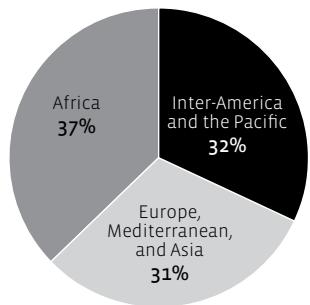
APPENDICES

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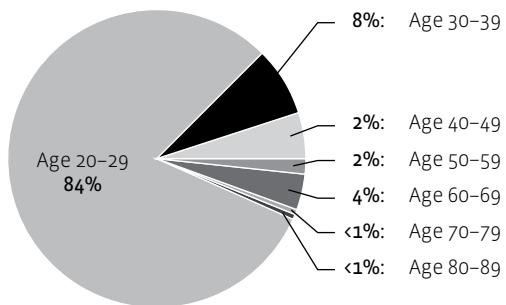
APPENDIX A

Volunteer Statistics

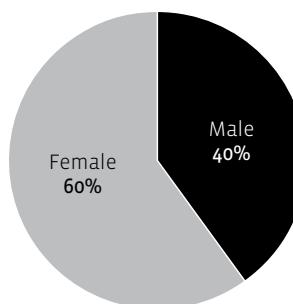
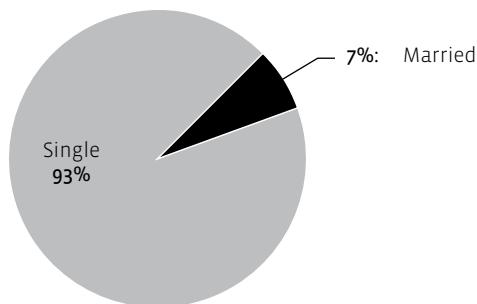
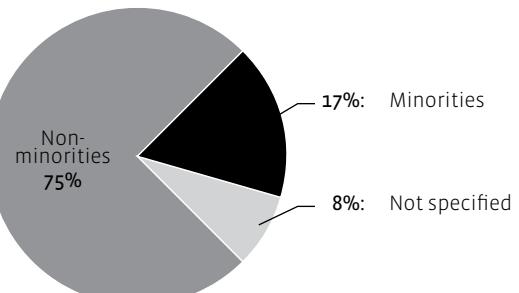
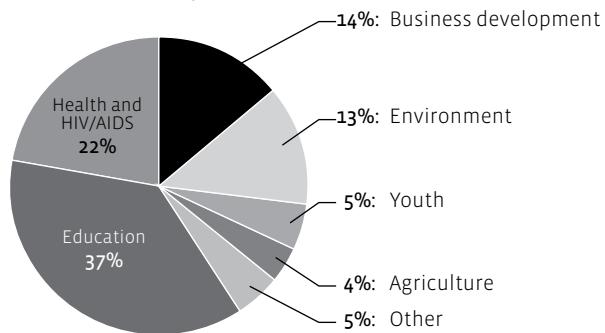
Volunteers by Region



Volunteer Profile



Volunteer Projects



Totals may not add to 100 percent because of rounding.

All data current as of September 30, 2010.

APPENDIX B

Home States* of Peace Corps Volunteers

State	Currently Serving	Total Since 1961	State	Currently Serving	Total Since 1961
Alabama	56	1,010	Montana	68	1,292
Alaska	27	921	Nebraska	67	1,257
Arizona	171	3,242	Nevada	42	904
Arkansas	49	900	New Hampshire	62	1,556
California	1,134	27,356	New Jersey	216	4,590
Colorado	319	6,496	New Mexico	57	2,032
Connecticut	138	3,071	New York	445	12,392
Delaware	31	462	North Carolina	247	3,788
District of Columbia	52	2,153	North Dakota	23	546
Florida	318	6,968	Ohio	354	6,588
Georgia	203	2,977	Oklahoma	55	1,220
Guam	0	73	Oregon	246	5,652
Hawaii	34	1,342	Pennsylvania	335	7,260
Idaho	47	1,197	Puerto Rico	9	373
Illinois	394	7,800	Rhode Island	27	944
Indiana	149	2,988	South Carolina	87	1,383
Iowa	90	2,144	South Dakota	27	594
Kansas	84	1,588	Tennessee	97	1,558
Kentucky	72	1,383	Texas	383	6,604
Louisiana	45	1,024	Utah	56	1,012
Maine	74	1,740	Vermont	59	1,404
Maryland	215	5,402	U.S. Virgin Islands	3	74
Massachusetts	272	7,691	Virginia	337	6,795
Michigan	326	6,564	Washington	372	8,446
Minnesota	242	6,058	West Virginia	20	618
Mississippi	33	448	Wisconsin	221	5,523
Missouri	141	3,009	Wyoming	13	485

* 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, 2010.

APPENDIX C

Languages Spoken by Peace Corps Volunteers Across the World: Africa

BENIN

Adja, Ani, Bariba, Batonu, Biali, Dendi, Ditamari, Fon, French, Goun, Idatcha, Mahi, Lokpa, Mina, Nagot, Nateni, Peulh, Sola, Wama, Yende, Yoruba, Zarma

BOTSWANA

Setswana, Kalanaga

BURKINA FASO

Bissa, French, Fulfuldé, Gulmancema, Gurunssi, Hidi, Itanikom, Jula, Kanuri, Kapsiki, Karunfe, Katsena, Lobiri, Lyele, Mandara, Mooré, Mungaka, Siamou, Yemba

CAMEROON

Arabe-choa, Awing, Ejagham, Pidgin English, French, Fulfuldé, Hausa, Lam Nso, Kako, Mandara, Meta, Ngemba

CAPE VERDE

Barlavento Criolu, Portuguese, Sotavento Criolu

ETHIOPIA

Amharic, Oromifa, Tigrinya

THE GAMBIA

Jola, Mandinka, Pulaar, Sarahule, Sereer, Wolof

GHANA

Buli, Dagaare, Dagbani, Dangme, Ewe, Fanté, Ga, Ghanaian Sign Language, Gonja, Guruni, Hausa, Kasem, Kusaal, Likipakpaalu, Likpakpaln, Mampruli, Nzema, Sisaali, Taleni, Twi, Waale

GUINEA

French, Kissie, Kpele, Loma, Malinke, Pulaar, Soussou

KENYA

Kalenjin, Kenyan Sign Language, Kikuyu, Kiswahili, Luo, Luyha

LESOTHO

Sesotho

LIBERIA

Liberian English, Kpelle, Bassa, Lorma, Krahn, Mano/Gio, Gola, Via, Grebo

MADAGASCAR

French, Malagasy

MALAWI

Chichewa, Chilambya, Chilomwe, Chindali, Chisena, Chitonga, Chitumbuka, Chiya, Chinkonde

MALI

Bambara, Bomu, Dogon, French, Fulfuldé, Khassonke, Malinke, Minianka, Senoufou, Sonrai, Soninke, Tamashek

MOZAMBIQUE

Ajaua, Bitonga, Chope, Changane, Elomwe, Emacua, Hiyau, Nhungwe, Nianja, Portuguese, Swahili, Xitswa, Xindau, Xisena, Xichona, Ximanica, Xichuabo, Ximaconde, Xironga

NAMIBIA

Afrikaans, Khoekhoeogowab, Oshikwanyama, Oshindonga, Otijherero, Rukwangali, Thimbukusha

NIGER

French, Fulfuldé, Hausa, Kanuri, Tamasheq, Zarma

RWANDA

Kinyarwanda

SENEGAL

Bambara, Diahonke, French, Fula Kunda, Malinke, Mandinka, Pulaar du Nord, Pula Fuuta, Sereer, Soussou, Wolof

SIERRA LEONE

Krio, Mende, Temne, Limba, Loko

SOUTH AFRICA

Afrikaans, isiNdebele, isiZulu, Sepedi, Setswana, siSwati, Northern Sotho, Venda, Xitsonga

SWAZILAND

siSwati

TANZANIA

Kiswahili

TOGO

Akebou, Akposso, Balanka, Bassar, Bissa, Ewe/Watchi, French, Gourma, Haoussa, Ifè (Ana), Kabiyé, Kabole, Konkomba, Kotokoli, Lamba, Mina, Moba, Naodem (Losso), Tamberma, Tchamba, Tchokossi (Anoufo)

UGANDA

Ateso, Dhopadhola, Luganda, Lugwere, Lumasaaba, Lusoga, Runyakore, Runyole, Runyoro-Rutoro, Uhopadhola

ZAMBIA

Bemba, Chisoli, Kaonde, Lunda, Luvale, Mambwe, Nyanja, Nsenga, Tonga, Tumbuka

Languages Spoken by Peace Corps Volunteers Across the World: Europe, Mediterranean, and Asia

ALBANIA	Albanian	Macedonia	Albanian, Macedonian
ARMENIA	Armenian	MOLDOVA	Romanian, Russian
AZERBAIJAN	Azerbaijani (Azeri)	MONGOLIA	Mongolian, Kazakh
BULGARIA	Bulgarian	MOROCCO	Darisha (Moroccan Arabic), French, Tamazight, Tashelheet
CAMBODIA	Khmer	PHILIPPINES	Aklanon, Bikol-Albay, Bikol-Naga, Cebuano, Hiligaynon, Ibaloi, Ilokano, Kankana-ey Kinaray-a, Pangasinan, Tagalog, Waray
CHINA	Mandarin	ROMANIA	Hungarian, Romanian
GEORGIA	Azeri, Georgian	THAILAND	Thai
INDONESIA	Bahasa Indonesian	TURKMENISTAN	Russian, Turkmen
JORDAN	Arabic	UKRAINE	Russian, Ukrainian
KAZAKHSTAN	Kazakh, Russian		
KYRGYZ REPUBLIC	Kyrgyz, Russian		

Languages Spoken by Peace Corps Volunteers Across the World: Inter-America and the Pacific

BELIZE	Garifuna, K'ekchi, Kriol, Mopan Maya, Spanish
COLOMBIA	Spanish
COSTA RICA	Spanish
DOMINICAN REPUBLIC	Spanish, Haitian Kreyol
EASTERN CARIBBEAN	English Creole, French Creole (Kweyol)
ECUADOR	Kichwa, Spanish
EL SALVADOR	Spanish
FIJI	Fijian, Hindi
GUATEMALA	Awakateco, Ixil, Jacalteco, Kakchiquel, Mam, P'comchi', Popti', Poqomam, Q'anjob'al, Qe'qchí, Quiché, Spanish, Tzutuhil
GUYANA	Creole
HONDURAS	Spanish

JAMAICA	Patois
MEXICO	Spanish
MICRONESIA AND PALAU	Chuukese, Kosraean, Mortlockese, Mwoakilese, Palauan, Pingelapese, Pohnpeian, Sapwuahfik, Ulithian, Yapese
NICARAGUA	Spanish
PANAMA	Embera, Ngabe, Spanish, Wounaan, Naso
PARAGUAY	Guaraní, Spanish
PERU	Quechua, Spanish
SAMOA	Samoan
SURINAME	Aucan, Dutch, Saramaccan, Sranan Tongo
TONGA	Tongan
VANUATU	Bislama, French

APPENDIX D

Volunteer Activities by Program Area

Agriculture

The Peace Corps' agriculture projects are designed to promote environmentally sustainable farming practices. Along with their environment-sector counterparts, many agriculture Volunteers help farmers focus on long-term productivity by maintaining and improving soils and managing water. They demonstrate the importance of working with local, natural inputs to control pests and erosion. Increasingly, Volunteers and their partners are promoting approaches to farming that are both sustainable and organic as they continue to work with a broad range of agricultural products. Volunteers are also helping host-country communities develop their agriculture sectors to improve income levels and promote better nutrition. Volunteers systematically include women and youth in their agriculture extension activities. Today, agriculture Volunteers are just as likely to be working with a women's association or youth club as they are to be collaborating with a male head of household.

At the end of FY 2010, there were 375 agriculture Volunteers providing assistance through 10 projects worldwide.

Examples of Volunteer work include:

- Training farmers and extension agents to develop and disseminate successful farming practices
- Improving traditional field-crop systems by introducing farmers to better practices and technologies, such as new soil conservation techniques, crop diversification, and agroforestry strategies
- Expanding the availability and acceptance of non-traditional crops by promoting and strengthening vegetable gardening and fruit tree production while raising awareness about the nutritional value of the foods produced
- Increasing knowledge and skills needed for small-animal husbandry, such as poultry, rabbits, fish, and honey production
- Helping producers increase the value of their agricultural earnings by developing new products such as jams and dried fruit, as well as improving storage and

packaging, expanding distribution, and implementing more effective management and marketing

Business Development

The business development sector includes four subsectors: community, municipal, business, and organizational development. Volunteers with a variety of business education and professional experiences are assigned to projects that focus on business, organizational, and communication skills in local government offices, nonprofit agencies, and for-profit businesses. The focus of work in this sector has shifted from business consulting to more community economic development, emphasizing sustainability, transparency, community volunteerism, and leadership training. In response to the needs of a global economy, the Peace Corps is increasing the number of business Volunteers in an expanded effort to assist underserved communities and enhance entrepreneurial skills for women and youth.

At the end of FY 2010, there were 1,207 business development Volunteers providing assistance through 44 projects worldwide.

Examples of Volunteer work include:

- Training activities in computer and Internet use as tools for marketing products and services
- Training entrepreneurs in marketing, business planning, and bookkeeping
- Helping artisan cooperatives market their handmade goods
- Advising women's groups about access to savings and credit opportunities, as well as creating independent village savings and loan associations
- Educating young people to enter the work force and participate in the market economy
- Helping businesses find markets for traditional and value-added products
- Counseling businesses, including microfinance institutions, on organizational issues
- Teaching financial management and strategic planning to nongovernmental organizations (NGOs)
- Working with communities to plan and market eco-tourism projects

Education

Education remains the Peace Corps' largest program sector. All Volunteers are, to some extent, educators. Many host country nationals describe how a Volunteer who taught them years ago opened new vistas for their future and empowered them to make a difference. Education projects include team-teaching courses in math, science, health, environment, and civics or skills-based classes in English and literacy. Education Volunteers strengthen local capacity by training and mentoring teachers in K-12 schools, teacher-training colleges, and universities. Volunteers work with teachers to improve participatory teaching methodologies, classroom management, authentic assessments, parental involvement, and gender equity in the classroom. Based on the needs of host communities, Volunteers support programs for vulnerable, marginalized or other special-needs children. They also create after-school programs, clubs, and camps for boys and girls to promote HIV/AIDS prevention and life skills. Education Volunteers train teachers to expand learning opportunities through the use of information and communications technology (ICT), including radio, video, and computers, which are increasingly important for accessing information, communicating professionally, and equipping students with 21st-century skills. Improved ICT broadens access to education, makes learning more interactive, provides teachers with access to classroom materials, and enables classrooms around the world to communicate and collaborate.

Volunteers also make significant contributions to girls' education and gender awareness. Volunteers promote activities that help expand educational opportunities for females in both formal and nonformal settings. For example, Volunteers conduct summer leadership camps for girls, support community awareness of girls' achievements and potential, encourage their participation in the classroom, establish safe environments for after-school study, and organize career fairs for women. Similarly, Volunteers work with boys and men to explore gender roles, expectations, and opportunities in a rapidly changing world.

At the end of FY 2010, there were 3,183 education Volunteers providing assistance through 55 projects worldwide.

Examples of Volunteer work include:

- Teaching students through classes and extracurricular activities
- Mentoring counterparts and training teachers
- Advising in the development of curricula and teaching materials
- Promoting community and school-based resource centers
- Advising school-community organizations, parent-teacher groups, and community development projects
- Promoting distance learning
- Supporting special-needs classes, such as deaf education, and promoting general awareness in the community for children and youth with disabilities
- Encouraging early childhood education
- Working with radio stations to teach English and disseminate HIV/AIDS prevention messages and education

Environment

Volunteers working on environment projects help strengthen a community's ability to sustainably conserve and use natural resources. They work primarily at the grassroots level, focusing on human needs and sustainable alternatives. Volunteers focusing on agroforestry, for example, identify and train local leaders so they can teach other farmers how to use trees to improve the productivity and sustainability of their fields and gardens. Volunteers work closely with schools both in and outside of the classroom to implement educational and awareness activities through environmental clubs and eco-camps. At some posts, schools and communities are connected as parents and youth work together to identify joint projects, such as bottle recycling or community cleanup days.

At the end of FY 2010, there were 1,146 environment Volunteers providing assistance through 27 projects worldwide.

Examples of Volunteer work include:

- Promoting reforestation and soil and water conservation with individual farmers
- Co-teaching classes in schools, conducting teacher-training seminars, and developing curricula related to environmental topics

- Promoting nonformal environmental education (e.g., summer camps, eco-clubs, Earth Day events, and theater dramas)
- Working with entrepreneurs and local associations to develop or strengthen alternatives to unsustainable practices, such as generating income from renewable natural resources and sustainable tourism
- Helping communities manage solid waste
- Working with local governments, NGOs, and park staff to integrate new techniques in land-use planning, such as geographic information systems, GPS, and satellite imagery
- Establishing community and school tree nurseries

Health and HIV/AIDS

Volunteers work in health projects to promote preventive health education and practices with an emphasis on overall health and well-being. The scope of these projects includes: hygiene, safe water and sanitation; nutrition and food security; maternal and child health; reproductive health; communicable diseases; chronic illnesses; and healthy lifestyles. Volunteers and their counterparts address these issues in a variety of ways, focusing on behavior change. This includes formal classroom instruction; educational and training materials development and distribution; training for, and technical support to, health care providers, peer educators, teachers, and nonformal community health volunteers; and community-based communication through murals, theater, radio, television, and puppet shows.

In terms of addressing important disease areas, Volunteers fill a much-needed niche in carrying out grassroots community-based education focused on malaria control. Volunteers, working alongside their counterparts, approach this task by improving knowledge and behavior related to malaria transmission, underscoring the importance of intermittent presumptive treatment for prenatal care and facilitating the distribution and utilization of insecticide treated nets.

Another important public health area includes Peace Corps work on HIV/AIDS prevention, care, and treatment. Volunteers focus on HIV/AIDS prevention and care exclusively or as part of a comprehensive community health project. Life skills training continues to be at the center of much of Volunteers' HIV/AIDS prevention work, particularly when targeting youth. Increasingly, Volunteers

are assigned to HIV/AIDS-related NGOs and assist in increasing the technical, managerial, and administrative capacities of such groups. Volunteers are uniquely suited to work in HIV/AIDS prevention because they live and work in local communities and can present information in culturally sensitive ways. The Peace Corps is collaborating with the U.S. Department of State's Office of the Global AIDS Coordinator to support the U.S. government's commitment to worldwide HIV/AIDS care, prevention, and treatment through the President's Emergency Plan for AIDS Relief (PEPFAR). In FY 2010, 92 percent of all Peace Corps posts around the world conducted HIV/AIDS activities. Over 695,000 people, including service providers, benefited from Volunteer interventions.

Finally, in the area of water, sanitation and hygiene, Volunteers work to increase the capacity of local people to build, manage, and sustain their own water supply and sanitation infrastructure. Volunteers also promote hygiene behaviors, such as hand washing with soap, that have been shown to reduce the incidence of diarrhea and pneumonia.

At the end of FY 2010, there were 1,900 health and HIV/AIDS Volunteers providing assistance through 54 projects worldwide.

Examples of Volunteer work include:

- Facilitating health education on nutrition (breastfeeding, growth monitoring and promotion, weaning, three food groups, etc.) and nutritional rehabilitation
- Promoting hygiene education and pandemic preparedness (i.e., H1N1 awareness) in communities and schools
- Expanding peer education to urge youth and others to reduce risky behavior
- Disseminating education about infectious diseases, including malaria control prevention
- Assisting in promoting maternal and child health clinics
- Strengthening NGO health-delivery systems; constructing and managing water systems; and promoting practices and services such as timely vaccination control
- Strengthening local and international NGO service delivery systems
- Constructing and maintaining clean water systems

- Building the capacity of health and water sanitation committees

Youth Development

Since the inception of the Peace Corps in 1961, Volunteers have had great success working with youth. It is often young people in a community who are the Volunteers' first language coaches and cultural interpreters. In turn, young people value the opportunity to learn from Peace Corps Volunteers. In most of the countries in which Peace Corps works, nearly 50 percent of the population is under the age of 25. Volunteers in the youth sector are guided by three key principles: promoting positive youth development, facilitating a greater level of youth participation, and approaching community development from an asset-based point of view. Volunteers and their partners integrate these approaches into stand-alone youth development projects, as well as projects that span all program sectors. The Peace Corps' approach to youth development supports effective, sustainable work with young people, their families, and their communities. Projects also aim to build the capacity of youth-serving organizations and the host country professionals who work with young people. Youth development programs specifically focus on the critical issues affecting youth throughout the world today, including successfully transitioning from school to work, developing relevant skills to prepare them for family life, and becoming engaged and active citizens in their communities.

Volunteers are uniquely positioned to provide learning opportunities to girls and boys at the grassroots level.

Volunteers also serve a valuable role in reaching special populations, such as children orphaned due to HIV/AIDS, street children, and other vulnerable young people. Volunteers work with their partners to improve employment skills for disenfranchised and out-of-school young men and women, and provide support to at-risk youth. Many Volunteers serve as mentors for young people and as counterparts in youth service organizations.

At the end of FY 2010, there were 450 youth development Volunteers providing assistance through 19 projects worldwide.

Examples of Volunteer work include:

- Increasing employability skills, career planning, and entrepreneurship training
- Supporting training for computer skills and Internet use
- Developing leadership, communication, and teamwork skills through sports, recreation, drama, and arts opportunities
- Providing environmental education and community service opportunities
- Providing life skills through family life and healthy lifestyles training, including HIV/AIDS prevention
- Promoting positive leadership and citizenship development
- Developing the skills of teachers, youth promoters, and social workers to better facilitate participatory learning opportunities for youth
- Working to encourage parents and other community adults to support youth priorities.

APPENDIX E

Volunteers Working in HIV/AIDS Activities During FY 2010

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	41	Albania	5	Belize	20
Botswana	91	Armenia	7	Costa Rica	14
Burkina Faso	50	Azerbaijan	5	Dominican Republic	69
Cameroon	58	Bulgaria	110	Eastern Caribbean*	27
Cape Verde	30	Cambodia	2	Ecuador	88
Ethiopia	67	China	18	El Salvador	55
Ghana	37	Georgia	1	Fiji	28
Kenya	28	Kazakhstan	25	Guatemala	75
Lesotho	84	Kyrgyz Republic	36	Guyana	51
Madagascar	27	Macedonia	3	Honduras	66
Malawi	132	Moldova	54	Jamaica	39
Mali	37	Mongolia	21	Nicaragua	62
Mozambique	83	Morocco	1	Panama	23
Namibia	59	Philippines	15	Paraguay	56
Niger	23	Thailand	28	Peru	64
Rwanda	8	Turkmenistan	10	Suriname	16
Senegal	94	Ukraine	80	Samoa	1
South Africa	68	TOTAL	421	Tonga	5
Swaziland	54			Vanuatu	15
Tanzania	60			TOTAL	774
The Gambia	18				
Togo	56				
Uganda	122				
Zambia	130				
TOTAL	1,457				

Grand Total: 2,652

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 to invitation process usually takes from 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 three months.

Step One: Application

The first step toward becoming a Peace Corps Volunteer is to provide preliminary information. Most people complete the application within two weeks. During this stage applicants submit a completed application form that includes two essays, three references, employment history, resume, community and volunteer activities, and educational background. They also provide a copy of college transcripts (unless they have 10 years of applicable professional experience), outstanding financial obligations, and a complete Health Status Review form.

Step Two: Interview

For applicants deemed as potentially qualified candidates, an interview generally takes place after all application materials, including references, have been returned. During the interview, applicants discuss with a recruiter their skills and interests, job opportunities available, 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 on 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 applicant is nominated to serve in a general work area and region of the world with an approximate departure date.

Step Four: Medical, Legal, Suitability, and Competitive Reviews

Once an applicant has been nominated, he or she is mailed a Medical Forms package that outlines requirements for physical, dental, and eye exams. It is best to return all material from the Medical Forms package within 45 days. While a 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 are then evaluated by a Peace Corps placement officer for suitability and their skills are compared with those of other candidates. Competitive and suitable candidates are then matched to openings.

Step Five: Invitation

For qualified and competitive candidates, the placement officer will extend an invitation in writing for a specific country and provide a detailed job description. Invitations are typically sent out two to three months (at least six weeks) in advance of the program start date. Once the invitation has been accepted, a background investigation is conducted.

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). Immediately prior to leaving for a country of assignment, Peace Corps trainees meet in the U.S. to prepare for their Volunteer service. A short time later, they fly to the assigned country 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 Security

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 careers, 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 their 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	Fellows/USA Colleges/Universities
Alabama	University of Alabama at Birmingham	University of Alabama at Birmingham
Alaska	University of Alaska–Fairbanks	
Arizona	Arizona State University Northern Arizona University	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	Humboldt State University Loma Linda University University of Southern California
Colorado	Colorado State University University of Denver	University of Colorado Denver University of Denver
Connecticut		Yale University
Florida	Florida International University Florida State University University of South Florida	Florida Institute of Technology
Georgia	Emory University Georgia State University University of Georgia	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
Kansas		Wichita State University
Louisiana	Tulane University	University of New Orleans Xavier University of Louisiana
Maryland	Johns Hopkins University University of Maryland University of Maryland–Baltimore University of Maryland–Baltimore County	Johns Hopkins University University of Maryland–Baltimore University of Maryland–Baltimore County University of Maryland–College Park
Massachusetts	Boston University Wheelock University	Clark University
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	
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	Southern New Hampshire University	Southern New Hampshire University

The Peace Corps' Educational Partnerships in the United States

States	Master's International Colleges/Universities	Fellows/USA Colleges/Universities
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 State University of New York at Syracuse University at Albany– State University of New York	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 State University	Duke University
Ohio	University of Cincinnati	Bowling Green State University University of Cincinnati
Oklahoma	Oklahoma State University	
Oregon	Oregon State University	University of Oregon Willamette University
Pennsylvania	University of Pittsburgh	Carnegie Mellon University Duquesne University Seton Hill University University of Pennsylvania
South Carolina	Clemson University College of Charleston South Carolina State University University of South Carolina	University of South Carolina
Texas	Texas A&M University 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

APPENDIX H

Peace Corps Response

Peace Corps Response provides returned Peace Corps Volunteers the opportunity to serve again in rewarding, short-term assignments that usually require fairly high level technical skills. Since its inception in 1996*, Peace Corps Response has sent over 1,400 returned Volunteers to more than 57 countries. Historically, Peace Corps Response has sent an average of 50 Volunteers per year to countries around the world. In FY 2010, Peace Corps Response fielded 206 Volunteers in 34 countries. This represents a dramatic increase over the previous year's placement. In FY 2012, the Peace Corps will continue to significantly increase the number of Response Volunteers it sends into the field.

Peace Corps Response provides qualified candidates the opportunity to gain additional international experience while imparting technical expertise critical for partner organizations and the communities in which they serve. Peace Corps Response Volunteers are able to make valuable contributions because they come equipped with the language, technical, and cross-cultural skills needed to have an immediate impact. Assignments range from three months to one year—averaging six months in duration—with a brief training and orientation session upon arriving in-country. Volunteers work with host country government institutions and nongovernmental organizations.

As the agency seeks to strategically increase its global presence, the Peace Corps Response program acts as an engine of innovation with its ability to quickly respond to the needs of the world. For example, today Peace Corps Response is the program the agency frequently turns to when it is entering a new country or re-entering a post-conflict country. In a matter of months, Peace Corps Response can provide countries with Volunteers to assist

with relief efforts when trained Volunteers with a high level of technical expertise are needed on short notice.

Peace Corps Response Volunteers work in a number of program areas: agriculture and environment; business/NGO development and information technology; community and youth development; disaster preparedness and response; education and teacher training; and health and HIV/AIDS.

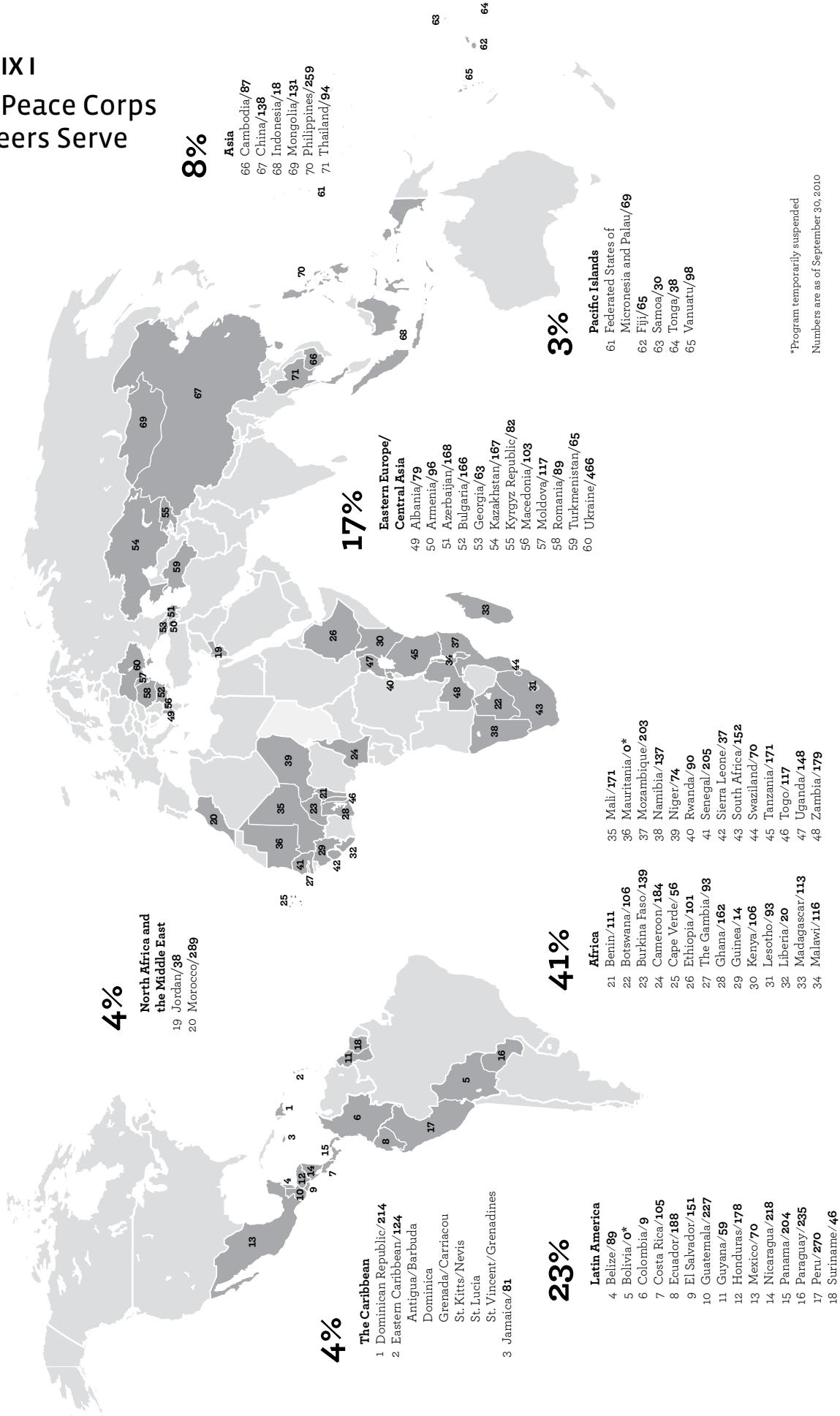
In FY 2010, Peace Corps Response supported the re-entry efforts of several countries, including Colombia and Madagascar. Following a brief suspension of the Peace Corps program in Madagascar, Response Volunteers returned to the country to provide technical assistance to entrepreneurs and farming cooperatives in the areas of marketing and small business development. For the first time since 1981, Peace Corps re-established its presence in Colombia by sending a team of nine Response Volunteers to provide assistance in teacher training and classroom teaching English as a foreign language instruction. In addition, Peace Corps Response is continuing to support the recent post-conflict re-entry into Liberia through ongoing assistance with classroom teaching, community health, resource libraries, and parent education.

In response to the devastating earthquake in Haiti, Peace Corps Response sent a team of Volunteers to assist with medical mission translations, community assessments, and the management of camps for internally displaced people. Nine Response Volunteers were sent to Haiti to offer direct assistance under the auspices of USAID's Office of Foreign Disaster Assistance (OFDA). These Volunteers facilitated key interventions in the areas of public health and child-friendly spaces.

*Peace Corps Response was formerly called the Crisis Corps. The name was changed in 2007.

APPENDIX I

Where Peace Corps Volunteers Serve



APPENDIX J

Africa Region

Sahel	Cape Verde, The Gambia, Mali, Mauritania, Niger, 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



Benin

CAPITAL	Porto-Novo
POPULATION	8.9 million
ANNUAL PER CAPITA INCOME	\$1,470
PROGRAM DATES	1968–present
PROGRAM SECTORS	Business Development Education Environment Health and HIV/AIDS

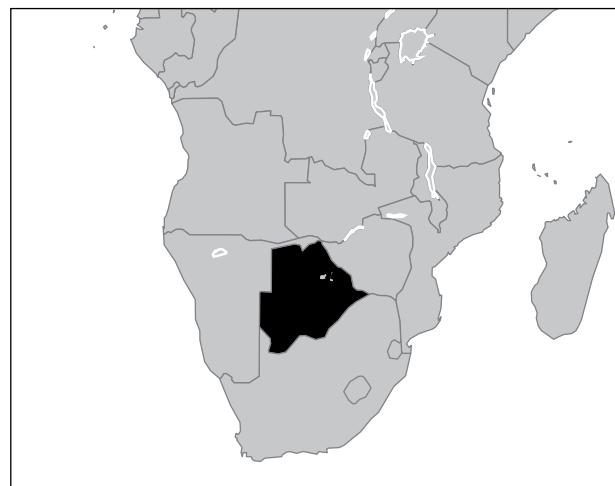


ANTICIPATED NUMBER OF VOLUNTEERS

Calculated September 30 each year

	FY 2011	FY 2012
Volunteers	110	120
Program funds (\$000)	4,700	5,000

Botswana



CAPITAL	Gaborone
POPULATION	1.9 million
ANNUAL PER CAPITA INCOME	\$13,300
PROGRAM DATES	1966–1997 2003–present
PROGRAM SECTORS	Education Health and HIV/AIDS

ANTICIPATED NUMBER OF VOLUNTEERS

Calculated September 30 each year

	FY 2011	FY 2012
Volunteers	70	80
Program funds (\$000)	2,200	2,500

Burkina Faso

CAPITAL	Ouagadougou
POPULATION	15.8 million
ANNUAL PER CAPITA INCOME	\$1,160
PROGRAM DATES	1967–1987 1995–present
PROGRAM SECTORS	Business Development Education Health and HIV/AIDS



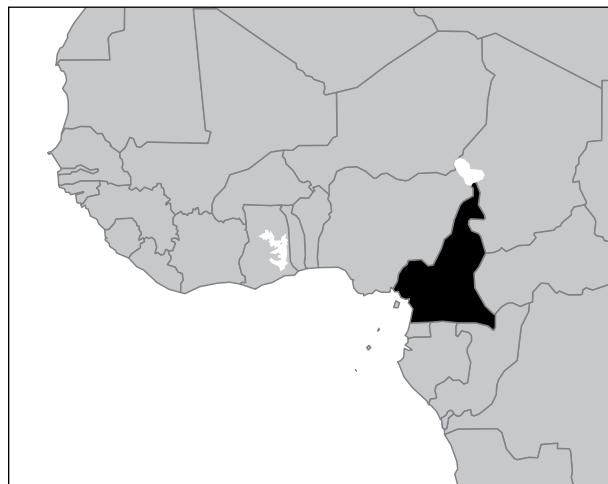
ANTICIPATED NUMBER OF VOLUNTEERS

Calculated September 30 each year

	FY 2011	FY 2012
Volunteers	150	150
Program funds (\$000)	4,700	4,800

Cameroon

CAPITAL	Yaounde
POPULATION	19.5 million
ANNUAL PER CAPITA INCOME	\$2,170
PROGRAM DATES	1962–present
PROGRAM SECTORS	Agriculture Business Development Education Health and HIV/AIDS

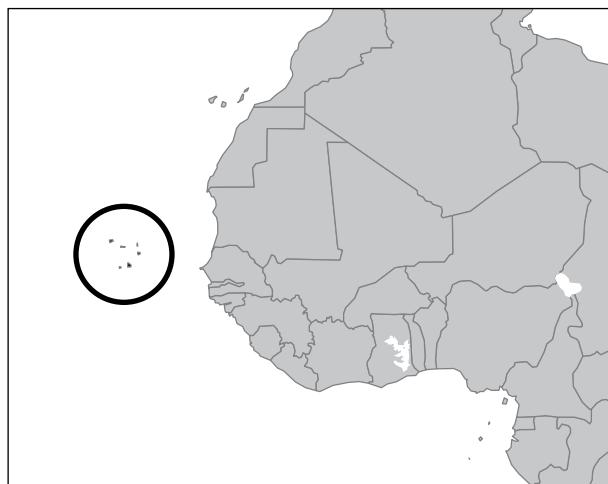


ANTICIPATED NUMBER OF VOLUNTEERS

Calculated September 30 each year

	FY 2011	FY 2012
Volunteers	220	190
Program funds (\$000)	4,900	4,500

Cape Verde



CAPITAL	Praia
POPULATION	.505 million
ANNUAL PER CAPITA INCOME	\$3,010
PROGRAM DATES	1988–present
PROGRAM SECTORS	Business Development Education

ANTICIPATED NUMBER OF VOLUNTEERS

Calculated September 30 each year

	FY 2011	FY 2012
Volunteers	60	60
Program funds (\$000)	2,400	2,600

Ethiopia

CAPITAL	Addis Ababa
POPULATION	82.8 million
ANNUAL PER CAPITA INCOME	\$870
PROGRAM DATES	1962–1977, 1995–1999 2007–present
PROGRAM SECTORS	Agriculture Environment Health and HIV/AIDS



ANTICIPATED NUMBER OF VOLUNTEERS

Calculated September 30 each year

	FY 2011	FY 2012
Volunteers	80	150
Program funds (\$000)	2,700	4,200

The Gambia

CAPITAL	Banjul
POPULATION	1.7 million
ANNUAL PER CAPITA INCOME	\$1,280
PROGRAM DATES	1967–present
PROGRAM SECTORS	Education Environment Health and HIV/AIDS



ANTICIPATED NUMBER OF VOLUNTEERS

Calculated September 30 each year

	FY 2011	FY 2012
Volunteers	100	90
Program funds (\$000)	2,800	2,800

Ghana



CAPITAL	Accra
POPULATION	23.8 million
ANNUAL PER CAPITA INCOME	\$1,320
PROGRAM DATES	1961–present
PROGRAM SECTORS	Business Development Education Environment Health and HIV/AIDS

ANTICIPATED NUMBER OF VOLUNTEERS

Calculated September 30 each year

	FY 2011	FY 2012
Volunteers	130	170
Program funds (\$000)	4,100	5,100

Guinea

CAPITAL	Conakry
POPULATION	10.7 million
ANNUAL PER CAPITA INCOME	\$970
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 2011	FY 2012
Volunteers	30	50
Program funds (\$000)	2,300	2,700

Kenya

CAPITAL	Nairobi
POPULATION	39.8 million
ANNUAL PER CAPITA INCOME	\$1,550
PROGRAM DATES	1964–present
PROGRAM SECTORS	Business Development Education Health and HIV/AIDS

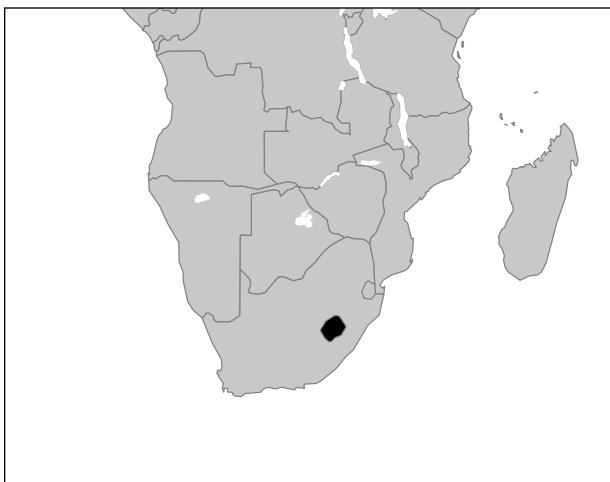


ANTICIPATED NUMBER OF VOLUNTEERS

Calculated September 30 each year

	FY 2011	FY 2012
Volunteers	100	120
Program funds (\$000)	3,000	3,700

Lesotho



CAPITAL	Maseru
POPULATION	2.1 million
ANNUAL PER CAPITA INCOME	\$1,970
PROGRAM DATES	1967–present
PROGRAM SECTORS	Business Development Education Health and HIV/AIDS

ANTICIPATED NUMBER OF VOLUNTEERS

Calculated September 30 each year

	FY 2011	FY 2012
Volunteers	60	70
Program funds (\$000)	2,700	2,900

Liberia

CAPITAL	Monrovia
POPULATION	4 million
ANNUAL PER CAPITA INCOME	\$310
PROGRAM DATES	1962–1990
	2008–present
PROGRAM SECTORS	Education



ANTICIPATED NUMBER OF VOLUNTEERS

Calculated September 30 each year

	FY 2011	FY 2012
Volunteers	40	60
Program funds (\$000)	2,400	2,800

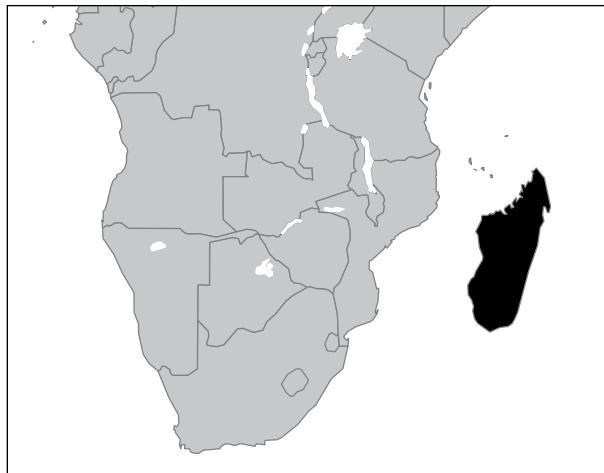
Madagascar

CAPITAL	Antananarivo
POPULATION	19.6 million
ANNUAL PER CAPITA INCOME	\$1,050
PROGRAM DATES	1993–present
PROGRAM SECTORS	Business Development Education, Environment Health and HIV/AIDS

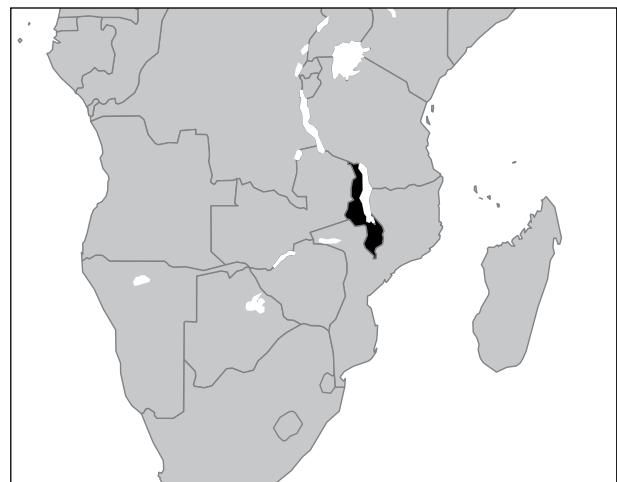
ANTICIPATED NUMBER OF VOLUNTEERS

Calculated September 30 each year

	FY 2011	FY 2012
Volunteers	170	140
Program funds (\$000)	2,900	2,700



Malawi



CAPITAL	Lilongwe
POPULATION	15.3 million
ANNUAL PER CAPITA INCOME	\$810
PROGRAM DATES	1963–1976 1978–present
PROGRAM SECTORS	Education Environment Health and HIV/AIDS

ANTICIPATED NUMBER OF VOLUNTEERS

Calculated September 30 each year

	FY 2011	FY 2012
Volunteers	130	130
Program funds (\$000)	3,200	3,500

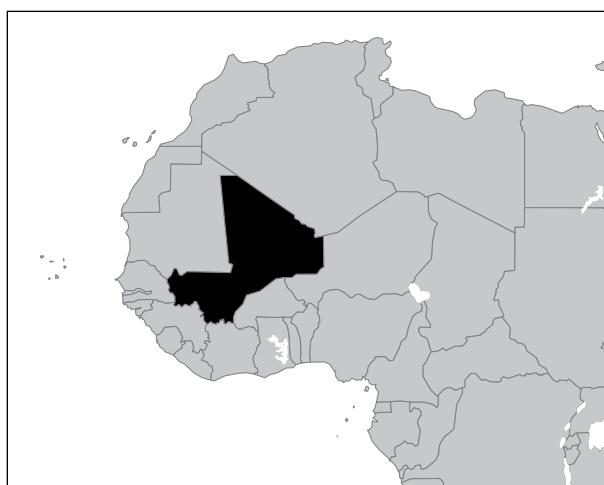
Mali

CAPITAL	Bamako
POPULATION	13 million
ANNUAL PER CAPITA INCOME	\$1,090
PROGRAM DATES	1971–present
PROGRAM SECTORS	Business Development Education, Environment Health and HIV/AIDS

ANTICIPATED NUMBER OF VOLUNTEERS

Calculated September 30 each year

	FY 2011	FY 2012
Volunteers	160	160
Program funds (\$000)	6,100	6,300



Mauritania

CAPITAL	Nouakchott
POPULATION	3.3 million
ANNUAL PER CAPITA INCOME	\$1,990
PROGRAM DATES	1966–1967 1971–present
PROGRAM SECTORS	<i>This program is currently suspended</i>

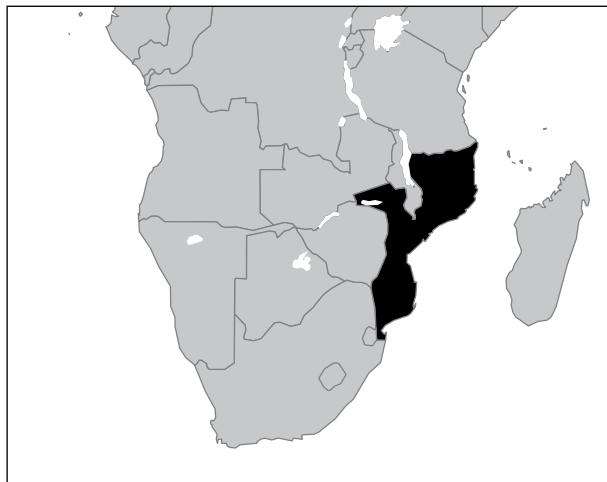


ANTICIPATED NUMBER OF VOLUNTEERS

Calculated September 30 each year

	FY 2011	FY 2012
Volunteers	0	0
Program funds (\$000)	1,800	0

Mozambique



CAPITAL	Maputo
POPULATION	22.9 million
ANNUAL PER CAPITA INCOME	\$770
PROGRAM DATES	1998–present
PROGRAM SECTORS	Education Health and HIV/AIDS

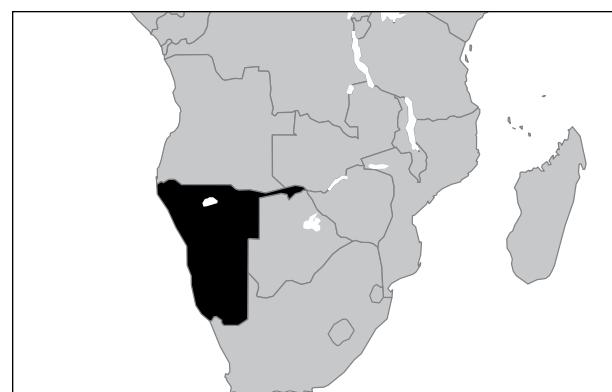
ANTICIPATED NUMBER OF VOLUNTEERS

Calculated September 30 each year

	FY 2011	FY 2012
Volunteers	190	170
Program funds (\$000)	4,000	3,600

Namibia

CAPITAL	Windhoek
POPULATION	2.2 million
ANNUAL PER CAPITA INCOME	\$6,240
PROGRAM DATES	1990–present
PROGRAM SECTORS	Education Health and HIV/AIDS



ANTICIPATED NUMBER OF VOLUNTEERS

Calculated September 30 each year

	FY 2011	FY 2012
Volunteers	130	110
Program funds (\$000)	3,400	3,300

Niger

CAPITAL Niamey
POPULATION 15.3 million
ANNUAL PER CAPITA INCOME \$680
PROGRAM DATES 1962–present
PROGRAM SECTORS *This program is currently suspended*



ANTICIPATED NUMBER OF VOLUNTEERS

Calculated September 30 each year

	FY 2011	FY 2012
Volunteers	0	0
Program funds (\$000)	4,000	2,300

Rwanda



CAPITAL Kigali
POPULATION 10 million
ANNUAL PER CAPITA INCOME \$1,110
PROGRAM DATES 1975–1993
2008–present
PROGRAM SECTORS Education
Health and HIV/AIDS

ANTICIPATED NUMBER OF VOLUNTEERS

Calculated September 30 each year

	FY 2011	FY 2012
Volunteers	90	160
Program funds (\$000)	2,500	4,600

Senegal

CAPITAL Dakar
POPULATION 12 million
ANNUAL PER CAPITA INCOME \$1,780
PROGRAM DATES 1962–present
PROGRAM SECTORS Agriculture
Business Development
Environment
Health and HIV/AIDS



ANTICIPATED NUMBER OF VOLUNTEERS

Calculated September 30 each year

	FY 2011	FY 2012
Volunteers	270	270
Program funds (\$000)	5,500	5,700

Sierra Leone

CAPITAL	Freetown
POPULATION	5.7 million
ANNUAL PER CAPITA INCOME	\$770
PROGRAM DATES	1962–1994 2010–present
PROGRAM SECTORS	Education



ANTICIPATED NUMBER OF VOLUNTEERS

Calculated September 30 each year

	FY 2011	FY 2012
Volunteers	70	90
Program funds (\$000)	3,300	3,900

South Africa



CAPITAL	Pretoria
POPULATION	49.3 million
ANNUAL PER CAPITA INCOME	\$9,780
PROGRAM DATES	1997–present
PROGRAM SECTORS	Education Health and HIV/AIDS

ANTICIPATED NUMBER OF VOLUNTEERS

Calculated September 30 each year

	FY 2011	FY 2012
Volunteers	170	190
Program funds (\$000)	5,000	5,600

Swaziland

CAPITAL	Mbabane
POPULATION	1.2 million
ANNUAL PER CAPITA INCOME	\$4,580
PROGRAM DATES	1968–1996 2003–present
PROGRAM SECTORS	Health and HIV/AIDS



ANTICIPATED NUMBER OF VOLUNTEERS

Calculated September 30 each year

	FY 2011	FY 2012
Volunteers	70	80
Program funds (\$000)	2,300	2,600

Tanzania

CAPITAL	Dar Es Salaam
POPULATION	43.7 million
ANNUAL PER CAPITA INCOME	\$1,260
PROGRAM DATES	1961–1969 1979–present
PROGRAM SECTORS	Education Environment Health and HIV/AIDS



ANTICIPATED NUMBER OF VOLUNTEERS

Calculated September 30 each year

	FY 2011	FY 2012
Volunteers	140	150
Program funds (\$000)	3,700	3,800

Togo



CAPITAL	Lome
POPULATION	6.6 million
ANNUAL PER CAPITA INCOME	\$830
PROGRAM DATES	1962–present
PROGRAM SECTORS	Business Development Education Environment Health and HIV/AIDS

ANTICIPATED NUMBER OF VOLUNTEERS

Calculated September 30 each year

	FY 2011	FY 2012
Volunteers	110	80
Program funds (\$000)	3,600	3,200

Uganda

CAPITAL	Kampala
POPULATION	32.7 million
ANNUAL PER CAPITA INCOME	\$1,140
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 2011	FY 2012
Volunteers	90	110
Program funds (\$000)	2,900	3,600

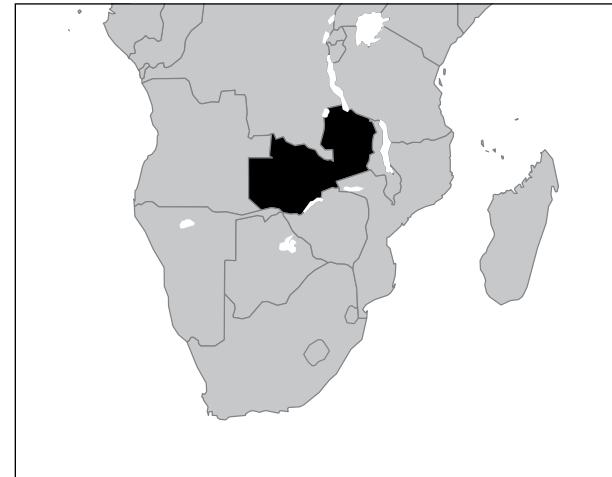
Zambia

CAPITAL	Lusaka
POPULATION	12.9 million
ANNUAL PER CAPITA INCOME	\$1,230
PROGRAM DATES	1994–present
PROGRAM SECTORS	Agriculture Education, Environment Health and HIV/AIDS

ANTICIPATED NUMBER OF VOLUNTEERS

Calculated September 30 each year

	FY 2011	FY 2012
Volunteers	170	210
Program funds (\$000)	5,300	6,700



APPENDIX K

Europe, Mediterranean and Asia Region



Balkans and North Africa	Albania, Bulgaria, Republic of Macedonia, Morocco
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, Philippines, Thailand

Albania

CAPITAL	Tirana
POPULATION	3.2 million
ANNUAL PER CAPITA INCOME	\$7,520
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 2011	FY 2012
Volunteers	90	110
Program funds (\$000)	2,800	3,500



Armenia



CAPITAL	Yerevan
POPULATION	3.1 million
ANNUAL PER CAPITA INCOME	\$6,310
PROGRAM DATES	1992–present
PROGRAM SECTORS	Business Development Education Youth

ANTICIPATED NUMBER OF VOLUNTEERS

Calculated September 30 each year

	FY 2011	FY 2012
Volunteers	90	130
Program funds (\$000)	3,000	3,800

Azerbaijan

CAPITAL	Baku
POPULATION	8.8 million
ANNUAL PER CAPITA INCOME	\$7,770
PROGRAM DATES	2003–present
PROGRAM SECTORS	Business Development Education, Health and HIV/AIDS Youth

ANTICIPATED NUMBER OF VOLUNTEERS

Calculated September 30 each year

	FY 2011	FY 2012
Volunteers	160	170
Program funds (\$000)	3,000	3,500



Bulgaria

CAPITAL	Sofia
POPULATION	7.6 million
ANNUAL PER CAPITA INCOME	\$11,370
PROGRAM DATES	1991–present
PROGRAM SECTORS	Business Development Education, Health and HIV/AIDS Youth



ANTICIPATED NUMBER OF VOLUNTEERS

Calculated September 30 each year

	FY 2011	FY 2012
Volunteers	120	70
Program funds (\$000)	4,100	1,500

Cambodia



CAPITAL	Phnom Penh
POPULATION	14.8 million
ANNUAL PER CAPITA INCOME	\$1,860
PROGRAM DATES	2007–present
PROGRAM SECTORS	Education Health and HIV/AIDS

ANTICIPATED NUMBER OF VOLUNTEERS

Calculated September 30 each year

	FY 2011	FY 2012
Volunteers	100	180
Program funds (\$000)	2,400	3,800

China

CAPITAL	Beijing
POPULATION	1.3 billion
ANNUAL PER CAPITA INCOME	\$6,010
PROGRAM DATES	1993–present
PROGRAM SECTORS	Education



ANTICIPATED NUMBER OF VOLUNTEERS

Calculated September 30 each year

	FY 2011	FY 2012
Volunteers	170	220
Program funds (\$000)	2,900	4,700

Georgia

CAPITAL	Tbilisi
POPULATION	4 million
ANNUAL PER CAPITA INCOME	\$4,920
PROGRAM DATES	2001–present
PROGRAM SECTORS	Business Development Education Health and HIV/AIDS



ANTICIPATED NUMBER OF VOLUNTEERS

Calculated September 30 each year

	FY 2011	FY 2012
Volunteers	70	100
Program funds (\$000)	2,200	2,900

Indonesia



CAPITAL	Jakarta
POPULATION	230 million
ANNUAL PER CAPITA INCOME	\$3,590
PROGRAM DATES	1963–1965 2010–present
PROGRAM SECTORS	Education

ANTICIPATED NUMBER OF VOLUNTEERS

Calculated September 30 each year

	FY 2011	FY 2012
Volunteers	50	70
Program funds (\$000)	1,800	2,100

Jordan

CAPITAL	Amman
POPULATION	6 million
ANNUAL PER CAPITA INCOME	\$5,710
PROGRAM DATES	1997–present
PROGRAM SECTORS	Education Health and HIV/AIDS Youth



ANTICIPATED NUMBER OF VOLUNTEERS

Calculated September 30 each year

	FY 2011	FY 2012
Volunteers	60	100
Program funds (\$000)	2,400	2,600

Kazakhstan

CAPITAL	Astana
POPULATION	15.9 million
ANNUAL PER CAPITA INCOME	\$9,710
PROGRAM DATES	1993–present
PROGRAM SECTORS	Education Health and HIV/AIDS Youth

ANTICIPATED NUMBER OF VOLUNTEERS

Calculated September 30 each year

	FY 2011	FY 2012
Volunteers	190	190
Program funds (\$000)	4,200	4,600



Kyrgyz Republic



CAPITAL	Bishkek
POPULATION	5.3 million
ANNUAL PER CAPITA INCOME	\$2,150
PROGRAM DATES	1993–present
PROGRAM SECTORS	Business Development Education Health and HIV/AIDS

ANTICIPATED NUMBER OF VOLUNTEERS

Calculated September 30 each year

	FY 2011	FY 2012
Volunteers	80	100
Program funds (\$000)	2,800	3,000

Macedonia

CAPITAL	Skopje
POPULATION	2 million
ANNUAL PER CAPITA INCOME	\$9,250
PROGRAM DATES	1996–present
PROGRAM SECTORS	Business Development Education



ANTICIPATED NUMBER OF VOLUNTEERS

Calculated September 30 each year

	FY 2011	FY 2012
Volunteers	110	90
Program funds (\$000)	2,700	2,500

Moldova

CAPITAL	Chisinau
POPULATION	3.6 million
ANNUAL PER CAPITA INCOME	\$3,270
PROGRAM DATES	1993–present
PROGRAM SECTORS	Agriculture Business Development Education Health and HIV/AIDS



ANTICIPATED NUMBER OF VOLUNTEERS

Calculated September 30 each year

	FY 2011	FY 2012
Volunteers	120	180
Program funds (\$000)	3,100	4,800

Mongolia



CAPITAL	Ulaanbaatar
POPULATION	2.7 million
ANNUAL PER CAPITA INCOME	\$3,470
PROGRAM DATES	1991–present
PROGRAM SECTORS	Business Development Education Health and HIV/AIDS Youth

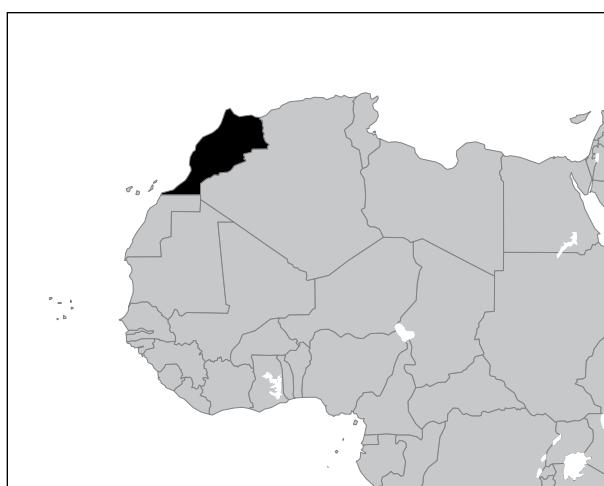
ANTICIPATED NUMBER OF VOLUNTEERS

Calculated September 30 each year

	FY 2011	FY 2012
Volunteers	140	210
Program funds (\$000)	3,000	3,700

Morocco

CAPITAL	Rabat
POPULATION	32 million
ANNUAL PER CAPITA INCOME	\$4,180
PROGRAM DATES	1963–present
PROGRAM SECTORS	Business Development Environment Health and HIV/AIDS Youth



ANTICIPATED NUMBER OF VOLUNTEERS

Calculated September 30 each year

	FY 2011	FY 2012
Volunteers	290	340
Program funds (\$000)	6,100	7,500

Philippines

CAPITAL	Manila
POPULATION	92 million
ANNUAL PER CAPITA INCOME	\$3,900
PROGRAM DATES	1961–1990 1992–present
PROGRAM SECTORS	Education Environment Youth

ANTICIPATED NUMBER OF VOLUNTEERS

Calculated September 30 each year

	FY 2011	FY 2012
Volunteers	240	180
Program funds (\$000)	4,900	4,400



Romania



CAPITAL	Bucharest
POPULATION	22.5 million
ANNUAL PER CAPITA INCOME	\$13,380
PROGRAM DATES	1991–present
PROGRAM SECTORS	Education Health and HIV/AIDS

ANTICIPATED NUMBER OF VOLUNTEERS

Calculated September 30 each year

	FY 2011	FY 2012
Volunteers	90	50
Program funds (\$000)	3,100	1,400

Thailand

CAPITAL	Bangkok
POPULATION	67.8 million
ANNUAL PER CAPITA INCOME	\$7,760
PROGRAM DATES	1962–present
PROGRAM SECTORS	Business Development Education Environment Health and HIV/AIDS

ANTICIPATED NUMBER OF VOLUNTEERS

Calculated September 30 each year

	FY 2011	FY 2012
Volunteers	110	130
Program funds (\$000)	3,300	3,600



Turkmenistan

CAPITAL	Ashgabat
POPULATION	5.1 million
ANNUAL PER CAPITA INCOME	\$6,120
PROGRAM DATES	1993–present
PROGRAM SECTORS	Education Health and HIV/AIDS



ANTICIPATED NUMBER OF VOLUNTEERS

Calculated September 30 each year

	FY 2011	FY 2012
Volunteers	50	50
Program funds (\$000)	1,900	2,300

Ukraine



CAPITAL	Kyiv
POPULATION	46 million
ANNUAL PER CAPITA INCOME	\$7,210
PROGRAM DATES	1992–present
PROGRAM SECTORS	Business Development Education Health and HIV/AIDS Youth

ANTICIPATED NUMBER OF VOLUNTEERS

Calculated September 30 each year

	FY 2011	FY 2012
Volunteers	510	310
Program funds (\$000)	7,300	5,600

APPENDIX L

Inter-America and the Pacific Region



Central America Belize, Costa Rica, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama

Caribbean Dominican Republic, Eastern Caribbean (Antigua/Barbuda, Dominica, Grenada/Carriacou, St. Kitts and Nevis, St. Lucia, St. Vincent/Grenadines), Jamaica

South America Bolivia, Colombia, Ecuador, Guyana, Paraguay, Peru, Suriname

Pacific Federated States of Micronesia and Palau, Fiji, Samoa, Tonga, Vanuatu

Belize

CAPITAL	Belmopan
POPULATION	.256 million
ANNUAL PER CAPITA INCOME	\$8,200
PROGRAM DATES	1962–present
PROGRAM SECTORS	Business Development Education Health and HIV/AIDS Youth



ANTICIPATED NUMBER OF VOLUNTEERS

Calculated September 30 each year

	FY 2011	FY 2012
Volunteers	90	60
Program funds (\$000)	3,100	2,700

Bolivia



CAPITAL	La Paz
POPULATION	9.9 million
ANNUAL PER CAPITA INCOME	\$4,140
PROGRAM DATES	1962–1971 1990–present
PROGRAM SECTORS	<i>This program is currently suspended</i>

ANTICIPATED NUMBER OF VOLUNTEERS

Calculated September 30 each year

	FY 2011	FY 2012
Volunteers	0	0
Program funds (\$000)	700	700

Colombia

CAPITAL	Bogota
POPULATION	44.2 million
ANNUAL PER CAPITA INCOME	\$9,300
PROGRAM DATES	1961–1981 2010–present
PROGRAM SECTORS	Education



ANTICIPATED NUMBER OF VOLUNTEERS

Calculated September 30 each year

	FY 2011	FY 2012
Volunteers	30	60
Program funds (\$000)	1,000	2,300

Costa Rica

CAPITAL	San Jose
POPULATION	4.6 million
ANNUAL PER CAPITA INCOME	\$10,950
PROGRAM DATES	1963–present
PROGRAM SECTORS	Business Development Youth



ANTICIPATED NUMBER OF VOLUNTEERS

Calculated September 30 each year

	FY 2011	FY 2012
Volunteers	110	110
Program funds (\$ooo)	3,300	3,500

Dominican Republic



CAPITAL	Santo Domingo
POPULATION	10.1 million
ANNUAL PER CAPITA INCOME	\$7,800
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 2011	FY 2012
Volunteers	220	210
Program funds (\$ooo)	4,900	4,700

Eastern Caribbean

CAPITALS	Saint John's, Roseau, Saint George's Basseterre, Castries, Kingstown
POPULATION	.596 million
ANNUAL PER CAPITA INCOME	\$8,800
PROGRAM DATES	1961–present
PROGRAM SECTORS	Business Development Education, Health and HIV/AIDS Youth



ANTICIPATED NUMBER OF VOLUNTEERS

Calculated September 30 each year

	FY 2011	FY 2012
Volunteers	90	90
Program funds (\$ooo)	3,700	3,900

Ecuador

CAPITAL	Quito
POPULATION	13.6 million
ANNUAL PER CAPITA INCOME	\$7,770
PROGRAM DATES	1962–present
PROGRAM SECTORS	Agriculture Environment Health and HIV/AIDS Youth



ANTICIPATED NUMBER OF VOLUNTEERS

Calculated September 30 each year

	FY 2011	FY 2012
Volunteers	200	230
Program funds (\$000)	4,400	5,100

El Salvador



CAPITAL	San Salvador
POPULATION	6.2 million
ANNUAL PER CAPITA INCOME	\$6,630
PROGRAM DATES	1962–1980 1993–present
PROGRAM SECTORS	Agriculture Business Development, Environment Health and HIV/AIDS, Youth

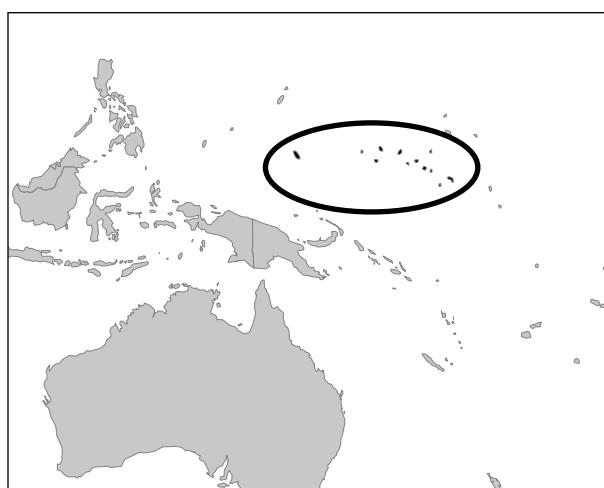
ANTICIPATED NUMBER OF VOLUNTEERS

Calculated September 30 each year

	FY 2011	FY 2012
Volunteers	120	130
Program funds (\$000)	3,800	4,100

Federated States of Micronesia and Palau

CAPITAL	Palikir, Melekeok
POPULATION	.131 million
ANNUAL PER CAPITA INCOME	\$6,261
PROGRAM DATES	1966–present
PROGRAM SECTORS	Education



ANTICIPATED NUMBER OF VOLUNTEERS

Calculated September 30 each year

	FY 2011	FY 2012
Volunteers	50	40
Program funds (\$000)	2,200	2,100

Fiji

CAPITAL	Suva
POPULATION	.849 million
ANNUAL PER CAPITA INCOME	\$3,950
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 2011	FY 2012
Volunteers	60	40
Program funds (\$000)	2,500	2,300

Guatemala



CAPITAL	Guatemala City
POPULATION	14 million
ANNUAL PER CAPITA INCOME	\$4,690
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 2011	FY 2012
Volunteers	250	220
Program funds (\$000)	5,400	5,300

Guyana

CAPITAL	Georgetown
POPULATION	.763 million
ANNUAL PER CAPITA INCOME	\$3,030
PROGRAM DATES	1966–1971 1995–present
PROGRAM SECTORS	Education Health and HIV/AIDS



ANTICIPATED NUMBER OF VOLUNTEERS

Calculated September 30 each year

	FY 2011	FY 2012
Volunteers	50	60
Program funds (\$000)	2,500	2,900

Honduras

CAPITAL	Tegucigalpa
POPULATION	7.5 million
ANNUAL PER CAPITA INCOME	\$3,830
PROGRAM DATES	1962–present
PROGRAM SECTORS	Agriculture Business Development Health and HIV/AIDS Youth

ANTICIPATED NUMBER OF VOLUNTEERS

Calculated September 30 each year

	FY 2011	FY 2012
Volunteers	180	180
Program funds (\$000)	4,400	4,900



Jamaica



CAPITAL	Kingston
POPULATION	2.7 million
ANNUAL PER CAPITA INCOME	\$7,360
PROGRAM DATES	1962–present
PROGRAM SECTORS	Agriculture Environment Health and HIV/AIDS Youth

ANTICIPATED NUMBER OF VOLUNTEERS

Calculated September 30 each year

	FY 2011	FY 2012
Volunteers	60	70
Program funds (\$000)	3,300	3,800

Mexico

CAPITAL	Mexico City
POPULATION	107.4 million
ANNUAL PER CAPITA INCOME	\$14,340
PROGRAM DATES	2004–present
PROGRAM SECTORS	Business Development Environment



ANTICIPATED NUMBER OF VOLUNTEERS

Calculated September 30 each year

	FY 2011	FY 2012
Volunteers	100	110
Program funds (\$000)	2,300	2,500

Nicaragua

CAPITAL	Managua
POPULATION	5.7 million
ANNUAL PER CAPITA INCOME	\$2,620
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 2011	FY 2012
Volunteers	260	230
Program funds (\$000)	3,900	3,700



Panama



CAPITAL	Panama City
POPULATION	3.5 million
ANNUAL PER CAPITA INCOME	\$12,620
PROGRAM DATES	1963–1971 1990–present
PROGRAM SECTORS	Agriculture Business Development, Education Environment, Health and HIV/AIDS

ANTICIPATED NUMBER OF VOLUNTEERS

Calculated September 30 each year

	FY 2011	FY 2012
Volunteers	220	230
Program funds (\$000)	5,300	5,700

Paraguay

CAPITAL	Asuncion
POPULATION	6.3 million
ANNUAL PER CAPITA INCOME	\$4,660
PROGRAM DATES	1966–present
PROGRAM SECTORS	Agriculture Business Development Education, Environment Health and HIV/AIDS, Youth



ANTICIPATED NUMBER OF VOLUNTEERS

Calculated September 30 each year

	FY 2011	FY 2012
Volunteers	260	280
Program funds (\$000)	5,000	5,600

Peru

CAPITAL	Lima
POPULATION	29.2 million
ANNUAL PER CAPITA INCOME	\$7,940
PROGRAM DATES	1962–1974 2002–present
PROGRAM SECTORS	Business Development Environment, Health and HIV/AIDS Youth

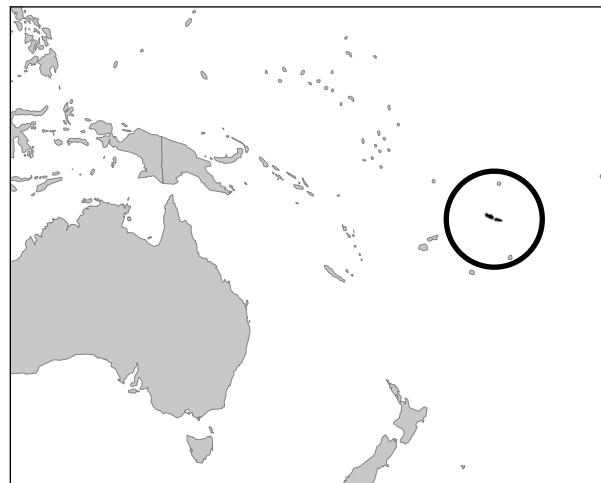
ANTICIPATED NUMBER OF VOLUNTEERS

Calculated September 30 each year

	FY 2011	FY 2012
Volunteers	300	300
Program funds (\$000)	5,600	5,500



Samoa



CAPITAL	Apia
POPULATION	.179 million
ANNUAL PER CAPITA INCOME	\$4,270
PROGRAM DATES	1967–present
PROGRAM SECTORS	Education

ANTICIPATED NUMBER OF VOLUNTEERS

Calculated September 30 each year

	FY 2011	FY 2012
Volunteers	30	30
Program funds (\$000)	1,700	1,900

Suriname

CAPITAL	Paramaribo
POPULATION	.520 million
ANNUAL PER CAPITA INCOME	\$4,760
PROGRAM DATES	1995–present
PROGRAM SECTORS	Business Development Health and HIV/AIDS



ANTICIPATED NUMBER OF VOLUNTEERS

Calculated September 30 each year

	FY 2011	FY 2012
Volunteers	40	40
Program funds (\$000)	2,300	2,600

Tonga

CAPITAL	Nuku'alofa
POPULATION	.104 million
ANNUAL PER CAPITA INCOME	\$4,580
PROGRAM DATES	1967–present
PROGRAM SECTORS	Education



ANTICIPATED NUMBER OF VOLUNTEERS

Calculated September 30 each year

	FY 2011	FY 2012
Volunteers	40	30
Program funds (\$000)	1,900	1,900

Vanuatu



CAPITAL	Port-Vila
POPULATION	.240 million
ANNUAL PER CAPITA INCOME	\$4,290
PROGRAM DATES	1990–present
PROGRAM SECTORS	Business Development Education Health and HIV/AIDS

ANTICIPATED NUMBER OF VOLUNTEERS

Calculated September 30 each year

	FY 2011	FY 2012
Volunteers	70	60
Program funds (\$000)	3,000	3,200

APPENDIX M

Foreign Currency Fluctuations Account

During FY 2010, the Peace Corps transferred a total of \$1,300,000 from its Foreign Currency Fluctuations Account to the 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 N

Inspector General Budget Justification



Since 1961.

Office of Inspector General's Fiscal Year 2012 Budget Request

The Inspector General Reform Act (Pub. L. 110-409) was signed by the President on October 14, 2008. Section 6(f)(1) of the Inspector General Act of 1978, 5 U.S.C. app. 3, was amended to require certain specifications concerning Office of Inspector General (OIG) budget submissions each fiscal year.

Each Inspector General (IG) is required to transmit a budget request to the head of the establishment or designated Federal entity to which the IG reports specifying the:

- aggregate amount of funds requested for the operations of the OIG,
- the portion of this amount that is requested for all OIG training needs, including a certification from the IG that the amount requested satisfies all OIG training requirements for that fiscal year, and
- the portion of this amount that is necessary to support the Council of the Inspectors General on Integrity and Efficiency (CIGIE).

The head of each establishment or designated Federal entity, in transmitting a proposed budget to the President for approval, shall include:

- an aggregate request for the OIG,
- the portion of this amount for OIG training,
- the portion of this amount for support of the CIGIE, and
- any comments of the affected IG with respect to the proposal.

The President shall include in each budget of the U.S. Government submitted to Congress:

- a separate statement of the budget estimate (aggregate funds requested) submitted by each IG,
- the amount requested by the President for each IG,
- the amount requested by the President for training of OIGs,
- the amount requested by the President for support of the CIGIE, and
- any comments of the affected IG with respect to the proposal if the IG concludes that the budget submitted by the President would substantially inhibit the IG from performance of the OIG's duties.

Following the requirements as specified above, the Office of Inspector General (OIG) of the Peace Corps submits the following information relating to the OIG's requested budget for fiscal year 2012:

the aggregate budget request for the operations of the OIG is \$5,308,000,
the portion of this amount needed for OIG training is \$68,800, and
the portion of this amount needed to support the CIGIE is \$13,800 (.26% of \$5,308,000).

I certify as the IG of the Peace Corps that the amount I have requested for training satisfies all OIG training needs for fiscal year 2012.



Kathy A. Buller
Inspector General
Peace Corps

August 26, 2011
Date

APPENDIX O

Government Performance and Results Act

Agency Performance

Introduction

In FY 2010, Peace Corps embarked on a comprehensive agency-wide assessment as a means of strengthening, reforming, and growing the agency. The Director endorsed the recommended strategies, and with that catalyst, the agency redoubled its efforts to advance the three core goals of the Peace Corps. Particular emphasis was placed on strengthening collaboration, communication, and partnerships with the countries in which Volunteers serve. The agency also worked to create more effective management mechanisms and support for Volunteers. The agency met 24 of the 36 measurable performance indicators for FY 2010 due to the dedicated work of the Volunteers and staff who support them. Of the 12 indicators where performance was not met, three indicators achieved substantial results within 5 percentage points of the target.

Status of FY 2010 Performance Measures

FY 2010 is the second year the agency is reporting on the new set of performance goals and indicator targets outlined in the Peace Corps' FY 2009–2014 Strategic Plan. Overall, the agency achieved success in two of the five strategic goals, and met or exceeded targets in 67 percent of the 36 performance indicators. The analysis of the indicators by performance goal is provided in this Agency Performance Section.

Today, nearly 22 percent of all Peace Corps Volunteers serve in 38 percent of the countries considered to be predominately Muslim (population at least 40 percent Muslim). Over 1,900 American Volunteers and staff work in these 18 host countries. This remains a top priority for the agency.

FY 2010 Strategic Performance Plan Summary

Performance Goal	Description	Targets Met
	Strategic Goal 1 – Enhance the capacity of host country individuals, organizations, and communities to meet their skill needs	8 of 10
1.1.1	Ensure the effectiveness of in-country programs	2 of 3
1.2.1	Ensure the effectiveness of in-country training	3 of 3
1.3.1	Increase the effectiveness of skills transfer to host country individuals, organizations, and communities	3 of 4
	Strategic Goal 2 – Promote a better understanding of Americans on the part of host country individuals, organizations, and communities served by Volunteers	1 of 3
2.1.1	The work and life experiences of Volunteers in-country promote host country national learning about Americans	1 of 3
	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	5 of 5
3.1.1	Volunteers share their in-country experiences with family, friends, and the American public	3 of 3
3.1.2	Increase returned Peace Corps Volunteers' cultural outreach to the American public through Peace Corps programs	2 of 2
	Strategic Goal 4 – Provide Volunteers who represent the diversity of Americans to meet the evolving technical needs of host countries	3 of 6
4.1.1	Recruit Volunteers who balance the needed manpower and technical needs at posts with the available applicant pool and its skills	2 of 2
4.1.2	Manage Volunteer recruitment functions in an effective and efficient manner	0 of 2
4.2.1	Recruitment and Volunteer placement efforts reflect the diversity of Americans	1 of 2
	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	7 of 12
5.1.1	Enhance the safety and security of Volunteers	2 of 4
5.1.2	Provide quality medical and mental health services to trainees and Volunteers	3 of 3
5.2.1	Provide effective and responsive financial management that accurately reflects domestic and overseas operations	0 of 2
5.2.2	Ensure the effective management of Peace Corps resources	1 of 2
5.2.3	Ensure optimal performance of critical Peace Corps processes	1 of 1

Annual Performance Results

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

In order to enhance the capacity of host country individuals, organizations, and communities, the Peace Corps works with each host country to identify its needs. To be successful, the agency must have open communication and a positive working relationship at all levels with host country governments, partner organizations, communities, and counterparts.

Volunteer projects and activities are designed in collaboration with national sponsoring agencies to meet the development needs of the country. Additionally, the agency has integrated cross-cutting initiatives into all sectors, as appropriate, to ensure agility in recognizing shifts in skills needed on the ground. During the time horizon of the current Strategic Plan, the agency has identified several issues for concentrated programmatic attention, including education, health, and food security. Once country needs are identified, the agency must provide appropriate Volunteers who are trained to effectively build individual and organizational capacity through the transfer of skills. Volunteers must have adequate language, cultural, technical, and capacity-building training to ensure the successful accomplishment of their work.

In this second year of the Strategic Plan, the agency has increased its focus on training as a result of the Comprehensive Assessment of the Peace Corps. The assessment calls on the agency to identify key development interventions worldwide where the Peace Corps is, or will be, working with large numbers of Volunteers, and to enhance and strengthen the technical preparation of Volunteers in these areas.

Monitoring and evaluating the effectiveness of the Volunteers' work is essential to continuous performance improvement. Throughout the year, Peace Corps posts collect qualitative and quantitative data from all Volunteers about their activities via the Volunteer Reporting Tool, an electronic data management system. Each Volunteer reports on the outcomes of his/her activities against the objectives of sector-specific projects. Measuring host country capacity building is also a major activity within each project and Volunteers report on these results through this same reporting tool.

Volunteers' perceptions of the effectiveness and impact of their work in building local capacity is also measured through the Annual Volunteer Survey, administered once a year to all currently serving Volunteers.

The Peace Corps' host country impact studies are used to measure the transfer of skills to host country nationals. The evaluations identify the types of skills transferred and the long-term sustainability of new capacities gained from working with Volunteers. A recommended strategy from the Comprehensive Assessment is to strengthen and enhance the agency's monitoring and reporting system by increasing the number of host country impact studies conducted each year.

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

Agency Level Performance Indicators:

Performance Goal 1.1.1: Ensure the effectiveness of in-country programs	FY 2008 Baseline	FY 2009 Result	FY 2010 Target	FY 2010 Result
a. Percentage of project plans meeting the expressed needs of the host country	N/A	97%	90%	98%
b. Percentage of posts providing annual progress reports to their host country agency sponsors and partners	62%	53%	80%	70%
c. Enhance the average length of service of Volunteers to equal or exceed 21 months	20.9 months	22.1 months	21 months	22.6 months

Results and Analysis: Two of the three targets were met for this performance goal.

Participatory development is the hallmark of the agency's approach to working with partner countries. The Peace Corps conducts its work in partnership with host country governments, local organizations, and communities in order to achieve participatory, community-based development.

Collaboration between the Peace Corps and host country partners allows for the creation of project plans that meet the needs of host communities. The agency assesses project plans for this indicator because of the direct impact they have on Volunteers and host communities. Volunteer training is tailored specifically to each project. Thus, each project plan contributes directly to the skills Volunteers will take with them to their host communities. At the beginning of the fiscal year, the posts reported a total of 211 projects worldwide. Of those projects, 98 percent report that the plans reflect the development needs of the country, thus exceeding the target by 8 percent.

Accountability to host country sponsors regarding program progress is a second critical aspect of the agency's commitment to participatory development. The Peace Corps achieves this by developing annual reports that are shared with host country stakeholders. Seventy percent of the posts (45) provided annual reports to stakeholders in FY 2010. While the agency did not meet the target of 80 percent, performance was significantly improved from FY 2009, when 53 percent of posts provided annual progress reports to host country partners.

The improvement is attributed to the agency's commitment to increase transparency. During FY 2010, the importance of communicating with host country stakeholders was emphasized at each of three conferences for country directors. Several directors shared their country reports and offered suggestions for a useful yet cost-effective document. The reports take several forms. For example, El Salvador produced a written report encompassing all projects, prepared a brochure for each project, captured Volunteers' work on a DVD/CD, and made a formal presentation to stakeholders.

Reports are prepared in the host country language and in English and generally combine information from the Volunteers' achievement reports, site visits by project managers, and program evaluations.

Three of the 15 posts that did not prepare annual reports were new posts and, thus, had not yet implemented programs on which to report. One post had just ratified its project with the host country government and, therefore,

did not have a report. Eight posts noted they lacked sufficient staff resources and time to complete the reports and submit them to partners.

The effectiveness of Peace Corps' in-country programs is also directly related to the length of service of a Volunteer. Longer-serving Volunteers are more fully integrated into their communities, have acquired greater language proficiency, and report higher rates of satisfaction with their work as they become more comfortable with, and rewarded by, their Peace Corps service. The average length of service in FY 2010 was 22.6 months, a slight increase over FY 2009. Thus, the target of 21 months was achieved.

Moving forward, the Peace Corps intends to increase its strategic partnerships with private sector companies, schools, civil society organizations, and returned Peace Corps Volunteers in order to continue meeting the needs of host country beneficiaries.

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

Agency Level Performance Indicators:

Performance Goal 1.2.1: Ensure the effectiveness of in-country training	FY 2008 Baseline	FY 2009 Result	FY 2010 Target	FY 2010 Result
a. Percentage of Volunteers meeting local language requirements for service, per post testing standards	N/A	93%	85%	87%
b. Percentage of Volunteers reporting training as adequate or better in preparing them technically for service	78%	80%	72%	80%
c. Percentage of Volunteers reporting training as adequate or better in preparing them to work with counterparts	74%	79%	62%	79%

Results and Analysis: All targets were met for this performance goal.

The Peace Corps is highly regarded for its language training. Proficiency in the language of the host community is critical to Volunteers' cultural integration and ability to work within their communities. This core competency is assessed by the agency's certified language proficiency interviewers who test Volunteers' language skills at the end of their pre-service training. Eighty-seven percent of Volunteers tested met or exceeded their host country's language proficiency benchmarks, which exceeded the FY 2010 target of 85 percent. The FY 2010 indicator reflects a decrease of 6 percent from FY 2009; however, the current information represents more complete data reported by 64 posts, in contrast to the FY 2009 data based on only 10 posts.

The agency currently teaches approximately 140 languages in 77 countries. Posts typically teach their Volunteers one local language during their pre-service training; however, many Volunteers learn two or more languages. In countries with significant language diversity, some posts provide instruction on as many as 15 languages in order to prepare Volunteers to serve in their communities. Many of these languages have unique grammar and alphabets that are very different from English, and some have no written form.

In support of the Energy and Climate Partnership of the Americas, the Department of State will provide \$1 million to fund Peace Corps Volunteer efforts that increase rural access to energy, mitigate the effects of climate change, and support the use of renewable energy and energy efficient technologies in Central and South American communities.

Despite the challenges of multiple languages and shortages of trained instructors and instructional materials, the Peace Corps' language training is remarkably effective. In eight to 12 weeks, Volunteers learn enough of their local language(s) to integrate into communities and carry out their work assignments.

Providing Volunteers who are adequately prepared for their work assignments is another major responsibility of the posts. The posts provide technical training during pre-service training in addition to focused technical training workshops, field exercises, and on-site visits from staff and technical experts during the Volunteers' service. In the 2010 Annual Volunteer Survey, 80 percent of participating Volunteers listed their "training as adequate or better in preparing them technically," exceeding the FY 2010 target of 72 percent.

Posts are implementing an innovative phased-in approach to technical training on an increased basis, with the sequence and length of technical training being based on trainee awareness and readiness. During the three-phase training, for example, Volunteers engage in practical activities after each training phase, providing them with an opportunity to apply their technical training before the next phase of training begins.

This phased-in approach is also helpful in preparing Volunteers to work with their host country counterparts. During pre-service training, a combination of "real-life" training activities and community involvement simulates the actual environment in which the Volunteers will be working. Seventy-nine percent of Volunteers reported the training to prepare them to work with their host country counterparts was adequate or better, significantly exceeding the FY 2010 target of 62 percent.

This year, the agency increased support for the joint training of Volunteers and their counterparts through:

- Increased funding to include host country nationals in Peace Corps' training events
- Greater emphasis on developing project advisory councils during which Volunteers and counterparts discuss the design, implementation, and results of the projects
- An increased number of project design and management workshops to train counterparts in project implementation and leadership development

A factor that also contributed to successful Volunteer training was the use of an integrated training design and evaluation model for language skill acquisition, technical training, and cross-cultural training.

Finally, the new partnership agreements with leading international organizations are providing valuable technical support for post programming and training, enhancing the developmental impact of Volunteers.

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

Agency Level Performance Indicators:

Performance Goal 1.3.1: Increase the effectiveness of skills transfer to host country individuals, organizations, and communities	FY 2008 Baseline	FY 2009 Result	FY 2010 Target	FY 2010 Result
a. Percentage of Volunteers reporting that their work transferred skills to host country individuals and organizations adequately or better	84%	88%	72%	85%
b. Percentage of Volunteers reporting their HIV/AIDS education and outreach work is effective or better	44%	59%	80%	56%
c. Percentage of projects that document increases in host country national capacity	86%	91%	75%	85%
d. Percentage of partner organizations reporting their assigned Volunteers fulfilled their requested need for technical assistance	82%	52%	60%	72%

Results and Analysis: The Peace Corps met three of the four targets set for this outcome.

A major contribution of the Volunteers is their ability to deliver technical interventions directly to beneficiaries living in rural or underserved areas that lack local professionals. Their assignments focus on building capacity and transferring skills to host country individuals and organizations in areas such as teaching and teacher training, community development, and health. Volunteers' development perspective promotes sustainable projects and strategies by focusing on skills transfer.

Eighty-five percent of the Volunteers reported they had transferred skills to host country individuals, a significant increase over the target of 72 percent. This finding is corroborated by data gathered through the agency's host country impact studies.

Host country nationals reported in the impact studies that 94 percent of respondents said they had gained skills through their work with the Peace Corps and 85 percent of respondents reported the training they received enhanced their technical skills. Further, 90 percent of impact study respondents indicated the projects built community capacity to address local needs.

The solid performance can be attributed to an agency commitment to achieving results and emphasizing to Volunteers and overseas staff the importance of achievement and the measurement of activity outcomes. This commitment is reinforced by the agency recommendation to establish in-depth technical training programs to ensure that Volunteers, particularly generalist Volunteers, are well prepared for service.

The agency was not able to meet its target related to the percentage of Volunteers who report that their HIV/AIDS work is effective. In FY 2010, most Volunteers (56 percent) reported conducting HIV/AIDS activities and slightly more than half (56 percent) reported their work was effective. Those Volunteers devoting significant time

to HIV/AIDS activities reported higher levels of effectiveness, however. For example, 60 percent of Volunteers whose HIV/AIDS activities were part of their primary activities report that their work is effective or better, as did 63 percent of Volunteers who conducted HIV/AIDS activities as part of their secondary activities. In contrast, only 45 percent of Volunteers who conducted HIV/AIDS activities occasionally reported that those HIV/AIDS activities were effective or better.

Prevention outreach and education is a difficult assignment due to the taboo of discussing sex and sexuality in many of the communities in which Volunteers work. The stigma that people living with HIV/AIDS encounter also makes effective engagement with these vulnerable populations very difficult.

Many Volunteers also report challenges in measuring the effectiveness of their HIV/AIDS interventions; they know they taught the lesson, but are unsure if that knowledge resulted in behavior change. While Volunteers may not be able to determine the impact of their HIV/AIDS activities, data gathered through the impact studies suggests that host country nationals are indeed seeing a difference from these activities. In two host country impact studies (Cameroon and Tanzania) additional questions were asked concerning the impact of HIV/AIDS work. Forty-one of 42 people interviewed reported they were satisfied with changes in their communities as a result of the agency's HIV/AIDS activities while 27 reported being very satisfied. When asked about personal changes, 40 of 42 people interviewed were satisfied, and 33 of 42 respondents were very satisfied with the changes.

"The prevalence of HIV/AIDS here is astronomical; however, our presence alone is enough to create some behavior change," one Volunteer wrote.

To address these issues, the agency will conduct the following activities:

- Develop a pre-departure home preparation package. Volunteers will learn about the epidemics they may encounter
- Develop training modules for Volunteers to use during their service. Such modules will cover various HIV topics and foster integration of HIV within sector and topic areas like English language training, nutrition, and perma-gardening
- Create a package of virtual technical assistance to help posts design, implement, and evaluate their HIV programs
- Launch an expanded small grants program to support and encourage posts to consider a wide array of activities to address the HIV epidemic

All project plans have indicators for measuring capacity building. In FY 2010, 85 percent of the projects documented host country capacity built by the project activities, exceeding the target by 10 percentage points.

The target was exceeded because of the agency's continued emphasis on focusing on results. Posts received assistance to develop specific measurement tools both at country director conferences and through regional workshops on monitoring and evaluation. The methods used to measure capacity building differ across the sectors in which the Peace Corps operates, and most posts use more than one method at different times to gauge progress on this indicator. The majority (91 percent) rely on Volunteers' reports. Sixty-one percent used "documented observations" to demonstrate changes; 28 percent used pre- and post-test measures, and 23 percent conducted project evaluations. Another 52 percent reported they used other methods to document increases in host country national capacity, such as interviews with host country counterparts, presentations by beneficiaries at Volunteer training events, and information gleaned through annual regional meetings.

Posts reported several approaches they used to document capacity building. These approaches are being shared across posts and include:

- Adapting data collection methods to the populations and outcomes measured, such as using surveys with more educated populations
- Using tests to measure changes in knowledge and utilizing observation to measure changes in skills
- Investing time to ensure the change indicator(s) are reliable, valid, and practical
- Gathering data from multiple sources to develop a broad picture of project outcomes (e.g., combining information from Volunteer and counterpart reports)
- Using trainings and regional meetings that include counterparts and Volunteers as sources of information regarding capacity building
- Working to standardize Volunteer reporting to allow for easier data aggregation

The number of partner organizations that reported their assigned Volunteers fulfilled their requested needs for technical assistance reached 72 percent, exceeding the target by 12 percentage points. This result is also due to the agency's emphasis on achieving and measuring the results, especially from the perspective of the beneficiaries. Many posts gather information about this topic directly from partner agencies during site visits (84 percent), through written or verbal reports (63 percent), or during program advisory committee meetings (36 percent). Thirty-nine percent of posts reported gathering such information in other ways, such as:

- Formal impact assessments
- Satisfaction surveys
- Partners' requests for additional Volunteers

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

Key to effectively sharing information about America and Americans is to ensure that Volunteers learn the local language, customs, and culture, and can live and work alongside host country nationals in a manner that builds trust and a willingness to work together. Thus, the Peace Corps structures its programs to maximize a Volunteer's ability to integrate into the local community, thereby earning trust and the ability to share a better understanding of Americans.

Cross-cultural training for both Volunteers and their counterparts, the specific host country nationals with whom Volunteers work on a regular basis, is another key factor in fostering a better understanding of Americans. Effective training can break down cultural barriers that inherently exist. The Peace Corps strives to ensure that pre-service and in-service training sessions prepare Volunteers to integrate into their communities and work with their counterparts to build cross-cultural understanding, in addition to carrying out development projects.

Volunteers help promote a better understanding of Americans by experiencing the same living conditions as those they serve. Volunteers also exemplify the diversity, characteristics, and values of the American people. In accordance with one of the expectations set for Volunteers, they realize they represent Americans in their community and are mindful of that responsibility.

Outcome Goal:

- 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

Agency Level Performance Indicators:

Performance Goal 2.1.1: The work and life experiences of Volunteers in-country promote host country national learning about Americans	FY 2008 Baseline	FY 2009 Result	FY 2010 Target	FY 2010 Result
a. Percentage of Volunteers reporting that training prepared them to manage cultural differences during service adequately or better	91%	92%	92%	91%
b. Percentage of posts conducting supervisory/counterpart training on working effectively with Volunteers	98%	100%	95%	98%
c. Percentage of host country nationals who have interacted with Volunteers who believe that Americans are committed to assisting other peoples	N/A	44%	N/A	N/A
d. Percentage of Volunteers reporting that their work helps promote a better understanding of Americans on the part of the peoples served	93%	74%	80%	68%

Results and Analysis: In FY 2010, the agency met one of the four targets for this performance goal, did not meet one, and came within one percentage point of a third target. The fourth indicator, measuring the “percent of host country nationals who believe Americans are committed to assisting other peoples,” was not reported this year.

Volunteers reported high satisfaction with cross-cultural training provided by the agency. Nonetheless, the agency fell short of the FY 2010 target, 92 percent, by 1 percent. The training increases Volunteers’ understanding of the culture in which they will live and work, teaches a set of skills, and establishes a framework so they can make sense of what they are experiencing in-country. The agency will continue to provide cross-cultural training to Volunteers in their pre-service training and will reinforce the importance of being aware of cross-cultural differences.

Peace Corps places equal importance on training Volunteers’ counterparts to help them understand American culture and to help the Volunteers integrate into their communities. Nearly all posts (98 percent) conducted training for counterparts and supervisors. This training ranged from counterpart orientations when Volunteers moved to their communities, to technical training conducted jointly with the Volunteers. The agency met the FY 2010 target for this indicator.

Two indicators were crafted to measure the extent to which Volunteers influence host country nationals’ perspective of Americans. The first was designed to measure **host country nationals’** opinions of Americans. The second measures the **Volunteers’** opinion of their impact on host country nationals’ understanding of Americans.

The agency is not reporting on the indicator of host country nationals' perspective of Americans in FY 2010, as the agency has determined that the indicator, as written ("the percentage of host country nationals committed to assisting other peoples") is not a valid measure of host country nationals' perceptions of Americans after interacting with Volunteers.

The FY 2008 baseline data collected in the pilot evaluations were based on host country nationals' responses to a general question: "Can you briefly describe what you think of Americans as a result of working with Peace Corps Volunteers?" Eighty-one percent of host country nationals spontaneously reported that they thought Volunteers exhibited a caring attitude toward the community. In FY 2009, the same question elicited a response of 44 percent. The review of the pilot evaluations and subsequent studies conducted in FY 2009 concluded that the indicator is not valid and the question was removed from the FY 2010 host country impact studies. The agency will revise this indicator during the mid-cycle strategy review in FY 2011.

Finally, the percentage of Volunteers reporting their work helped promote a better understanding of Americans (68 percent) fell short of the target. These results come from data gathered from Volunteers through the Annual Volunteer Survey.

These findings are corroborated by data collected from host country nationals through the Peace Corps' host country impact studies conducted during FY 2010 in: Cameroon, Guatemala, Jamaica, Mexico, Morocco, Tanzania, and Ukraine.

Fifty-nine percent of the host country nationals reported developing a more thorough understanding of Americans after interacting with Peace Corps Volunteers. Host country nationals' interactions with Volunteers helped them develop more realistic and well-rounded impressions of Americans and their opinions became more positive (77 percent of respondents said that their opinions of Americans were more positive after interacting with Volunteers).

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

Volunteers and returned Peace Corps Volunteers (RPCVs) support the Peace Corps' Third Goal "to promote a better understanding of other peoples on the part of Americans," through formal and informal interactions during and after their Peace Corps service. The agency supports such interactions by establishing programs that encourage outreach to the American public through a variety of means, such as personal interaction, electronic communication, and cross-cultural education curricula. These interactions take place both one-on-one and in large group settings in classrooms, schools, civic clubs, and with other audiences.

The agency's education partners at the K-12 and university levels emphasize global awareness and 21st century skills, creating a positive environment to expand Peace Corps' programs. These programs target different segments of the population, ranging from age-based curricula to a Correspondence Match program that connects a Volunteer with an American classroom, to a master's level program in which Volunteer service helps one make progress toward his or her academic degree. Additionally, the Peace Corps Partnership Program, in which students, clubs, individuals, and organizations contribute funds to assist a Volunteer and his or her host

community in completing a community-driven project, creates a strong connection between the American public and communities overseas.

An analysis of the Third Goal was a part of the Comprehensive Agency Assessment in an effort to determine ways to strengthen Third Goal activities and reporting mechanisms. The agency is headed toward the implementation of a substantially revitalized Third Goal effort for trainees, Volunteers, and the returned Volunteer community.

Outcome Goal:

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

Agency Level Performance Indicators:

Performance Goal 3.1.1: Volunteers share their in-country experiences with family, friends, and the American public	FY 2008 Baseline	FY 2009 Result	FY 2010 Target	FY 2010 Result
a. Percentage of Volunteers participating in the Coverdell World Wise School Program	60%	57%	62%	63%
b. Number of individuals and organizations supporting the Peace Corps Partnership Program	8,915	10,595	8,500	9,804
c. Number of youth-serving programs hosting Volunteer activities	4,500	4,700	4,700	5,265
d. Monitor the percentage of Volunteers who report sharing their experiences with family, friends, and the American public	97%	98%	N/A	99%

Results and Analysis: All three of the targets were met for this performance goal.

Sixty-three percent of Volunteers participated in Peace Corps' Coverdell World Wise Schools Correspondence Match program, meeting the FY 2010 target.

To promote this program and boost the number of participating Volunteers, the Peace Corps undertook a number of initiatives at home and abroad in FY 2010. Peace Corps also worked with schools and youth group leaders to increase teachers' familiarity and interest in the program by increasing the number of education conferences attended to 10 in FY 2010 from four in FY 2009. This effort resulted in 5,265 schools and youth programs hosting Volunteer activities.

For the first time, Peace Corps developed a video promoting the value of the program to Volunteers and staff. The video was posted on the Peace Corps' website, shared through various social networking media outlets, and promoted at education conferences across the country. This year, all new Peace Corps staff overseas were informed about the program during overseas staff trainings and the information was included in Volunteer invitation packets; more information was provided in staging directors' manuals; and headquarters personnel worked more closely with in-country Correspondence Match contacts.

Volunteers shared their comments about the impact the program has on broadening students' world views. One Volunteer wrote, "I am in communication with two teachers from the program. It is a wonderful program that has excited my students, as well as the students in America, to learn and open their minds to another culture."

Another Volunteer said, "It's been one of the highlights of my service so far. Classes have exchanged ideas about pop culture, schools, food, language, [and] foreign language learning."

Not only is there cultural exchange, but there is knowledge exchange as well. A Volunteer wrote, "I am connected with a Spanish teacher in New Hampshire. This past school year, her students made preventive health brochures that I will be laying out in my health center, as well as story boards on preventive health themes."

The Peace Corps Partnership Program also contributes to the agency's Third Goal—increasing Americans' understanding of other cultures—by connecting donors in the United States with Volunteers and their host communities overseas. According to one Volunteer, "PCPP [Peace Corps Partnership Program] is a wonderful program that makes it easy for friends, family, businesses, and organizations to get involved in Peace Corps Volunteer projects."

U.S. donors provided 10,623 donations for 670 projects in the field. During a time when engaging donors is difficult, the Peace Corps Partnership Program raised over \$1.95 million from 9,804 donors, exceeding the FY 2010 target. Peace Corps Partnership Program projects are implemented around the world and take various shapes and sizes within each Volunteer's community. For example, in Senegal, a Volunteer and the community built a rural health hut that provides immediate urgent health care and consultation to over 3,000 people from 10 villages. On an island in the Eastern Caribbean, the Partnership Program funded a solar mango drying project. A Peace Corps Volunteer worked with secondary school students who harnessed the sun's energy through eight solar dryers they had built. The students learned to dry fruits and vegetables and prepare them to sell.

In FY 2010, 99 percent of all Volunteers participating in the Annual Volunteer Survey reported sharing their experiences with family, friends, and the American public. Almost 90 percent of Volunteers shared their experience through electronic updates, and more than 50 percent of Volunteers educated Americans back home about life in their host countries through personal websites or blogs. Nearly three of every five Volunteers shared their experiences and understanding of their host countries by hosting American visitors in their host community or host country. The agency monitors this indicator but does not set a target.

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

Agency Level Performance Indicators:

Performance Goal 3.1.2: Increase returned Peace Corps Volunteers' cultural outreach to the American public through Peace Corps programs	FY 2008 Baseline	FY 2009 Result	FY 2010 Target	FY 2010 Result
a. Number of RPCVs participating in agency-initiated activities	7,209	9,102	8,300	9,627
b. Number of schools impacted by the activities of RPCVs	N/A	502	600	829

Results and Analysis: Both targets were met for this performance goal.

Returned Volunteers are the most effective promoters of the Third Goal. By bringing their experiences back home, they help broaden the world for their fellow Americans. Returned Volunteers actively engage the American public through partnerships with private sector companies, schools, civil society organizations, returned Peace Corps Volunteer groups, and government agencies. This increases understanding of other cultures and generates commitment to volunteerism as a way to “continue service.”

Returned Peace Corps Volunteers participate in two broad categories of agency-initiated activities: those that involve returned Volunteers in recruitment activities and those that help RPCVs share the Peace Corps experience with others.

During FY 2010, the agency exceeded its target. There were 9,627 returned Volunteers participating in agency-sponsored activities and 5,529 returned Volunteers shared their experience during recruitment events. Another 4,098 returned Volunteers participated in the following activities:

- **Peace Corps Week**, a national event that engages returned Volunteers to speak in schools and at community events nationwide
- **Speakers Match** program events (requests from organizations to host a returned Volunteer as a guest speaker)
- Preparation of informational materials and resources for use by American classroom teachers and their students through the **Coverdell World Wise Schools**
- **Fellows/USA** program, which allows returned Volunteers to pursue graduate degrees while working in schools and underserved communities under Peace Corps’ sponsorship
- Informational meetings where **returned Volunteers** served as cultural resources to support Peace Corps recruiters

The number of schools benefitting from returned Volunteers’ presentations increased from 502 to 829, exceeding the target of 600.

During FY 2010, the agency increased the number of Fellows/USA graduate schools to 55 from 52 in FY 2009 and organized new regional RPCV Third Goal outreach events, both of which increased returned Volunteer participation.

In addition to the expansion of the Fellows/USA graduate program, the agency also expanded the Coverdell World Wise Schools program to include 685 schools, up from 450 in FY 2009. This program is a strong partner in U.S. efforts to teach American schoolchildren how to be global citizens with the help of returned Volunteers participating through its Speakers Match program.

During FY 2010, the agency focused on the Peace Corps’ cooperative agreement with the National Peace Corps Association to promote the agency’s Speakers Match program through their website and publications and expanded it to allow college/university professors to request returned Volunteer presentations.

Although the Peace Corps met its targets under this goal, the agency is committed to excelling in this area and is taking the following steps based on the Agency Comprehensive Assessment, to further expand its Third Goal outcomes:

- Increase the allocation of resources for Third Goal programs
- Continue to expand the Fellows/USA program
- Develop a returned Volunteer portal to collect contact information and information about returned Volunteers' Third Goal activities
- Establish awards for outstanding returned Volunteers

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

The Peace Corps is charged with helping host countries meet their needs for trained men and women. Essentially, the agency must recruit the “supply” to meet the “demand” for specific skill sets. Moreover, since the agency also has a critical cross-cultural component to its mission, it is important that Volunteers recruited reflect the rich diversity of America.

In FY 2010, the agency emphasized the importance of well-defined systems to help synchronize the recruitment of individuals with appropriate skill sets to meet the evolving technical needs of host countries throughout the world. The Comprehensive Assessment has recognized the need to embrace generalist Volunteers and to provide them with the training and comprehensive support needed to be successful in project areas and community outreach activities.

The Volunteer Delivery System refers to the continuous cycle of Volunteer recruitment, screening, and placement that allows the Peace Corps to deliver the best qualified Volunteers to meet the needs of the agency's host countries. The Peace Corps has strategically aligned its Volunteer Delivery System with the agency's mission, modernizing its processes to speed up the delivery process and to more effectively reach diverse groups of potential Volunteers.

Peace Corps Volunteers are the face of America in the communities in which they serve. When Volunteers reflect the rich diversity of our multicultural society, they help their host communities gain a better understanding of the United States and the values of the American people. Furthermore, more experienced Volunteers often bring skill sets and life experiences that can also bring a different perspective to host communities.

The Comprehensive Assessment calls on the Peace Corps to explore new recruitment models that will result in faster processing times for potential applicants while fortifying the agency's efforts to attract a wide variety of applicants to represent the diversity of the United States.

Outcome Goals:

- 4.1 Volunteers provided at every post meet the evolving technical needs of host countries.
- 4.2 Trainees assigned to serve overseas represent the diversity of Americans.

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

Agency Level Performance Indicators:

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	FY 2008 Baseline	FY 2009 Result	FY 2010 Target	FY 2010 Result
a. Maximize the number of Volunteers serving annually based on available funding and the provision of support to ensure their optimal effectiveness	7,876	7,671	7,600	8,655
b. Number of trainees and skills sought annually are met	N/A	96%	95%	97%

Results and Analysis: Both targets were met for this performance goal.

At the end of FY 2010, 8,655 Volunteers were serving across the world. The agency exceeded the FY 2010 target of 7,600 by 1,055. The agency also achieved its target of filling at least 95 percent of the requests for skills sought by the countries.

To help achieve the desired increase in the number of Peace Corps Volunteers, the Director established an agency-wide growth task force during the first quarter of FY 2010. The task force examined ways in which this growth could be supported. Throughout the FY 2010 planning and budget processes, emphasis was placed on effectively meeting the growth targets in order to provide a larger number of well-qualified Volunteers for host countries.

Several headquarters offices worked closely with the overseas posts to best match the supply of qualified applicants to the needs of Peace Corps' overseas partners. The vast majority of positions requested by overseas posts were directly matched by individuals with the requested skills. In addition, a continuation of work on the Volunteer Delivery System will streamline the application process and continue to improve the matching of Volunteers to those posts that can best utilize their skills.

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

Agency Level Performance Indicators:

Performance Goal 4.1.2: Manage Volunteer recruitment functions in an effective and efficient manner	FY 2008 Baseline	FY 2009 Result	FY 2010 Target	FY 2010 Result
a. Redesign the Volunteer Delivery System and implement recommendations to improve its effectiveness	N/A	Achieved	50%	Not Achieved
b. Reduce the response time to applicants	117 days	123 days	90 days	193 days

Results and Analysis: The agency did not meet either target for this performance goal.

A major milestone was achieved in the fourth quarter of 2010 with the award of a contract for the redesign of the Volunteer Delivery System. The needs of the agency that must be addressed by the system required a major change in the scope and breadth of the project. Therefore, the indicator no longer accurately measures the performance of the project. During the mid-cycle review of the agency's Strategic Plan, this indicator will be modified.

Implementation of this significant modernization project has begun and will ensure that the agency is utilizing best of breed systems and practices to manage the entire lifecycle of the Volunteer—from applicant to returned Volunteer. Agency staff and the vendor completed a project plan in September 2010 and execution of the plan will commence in October 2010.

The system will be used to recruit, place, and retain highly qualified, service-oriented individuals. Additionally, this system will allow the agency to better maintain relationships with returned Volunteers in order to increase the domestic activities outlined under Strategic Goal 3. The system redesign will help the agency meet its targets for FY 2011.

The agency did not succeed in reducing response times to achieve its FY 2010 target for Indicator 4.1.2.b. As was noted last year, increased analysis of data uncovered faulty methodology used to set the baseline targets. For this reason, this target has not been met during the last two years. This is an issue that will be addressed in the FY 2011 mid-cycle review of the agency's Strategic Plan.

As a result of the implementation of the redesign, in FY 2011 the agency expects major improvements in its ability to respond quickly to Americans interested in serving in the Peace Corps and to maintain better contact with applicants throughout the application process.

Performance Goal 4.2.1: Recruitment and Volunteer placement efforts reflect the diversity of Americans

Agency Level Performance Indicators:

Performance Goal 4.2.1: Recruitment and Volunteer placement efforts reflect the diversity of Americans	FY 2008 Baseline	FY 2009 Result	FY 2010 Target	FY 2010 Result
a. Number of mid-career to age 50 and older applicants	N/A	2,041	1,700	1,668
b. Number of applicants of diverse ethnicities	N/A	3,070	2,200	2,992

Results and Analysis: The agency met one of the two targets for this performance goal.

Peace Corps Volunteers range in age from 18 to 85 and bring unique backgrounds and experiences to their service. Americans of diverse backgrounds have always played a central role in building the agency's great legacy of service. The agency focuses on recruiting and training committed service-oriented generalists and aggressively recruits from the diverse American population.

In FY 2010, Peace Corps received 13,430 applications from Americans wishing to serve as Volunteers. The agency received applications from 1,668 mid-career and age 50 and older applicants, which fell below the FY 2010 target

of 1,700. Applications from ethnically diverse individuals increased to 2,992, significantly exceeding the FY 2010 target of 2,200 applications.

The findings of the Comprehensive Assessment have led the agency to recognize and embrace the fact that 85 percent of the agency's Volunteers are recent college graduates with little or no professional experience. As a result, the agency is focused on recruiting well-educated, highly-motivated, service-oriented generalists and providing them with enhanced training and support to become effective agents of change.

Recruitment of mid-career and age 50 and older applicants remains an agency priority. The goal was not met because of reduced resources available to support specialized recruitment.

Agency efforts to increase the number of applicants of diverse ethnicities proved successful in FY 2010 and several new activities were undertaken to improve diversity recruiting. An increase in the number of diverse applicants can be attributed to the efforts to include diversity outreach as a priority in the recruiting campaigns conducted by diversity liaisons and regional recruitment managers at the nine regional recruitment offices. Each regional recruitment office has one recruiter who is the diversity liaison and the resource on diversity recruitment. Such liaisons encouraged all regional recruiters to hold one diversity recruitment event each month.

Recruiters visited more Historically Black Colleges and Universities, Hispanic Serving Institutions, and Tribal Colleges; participated at professional conferences with a diversity focus; and increased marketing outreach to diverse groups. Additionally, new partnerships with Minority Serving Institutions increased the agency's visibility among diverse populations.

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.

Peace Corps Volunteers serve at the grassroots level worldwide and experience the broadest range of social and environmental conditions, making health and safety risks an inherent part of Volunteer service. Staff and Volunteers work together to create a framework that maximizes, to the extent possible, Volunteers' well-being, enabling them to focus on their work. Furthermore, the effective management of resources ensures an excellent level of support to Volunteers in all aspects of their service.

Keeping Volunteers safe and healthy are the agency's top priorities. The agency has dedicated safety and security personnel at each post and headquarters who are part of an extensive safety and security support network.

The agency enhances the safety and security of Volunteers by identifying risks, developing mitigation strategies, educating personnel, evaluating effectiveness, and incorporating feedback and appropriate policy revisions. Two key factors that ensure Volunteers are well supported to carry out their work in a safe manner are to provide adequate staff training and to continually evaluate health and safety conditions at each post.

The agency is responsible for all aspects of a Volunteer's health care during Peace Corps service. The Peace Corps provides a comprehensive Volunteer health care program that focuses on the delivery of high quality care and service, and addresses both the physical and mental health of Volunteers. Included in this program are training, access to counseling, and the provision of medical services. Volunteers work in very demanding environments;

thus, the agency focuses on issues of resiliency and a Volunteer's ability to cope with stress. The latter is particularly important since some Volunteers experience emotional challenges when working with communities affected by HIV/AIDS.

Effectively managing Peace Corps' domestic and overseas operations, including human and financial resources, is critical to carrying out the mission of the agency. When needed, the agency sends management assessment teams to support posts or offices in need of review and to make recommendations for improvement. Furthermore, the posts must work to integrate the many perspectives of their stakeholders—Volunteers, staff, and host country partners—in ensuring that their programs are on target and serving host country needs.

The Peace Corps strives for constant improvement to provide the most efficient and effective services to Volunteers, staff, and host country partners in the fulfillment of its commitment to the American people. In addition to the continual efforts to evaluate and enhance staff effectiveness throughout the agency, the agency regularly reviews its business processes.

Outcome Goals:

- 5.1 Volunteers are safe, healthy, and well supported to ensure their focus on Peace Corps' sustainable development and cross-cultural mission.
- 5.2 The Peace Corps continually improves its staff and critical work processes and manages its resources in an effective and efficient manner.

Performance Goal 5.1.1: Enhance the safety and security of Volunteers

Agency Level Performance Indicators:

Performance Goal 5.1.1: Enhance the safety and security of Volunteers	FY 2008 Baseline	FY 2009 Result	FY 2010 Target	FY 2010 Result
a. Percentage of Volunteers reporting that their safety and security training is adequate or better	95%	96%	95%	95%
b. Percentage of posts having their safety and security plans reviewed annually by Peace Corps safety and security officers	N/A	21%	33%	33%
c. Percentage of posts implementing critical recommendations focused on Volunteer/trainee safety and security on a timely basis	N/A	84%	100%	56%
d. Percentage of Volunteers reporting they feel "usually safe" or "very safe" where they live and work	87%	89%	90%	89%

Results and Analysis: Two of the four targets were met for this performance goal.

Maintaining the safety and security of Peace Corps Volunteers is a top priority. The risks associated with being a Volunteer have changed dramatically since the inception of the agency and its policies and practices continue to evolve to anticipate and adjust to these shifts. The agency provides training for Volunteers and monitors safety conditions in each host country.

The vast majority of Volunteers report the training they receive from the agency prepares them for the safety and security challenges they face during service. Ninety-five percent of the Volunteers reported their safety and security training is adequate or better, which meets the FY 2010 performance target. Eighty-nine percent of the Volunteers report they feel safe or very safe where they live and work, missing the target by 1 percent.

The large majority of Volunteers report feeling safe during service. Slightly more Volunteers report they feel safe at work (91 percent) than at home (87 percent). Volunteers indicate their principal source of insecurity comes from the harassment and unwanted attention they face as a foreigner in their communities. Harassment includes catcalls, requests for money, marriage proposals, pinching, and derogatory comments about Americans. While unwanted attention does not present a high risk or fall into the category of violent crimes, Peace Corps provides training to help Volunteers handle these encounters.

Regional Peace Corps safety and security officers are responsible for conducting safety and security analyses for the posts, as well as providing overseas offices with technical safety and security expertise. During FY 2010, 33 percent of the posts had their safety and security plans reviewed by a safety and security officer, meeting the target for this year.

The Peace Corps met this goal by establishing and implementing a strategic plan for post security reviews and standardizing the process, including defining “critical recommendation.” However, the agency did not meet the target set for implementing those recommendations. Fifty-six percent of posts implemented critical recommendations for improving Volunteer safety and security procedures, significantly below the target of 100 percent.

A variety of factors impeded posts’ ability to implement all of the identified recommendations. Some of the recommendations must be implemented during specific activities that take place at pre-determined intervals during the year, and therefore have not occurred yet. Other recommendations are so recent that posts have not had an opportunity to implement them. Further, posts have noted that in many cases they do not have the budgetary resources to implement some of the recommendations. Finally, the process for systematically tracking the implementation of critical recommendations requires further improvement.

The Peace Corps has taken steps to better achieve safety and security goals. In the FY 2010 Inspector General audit of the Office of Safety and Security, several recommendations were made to improve the authority and management controls of that office. These recommendations will be fully implemented in FY 2011.

The Peace Corps remains committed to preparing Volunteers for service and monitoring security situations in host countries.

Performance Goal 5.1.2: Provide quality medical and mental health services to trainees and Volunteers

Agency Level Performance Indicators:

Performance Goal 5.1.2: Provide quality medical and mental health services to trainees and Volunteers	FY 2008 Baseline	FY 2009 Result	FY 2010 Target	FY 2010 Result
a. Percentage of Volunteers rating their satisfaction with health care received from Peace Corps medical officers as adequate or better	92%	93%	90%	93%
b. Percentage of Volunteers reporting the emotional support received from Peace Corps staff as adequate or better	80%	81%	75%	81%
c. Percentage of Volunteers reporting adequate or better support in coping with stress issues such as food insecurity, HIV/AIDS and other stressors in their community	53%	73%	65%	74%

Results and Analysis: All three of the targets were met for this performance goal.

One of the Peace Corps' top priorities is to maintain each Volunteer's physical and emotional health. The agency provides medical and emotional support to individuals serving in challenging environments around the world and monitors the Volunteers through overseas posts' medical services and through the objective Annual Volunteer Survey. Renewed emphasis was placed on this issue during FY 2010.

All three indicators of Peace Corps' medical and mental health services for Volunteers exceeded the FY 2010 targets. These indicators reflect the high levels of Volunteer satisfaction with the Peace Corps' health care (93 percent) and emotional support (81 percent). Also, a majority of Volunteers (74 percent) reported adequate or better support to help in coping with stressful issues such as HIV/AIDS and food insecurity in their communities. One Volunteer in Rwanda, for example, wrote the following general comment: "The Peace Corps has been supportive and is very available if there are any problems. The new Peace Corps medical officer is very good. I have not needed to address problems with Peace Corps staff, but if I did, I think they would help me find solutions."

Several actions were implemented this year to ensure that Volunteers receive high quality health care from their Peace Corps medical officers:

- Intense site assessments were conducted at posts where Volunteers reported lower levels of satisfaction with their health care support
- Medical officers performing at an inadequate level were replaced
- Changes were implemented to strengthen medical officer credentialing
- Approval and oversight of medical budget expenditures were re-directed from posts to headquarters

The agency has also undertaken several other changes to ensure high quality health care delivery from medical facilities to which Volunteers are referred by their medical officers, including:

- Establishing a system of credentialing local medical providers
- Mandating medical officers conduct reviews of local health facilities
- Developing new site assessment forms for the posts and for local medical facilities

Further, the agency trained medical officers through the Continuing Medical Education program to augment posts' emotional support to Volunteers in four skill areas: short-term mental health counseling, depressive disorders, anxiety disorders, and treatment of alcohol-related problems.

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

Agency Level Performance Indicators:

Performance Goal 5.2.1: Provide effective and responsive financial management that accurately reflects domestic and overseas operations	FY 2008 Baseline	FY 2009 Result	FY 2010 Target	FY 2010 Result
a. Percentage of posts and headquarters offices managing resources within approved budgets and operational plans	N/A	83%	95%	84%
b. Percentage of posts and headquarters offices annually reviewing resource management ratios for improvement	N/A	Not fully Implemented	95%	71%

Results and Analysis: The agency did not meet the two targets for this performance goal.

Fiscal responsibility continued to be an agency priority in FY 2010. The agency's budget grew to accommodate growth in the number of Volunteers worldwide and to support new agency initiatives.

All major offices and overseas posts are required to operate within their approved budgets and plans. Agency offices were quick to respond to the positive budget news in FY 2010 and adjusted operating plans accordingly.

In general, agency overseas posts met their targets while accepting even greater numbers of Volunteers. Eighty-four percent of the major domestic offices and posts met approved budget levels and properly executed operational plans. The offices and posts that under-executed their budgets did so primarily due to unfilled staff positions carried forward from FY 2009. However, almost all senior staff vacancies created during the change in administration last year were filled and the agency expects improved fiscal utilization in FY 2011 as a result.

The development of new financial management ratios for an ever-changing agency has been challenging, yet the agency remains committed to strong financial oversight and performance.

The agency continued a systematic review of resource management ratios in order to identify and monitor efficient and effective management and 71 percent of the departments established ratios. Departments began their reviews, analyzed their operations, and identified the best measurements for their particular organizations. Various organizational challenges, such as turnover and organizational realignment, slowed progress in establishing effective resource management ratios for all offices. Therefore, while the target of 95 percent was not met, significant progress was made in this area compared to FY 2009 when the indicator was not yet fully implemented.

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

Agency Level Performance Indicators:

Performance Goal 5.2.2: Ensure the effective management of Peace Corps resources	FY 2008 Baseline	FY 2009 Result	FY 2010 Target	FY 2010 Result
a. Percentage of post projects engaging host country officials in their formulation and implementation	95%	94%	95%	96%
b. Percentage of posts and headquarters offices with documented personnel practices that include staff development, performance management, and awards and recognition policies	43%	56%	80%	61%

Results and Analysis: The agency met one of the two targets for this performance goal.

The Peace Corps executes a memorandum of understanding with each host country upon entry and collaborates with host country officials in developing technical programs to meet each country's needs. The first indicator measures the degree to which this initial collaboration continues as the post projects unfold. This year the Peace Corps met its performance target.

A project advisory committee engages host country partners with staff and Volunteers to ensure dialogue throughout the life of a project. Such committees are a key part of a process of systematic collaboration with stakeholders. Formal briefings are often appropriate for higher level officials, but many posts hold focus groups with regional and local level partners to help identify where Volunteers are most needed and what activities they will undertake. All posts conduct joint training with supervisors, partners, and Volunteers.

Although the agency met its performance target, posts continue to face constraints that restrict their ability to collaborate with host country stakeholders. Thirty-eight percent of posts reported that high turnover rates in government ministries prevented or significantly hampered the development of stakeholder relations. In some cases, ministry and local officials are brought into the process at the beginning, but leave office within a few months. Other countries reported that political changes keep officials in constant states of "campaigning" and that they have little time to participate in the development process. In some cases, the project advisory committee meetings were limited because host country officials expected Peace Corps to pay their per diem. Those posts, instead, relied on informal dialogues through phone conversations, focus groups, and other informal meetings with stakeholders.

Although the number of overseas posts with documented personnel practices increased from last year, the 80 percent target was not met. Sixty-one percent of the agency's operating units have documented practices in all three of the major areas of human resource management: performance, staff development, and awards. An additional 31 percent have documented practices in two of the three required areas. Eight percent have documented their personnel practices in one area.

Headquarters' staff operates under the personnel policies described in the *Peace Corps Manual*. Overseas posts operate in compliance with local laws and regulations of each country. In FY 2010, the agency convened a working group to review and make recommendations on how posts can meet the requirements of this indicator.

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

Agency Level Performance Indicator:

Performance Goal 5.2.3: Ensure optimal performance of critical Peace Corps processes	FY 2008 Baseline	FY 2009 Result	FY 2010 Target	FY 2010 Result
a. Annually review, streamline, and implement improvements to at least one agency mission critical work process	N/A	Achieved	Y/N	Achieved

Results and Analysis: The agency achieved the target for this performance goal.

The Peace Corps, in its work to review and make changes to cross-cutting agency processes, has a number of advisory councils and communication mechanisms in place to review and recommend improvements to its programs.

In FY 2010, the agency reviewed the human resource management policies for headquarters and proposed actions for improvement.

The agency developed a Managers' Strategic Planner, a companion to the Human Capital Management Plan that supports the agency's Strategic Plan in areas of human capital. Although the Human Resource Management Department is responsible for developing the three-year Human Capital Management Plan (FY 2009-2011), Peace Corps' managers have the responsibility and are accountable to ensure that the agency is meeting the human capital goals. The new planner is an online resource for managers and supervisors to access human capital information and significantly improves their ability to track and accomplish tasks and report on successful completion.

This tool was approved by the Human Resources Council, the intra-agency management team where information is shared about internal customer challenges and where new opportunities for improvement are identified. The tool provides transparency to the Human Capital Processes and Systems, which are required to be reported annually to the Office of Personnel Management.

Phase 1 is complete and contains information on Strategic Planning; Leadership and Knowledge Management; Talent Management; Results-Oriented Performance Culture; Balancing Work/Life Issues; and Accountability. Additional modules will be added in FY 2011.

Volunteers are being encouraged to extend for a third year. The Peace Corps Volunteer Leadership Program permits third-year Volunteers to continue to work on development projects and also to help by mentoring and coaching new Volunteers, supporting the training process, and doing site development. With their experience and language abilities, third-year Volunteers are invaluable to the agency.

Program Evaluation

In FY 2010, the Peace Corps proactively sought to further improve its evaluation practices, continuing to conduct the Annual Volunteer Survey, the host country impact study series, and redesign the online tool Volunteers use to report on the impact of their work. Additionally, in FY 2010, Peace Corps made the decision to undertake annual portfolio reviews of its country programs. These efforts encourage data-driven decision-making and the dissemination of best practices. The agency was invited to present the findings of the impact study research in three major forums: The Brookings Institution, the annual Association of International Educators Conference, and the Third Annual Conference on Program Evaluation sponsored by the U.S. Department of State.

Annual Portfolio Reviews

In FY 2010, the first year of Director Williams' service, the Peace Corps undertook a management assessment of all operations. The first of the six recommendations in the Comprehensive Assessment calls on the agency to "Target resources and country presence across countries according to specific country selection criteria to maximize grassroots development impact and strengthen relationships with the developing world."

In the fourth quarter of FY 2010, the Peace Corps began work on the annual portfolio reviews of the country programs. The agency is currently analyzing existing sources of information and data, in addition to researching new sources of information to design the methodology for the portfolio reviews. FY 2011 will see the full implementation of this initiative, which will become standard operating procedure and inform the Peace Corps' planning and resource allocation.

Annual Volunteer Survey

The Annual Volunteer Survey assesses Volunteers' perceptions of their Peace Corps service: satisfaction with their service, training for assignments, staff support, safety and security and medical services, primary work assignments, the impact of their work, and HIV/AIDS activities. Volunteers are asked to describe their activities, the degree to which their technical and language training prepared them to carry out their work, and the extent to which their assignments built local capacity and fulfilled the three goals of the Peace Corps. The results provide a candid and comprehensive picture of activities, experiences, and impact from the Volunteers' point of view.

The survey is used for multiple purposes, including identifying trends and best practices; planning office and post priorities; and assessing performance. This information is shared widely within the agency and in FY 2010 the agency experimented with a number of different techniques to encourage utilization of this information both at headquarters and at the posts.

Findings

Goal 1

- Most Volunteers achieved their short-term goals of transferring skills to the people with whom they work.
- Many Volunteers work with young people and are involved in HIV/AIDS efforts—two activities likely to yield long-term capacity-building benefits for their host country communities.

- Volunteers expressed concerns about being fully prepared to do their Peace Corps jobs (Goal 1) and have requested additional training on working with host country counterparts and performing technical aspects of their work.

Goal 2 and Goal 3

- Volunteers are achieving the Peace Corps' Goal 2 and Goal 3.
- With better access to technology and communications, most Volunteers are able to communicate electronically with friends and family in the United States about life in their host country.

Overall Volunteer Satisfaction

- Volunteers who have been in-country longer than a year are generally more satisfied with their primary assignment and secondary activities, as well as with their Peace Corps service overall.
- Volunteers most often mentioned stress as a result of the challenges of cross-cultural issues, their primary assignments, isolation/loneliness, and the local language.

Host Country Impact Studies

In FY 2010, the Peace Corps continued the host country impact series started in FY 2008. These country-specific impact evaluations measure the impact of Peace Corps Volunteers' activities on two of the agency's three goals: Goal 1—"To help the people of interested countries in meeting their need for trained men and women"; and Goal 2—"To help promote a better understanding of Americans on the part of the peoples served." By FY 2013, the majority of the Peace Corps posts will have conducted an impact study.

The studies ask host country individuals (counterparts, host families, and beneficiaries) for their views on the changes that have occurred and the degree to which local needs were met and positive changes sustained through working with Volunteers.

The evaluations provide the agency's management with an independent assessment of Peace Corps' programs because the studies are conducted by independent, host-country researchers who interview the host families and work partners. This approach ensures that the information about the impact of Volunteers' work is gathered from the most direct sources: host country individuals who have worked with, interacted with, and/or lived with Volunteers. The studies are also relatively inexpensive to carry out.

Peace Corps' cutting edge program of host country impact studies is significantly enhancing the agency's capacity to document its results concerning Goals 1 and 2. Washington University researcher Dr. Margaret Sheridan has noted that no other international volunteer organization is measuring the impact of volunteer service on the residents of the communities in which they serve.

In just a short time, the impact studies have become an important tool that enhances the decision-making process used to allocate Volunteers and other resources among countries and to equip country leadership (both Peace Corps and host country leaders), to make evidence-based decisions via a previously untapped source of information. These impact evaluations have led to innovation and change in post administration of Volunteer training and program design.

Findings

In FY 2010, eight studies were *initiated* in Botswana, Fiji, Guatemala, Peru, Philippines, Thailand, Togo, and Ukraine. Two of these, Guatemala and Ukraine, were completed in FY 2010. The remaining studies will be completed in FY 2011. Five studies started in FY 2009 (Cameroon, Jamaica, Mexico, Morocco, and Tanzania) were also completed in FY 2010.

A total of 1,372 people have been interviewed to date. The data from 691 host country individuals in the seven countries in which studies were *completed* during FY 2010 are presented below. They are presented along with the data from 528 respondents in 2009 and 153 respondents in 2008, previously presented in the FY 2009 and FY 2008 Performance and Accountability Reports.

The majority of respondents report using the skills they gained through their work on Peace Corps projects. They also report being satisfied with the project work, note that projects are sustained after the Volunteers leave, and would want to work with another Volunteer.

Most respondents report a more positive view of Americans after interacting with Volunteers. The sustained interaction between Volunteers and host country nationals leads to significant gains in improved understanding.

Goal 1: Capacity Building and Skills Transfer

Outcome Area	FY 2008	FY 2009	FY 2010
Use project skills in their work life	Not asked	99%	84%
Use project skills in their personal life	Not asked	92%	83%
Satisfied with the Peace Corps project	96%	84%	96%
Want to work with another Volunteer	Not asked	95%	97%

Goal 2: Promoting a Better Understanding of Americans

Outcome Area	FY 2008	FY 2009	FY 2010
Had a more positive view of Americans after working with Volunteers	85%	84%	83%
Had a more positive view after living with Volunteers	72%	87%	69%
Had a more thorough understanding of Americans after working with Volunteers	Not asked	75%	60%
Had a more thorough understanding of Americans after living with Volunteers	Not asked	87%	53%

Post-initiated Evaluation Activity

Peace Corps continually works to increase the effective use of evaluations at its posts.

Findings

Forty-one posts conducted evaluations during FY 2010, by post staff, headquarters or outside evaluators.

“Our cross-sector food security initiative involves quarterly and annual evaluation of progress against our detailed implementation plan,” reported one respondent.

The primary purpose for post evaluations was to determine the extent to which projects were meeting their goals. Posts also conducted administrative evaluations to support their budgeting and planning processes. Some posts reported audits of their financial and/or medical operations as a type of evaluation. Posts used the findings to:

- Revise Volunteer training by incorporating detailed information from project partners about the most useful Volunteer work
- Revise the goals and/or focus of Volunteers’ project plans
- Strengthen post monitoring and evaluation activities

Monitoring and Evaluation Training

Posts increased monitoring and evaluation training for staff to support the agency’s emphasis on accountability and measuring results. Headquarters staff provided significant support for these initiatives in the form of regional and post specific workshops.

Findings

Fifty-three of the 67 posts operating in FY 2010 (79 percent) provided evaluation training to Volunteers; 31 of the 67 posts (46 percent) provided training to staff. Twenty-two posts (33 percent) provided training to partners/counterparts.

Headquarters staff supported this post-level training at several regional and post-specific workshops in FY 2010 by providing technical assistance to the workshop facilitators. Additionally, headquarters staff facilitated annual Web-based training for all posts on effectively using the Volunteer Reporting Tool and completing annual status reports, both pieces of the agency’s standard monitoring and evaluation plan.

Finally, the Jordan post received a comprehensive monitoring and evaluation review by headquarters staff, which included several training sessions.

Evaluations Conducted by Headquarters Offices

Four offices at headquarters conducted evaluations of their operations.

Findings

Summary of Process Evaluations Conducted at Peace Corps Headquarters

- **Office of Medical Services:** To improve the efficiency of the medical clearance process (reduce the length of time) for Peace Corps applicants, the office designed a study to compare the length of time required for

the medical clearance process with two different approaches: applicants use their own physician (current practice) or applicants use Peace Corps-contracted physicians (test intervention). The evaluation is ongoing.

- **Office of Private Sector Initiatives:** The office's goal is to reach new donors and increase the amount of money raised per donor. Peace Corps staff had been solely responsible for all fundraising. The office hired an outside firm to assist in fundraising for the 50th anniversary. The results of the two approaches to fundraising will be compared to determine the relative effectiveness of each approach.
- **Overseas Programming and Training Support:** The guidance provided to country posts on program design, training, and evaluation required revisions to ensure that Volunteers and staff appropriately monitored and evaluated activities. In leading the revision of the programming and training guidance, the office conducted a needs assessment and held small focus groups of those receiving guidance throughout the revision process. To date, users of the new guidance report that it is more efficient and effective in both its format and its content. Evaluation of the guidance is ongoing to determine if project evaluations are more effectively conducted.
- **Office of Public Engagement:** The office is responsible for providing a range of career services to returned Peace Corps Volunteers (RPCVs). In recent years, the number of RPCVs requesting access to career conferences has increased. In order to meet the demand, the office increased the number of such conferences outside of the Washington, D.C., region. The participation rates by geographic area will be compared to determine if locating conferences closer to clusters of RPCVs will increase participation.

Summary of Major FY 2010 Program Evaluations Findings and Conclusions

Name of Report	Issue	Findings and Recommendations	Agency's Response
<i>Host Country Impact Studies</i>	<p>The evaluation studies were developed as part of the Peace Corps Improvement Plan. In FY 2008, the agency piloted three studies to measure one of Peace Corps' core goals – "To help promote a better understanding of Americans on the part of the peoples served". The agency conducted nine studies in FY 2009 and eight in FY 2010.</p> <p>The studies also ask host country partners and beneficiaries about the extent to which the work of the Peace Corps has met their need for trained men and women and built local capacity in a sustainable way.</p>	<p>The studies' findings indicate that the Peace Corps is promoting a better understanding of Americans among the peoples served.</p> <p>The scores vary across respondent types, sectors in which Volunteers work, and countries.</p> <p>It is recommended that additional studies be conducted.</p> <p>Host country nationals report they gain useful skills and knowledge, maintain the changes which result from their work with the Peace Corps, and are satisfied with the work conducted.</p> <p>Additional analysis by region and project sector is needed.</p>	<p>Peace Corps uses the results to redesign Volunteer and partner training. Host families and work partner perceptions about Americans are shared with Volunteers in the re-designed cross-cultural training.</p> <p>The Comprehensive Agency Assessment recommends expanding the number of studies completed per year from nine to 12. The agency will benefit from additional access to objective third party information regarding program performance.</p> <p>The agency is building capacity to implement this recommendation.</p>

Volunteer Project Reviews: Findings and Recommendations

Name of Report	Issue	Finding and Recommendations	Agency Response
Volunteer Project Reviews	<p>Agency staff members conduct on-site reviews (process evaluations) of Volunteer projects in each sector.</p> <p>The on-site review research focuses on continuous learning through application, assessment, and redirection—learning by doing.</p>	<p>Results from a survey of field staff in FY 2009 found that they perceived the site reviews as unhelpful and unnecessarily difficult for program managers.</p> <p>The Peace Corps needs to redesign the review process and standardize the use of the data to inform management decisions.</p>	<p>The project plan review process was redesigned to be more efficient and effective. Two changes were made in the process: increase the level of technical support provided to the post during the review and decrease the time to report the results of the review to the post.</p> <p>The Office of Global Operations was created in FY 2010 to oversee the activities of the three geographic regions and the technical office. The office is encouraging more consistent use of agency performance data and data-driven decision-making.</p>
Focus Groups Survey with returned Volunteers and Survey of returned Volunteers	<p>No formal mechanism had existed at Peace Corps to collect comprehensive information from Volunteers after their service ends. To fill this gap, the Peace Corps conducted eight focus groups with returned Peace Corps Volunteers in FY 2010.</p> <p>The fourth decennial survey of returned Volunteers is underway and will provide the agency with important data on the impact of Peace Corps service on educational and career choices and continued involvement in international work and volunteer service, as well as their perspectives on agency outreach programs.</p>	<p>The information from the focus groups suggests that returned Volunteers are actively engaged in speaking about Peace Corps at schools and other events.</p> <p>These returned Volunteers also suggested that the Peace Corps increase its commitment to engaging them in Third Goal activities and building RPCV networks.</p>	<p>The agency has increased the level of resources devoted to serving the returned Volunteer community and will make further adjustments when the results of the survey are analyzed.</p> <p>Additional information about Peace Corps-sponsored activities to support returned Volunteers is provided in the discussion of the Strategic Indicator 3.1.2.</p>

Office of Inspector General Audits and Evaluations

The Peace Corps' Office of the Inspector General (OIG) regularly conducts audits and evaluations concerning the effectiveness of programs that support Volunteers. Auditors focus on fiscal accountability and the effectiveness of internal controls over Peace Corps resources. Evaluators analyze program operations of the Peace Corps at both overseas posts and domestic offices. These audits and evaluations analyze compliance with laws, regulations, and

Peace Corps' policies. They also identify internal control weaknesses and best practices and recommend program improvements and the means to comply with Peace Corps policies.

Findings

During FY 2010, OIG issued eight audit reports and four program evaluation reports concerning 11 countries. The audits were conducted in Burkina Faso, Cape Verde, Kenya, Moldova, Mongolia, Paraguay, Suriname, and Tanzania, and these reports related to administrative and financial operations at overseas posts. Other work included: audit of the Office of the Chief Information Officer budget formulation and management; audit of the agency's process for soliciting, awarding, and administering contracts; a review of the agency's compliance with the Federal Information Security Management Act; and oversight of the independent auditor's annual audit of the agency's financial statements. OIG audit staff also performed special reviews at Peace Corps posts in Ecuador, The Gambia, and Vanuatu.

The evaluations were conducted in Morocco, Suriname, Togo, and Turkmenistan. The program evaluation reports addressed issues such as the extent to which each post has developed and implemented programs that met agency goals and provided adequate training, health care, support, and oversight to Volunteers to enable them to increase host country capacity and promote cross-cultural understanding.

During FY 2010, the OIG audit, evaluations, and investigative units contributed staff resources to jointly produce an assessment of Morocco medical care and an audit of the Peace Corps Volunteer safety and security program. Reports from OIG audits and evaluations are submitted to management, which then takes appropriate action to address any concerns that have been identified.

Program Evaluations Conducted by the Office of the Inspector General: Findings and Recommendations

Country	Major Findings and Recommendations
Turkmenistan	<ul style="list-style-type: none">• Turkmenistan is a challenging post for staff and Volunteers. Host country government restrictions, its control over Volunteer worksite selection, and limitations on activities within host communities have a considerable impact on program effectiveness and sustainability.• The post may not be able to meet the agency's expectations for program growth; it was recommended that the viability of project plans be assessed before expanding the number of Volunteers. The post can also address some obstacles through memoranda of understanding with host government ministries.• Despite these challenges, it was determined that the Turkmenistan staff and Volunteers believe Peace Corps has the potential to make a positive contribution to the people of Turkmenistan.• Volunteers need accurate information about the reality of serving in Turkmenistan; the post must address this in pre-service information and during its training programs. Volunteers, particularly those over the age of 50, need additional support with language learning before and during service.

Country	Major Findings and Recommendations
Morocco	<ul style="list-style-type: none"> The Morocco program staff is experienced, resourceful, and dedicated to the Peace Corps mission, but staffing levels are insufficient to meet the complex support needs of the program and they are struggling under heavy workloads. Volunteers are widely dispersed throughout mountainous and sometimes hard-to-access areas in Morocco and face an assortment of challenges during their service related to language, religion, politics, gender, and harassment. Programming staff are stretched thin and struggle to provide Volunteer support needs, such as site visits, report feedback, and regular communication. The Peace Corps medical officer and the medical unit's large volume of work has had an impact on the quality of medical support to the Volunteers. Also, the safety and security coordinator is strained by a continuous flow of Volunteer communications.
Suriname	<ul style="list-style-type: none"> Suriname has faced challenges developing and maintaining effective Volunteer assignments. A period of frequent senior staff turnover over several years had an impact on the stability of post operations. While obstacles remain, Suriname has made progress toward increasing the effectiveness of its operations and programs and furthering Peace Corps' goals. Suriname government representatives have positive working relationships with Peace Corps staff. They believe Volunteers have good language skills, are well-integrated into their host communities, and are making contributions to Suriname's development. Suriname does not have current agreements with project partners; this has created some confusion about roles and responsibilities of the cooperating parties. Government officials would like a more structured collaboration with Peace Corps, with program sectors and Volunteer assignments more directly centered on ministry goals. The post is working to address site development and programming support challenges. Our review found the program staff members do not adequately engage host communities during site development, nor are they thoroughly assessing host community needs or a community's capacity to host a Volunteer. Volunteer housing did not consistently conform to established housing criteria. We recommended that staff inspect housing to ensure it meets the criteria prior to the Volunteer's arrival.
Togo	<ul style="list-style-type: none"> For more than 48 years, Togo has successfully met the First Goal of the Peace Corps mission – to help the people of interested countries in meeting their need for trained men and women. Volunteers are satisfied with their assignments and feel positive about accomplishing their project goals and objectives. Training is a strong point for Togo. Volunteers are satisfied with the effectiveness of pre-service training and expressed high regard for the host family experience as good preparation for service. Some Volunteer projects have been slow to develop due to challenges identifying appropriate counterparts to undertake project activities. The post needs to address this issue during site development and encourage the community to provide housing. Volunteers report they are generally well-supported by Togo staff, but flagged uneven staff communication or follow-up as areas that need improvement – particularly program manager's site visits, follow-up to Volunteer Reporting Tool submissions, and responsiveness to diversity issues. Volunteers are not in compliance with Togo's out-of-site policy and Volunteer site locator forms frequently contained inaccuracies, which would make them less useful during an emergency situation. The post needs to engage in more regular, substantive communication with national ministry officials and re-energize its project advisory council with more frequent meetings and activities.

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