



## ENDURING LEADERSHIP IN A DYNAMIC WORLD



**This QDDR is dedicated to the memory of the brave men and women of the State Department and the U.S. Agency for International Development—both American citizens and foreign nationals—who have given their lives while in the service of the United States overseas. We honor their sacrifice, which has helped make the world more peaceful, prosperous, and secure.**

# MESSAGE FROM SECRETARY KERRY



*John Kerry*  
*United States Secretary of State*

Today's international landscape is more complex than ever before. The challenges we face are enormous, and so are the opportunities. They require us to keep faith with institutions like the State Department and USAID - with America - to ensure our ability to do the big things required to protect our interests and promote our values. And that means providing our diplomats and development professionals with both the willpower and the tools to accomplish the impossible.

I want the QDDR to be the blueprint for the next generation of American diplomacy. I want our diplomats and development professionals to have the technology and know-how to confront both the challenges and the opportunities. That's why I launched the second QDDR last April.

In the months that followed, hundreds of our offices and posts worldwide have engaged in exercises, focus groups, consultations, drafting and editing to help define and shape this document. From the outset, I asked our teams to avoid making this exercise all things for all people. A very smart Foreign Service officer told me when I first got here, "If everything's important, nothing's important." So this QDDR does not seek to be everything to everybody. Why? Because most of all, we intend to make it relevant. It focuses on a few big challenges and a few big opportunities, both strategic and operational.

In other words, this QDDR is a product that will guide a modern State Department and a modern USAID. It will spur greater ownership and initiative from every bureau, post, and mission in the field. It will narrow the distance between Washington and the front lines. It will be implemented by leaders at every level – leaders who are empowered to guide others to higher achievement. And it will help us to plan strategically and innovate constantly.

We are building on the first QDDR, which was itself an innovation. The commitment and contributions of Secretary Clinton didn't simply demonstrate the importance of civilian power. She showed how to drive change and help create the opportunities we are seizing today.

I am inspired each day to work with our dedicated diplomats and development professionals. These brave, creative public servants have forged diverse coalitions to confront threats ranging from ISIL to Ebola to the changing Arctic and climate change. They have built the foundations for diplomatic progress from Havana to Tehran, and opened the door for the historic agreement with China to reduce carbon emissions. Our teams were on the ground to respond to natural disasters in Haiti and the Philippines, and they are building infrastructure and institutions in both countries for a resilient future. They work each day with governments and civil society around the world to confront corruption, and have helped more than 100 countries to develop laws against human trafficking during the last decade. They have supported invigorating local and national economies by promoting women's economic empowerment and full participation. They have worked with our private sector and partner nations to spur more than \$20 billion in investments in critical energy infrastructure across Africa.

And all of that is just the beginning. Everywhere that we have a presence, we are leading and we are getting things done that simply couldn't and wouldn't happen without us.

The work of our diplomatic and development professionals has never been without risk. We serve on the frontlines of conflicts large and small. We live and work in countries subject to terrorism, violence, unstable political and social forces, increasing climate change impacts, severe economic deprivation, inefficient governance, and the risk of disease and illness. These are constant challenges to achieving our goals.

We are not naïve about the dangers. Balancing our values and interests with the risks inherent in 21st century diplomacy is challenging in the best of circumstances. There are steps we can take to mitigate risk, but we can never eliminate it. At the entrances to the State Department and USAID there are memorials to those who have given their lives in service. Together, these plaques bear the names of 341 American diplomats and development professionals, including those killed in recent years in Afghanistan, Iraq, Haiti, Sudan, and Libya. Risk is a real part of this job. We remain committed to constantly improving our capacity to assess and mitigate risk and to take appropriate measures to reduce it. But in the end, no matter how hard we try, effective diplomacy and development work require the assumption of risks that cannot be eliminated. As public servants, we accept that risk.

Building on the spirit of innovation of the previous quadrennial review, this QDDR examines the management of our resources and people, the flexibility for experimentation, the modernization of our activities, and the actions that will guide a modern State Department and USAID. The institutional changes presented in these pages are forward-looking. Each requires further work by teams and experts. But in all cases, we have identified a set of reforms and approaches that will advance U.S. interests and reshape the Department and USAID for the future. We cannot do this alone. We look forward to working with the Congress to bring these changes into reality.

To reiterate: For the QDDR to be effective it has to connect in a real way to our needs as diplomats and development professionals, and contribute directly to our advocacy of U.S. interests and values. It reviewed our performance to date and previews how we can better project American leadership in a complicated and dangerous world.

Above all, the QDDR is an expression of American optimism. We believe that America is safer when the world is safe, more prosperous when the world prospers, and more secure in our dignity and democracy when those values become universal.

The time has long since passed when we could hide from the world or pretend that what happens overseas does not affect us. In the 21st century, next door is everywhere. And with this QDDR, we are advancing our interests and values that for more than 200 years have defined our country and continue today to inspire the world.

Onwards,



John Kerry

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## EXECUTIVE SUMMARY

## EXECUTIVE SUMMARY

America is strongest when our optimism, integrity, ideals, and innovation are a model for the world. History has taught us that we lead most effectively by our example at home, and by our commitment to advancing collective security, shared prosperity, and human dignity through diplomacy and development around the world.

The pace and scale of transformations today provide unprecedented opportunities for America and the world, as well as shared challenges to peace, prosperity, and dignity. The diffusion of power between and beyond nations marks a fundamental shift in our geopolitical environment, with far-reaching implications for how we partner and promote U.S. interests. Seismic shifts in the sophistication and volume of information, coupled with wider access to smart phones and other tools of technology, rival the economic and social transformations of the Industrial Revolution. The scale and scope of transnational challenges demand innovation in how we engage other governments – and those outside of government – and how we strengthen and modernize a robust, credible, and responsive multilateral system. These advances present great opportunities for individual empowerment, innovation, and interconnectedness, but also new disruptions and threats.

The global energy revolution is bringing electricity to millions, while at the same time climate change exacerbates our greatest vulnerabilities. A global middle class is growing exponentially as education, stability, and prosperity increase. Yet inequality, corruption, autocracy, and environmental degradation threaten to destabilize, dehumanize, and deflate that growth. We have seen great advances in public health and life expectancy, due in part to our signature development initiatives, but gaps remain, particularly in fragile states and in places where poor governance undermines these gains and increases the risk of pandemics and violent conflict.

American diplomacy and development are crucial to ensuring that this century will be defined by the opportunities rather than the threats that these forces present. At this moment U.S. diplomats and development professionals are leading the way in confronting challenges to regional orders in the Asia-Pacific, Europe, and the Middle East. We continue implementing our strategic rebalance to Asia and the Pacific, and are deepening our partnerships with countries in the region.

We are mobilizing dynamic partnerships to confront new interconnected challenges, from climate change and extreme poverty to the proliferation of weapons of mass destruction and the failure of state institutions. We are building the broad coalitions necessary to defeat ISIL in the Middle East and counter Russian aggression against Ukraine. We are leading interagency and international teams that combat threats posed by global pandemics, violent conflict, and new weapons technologies. We are helping define a new set of UN development goals while working to ensure that the impact of the Ebola outbreak in West Africa does not set those countries back.

We are galvanizing global action to strengthen UN and regional peacekeeping, and to sharpen the tools that we use to prevent and mitigate conflict. We are working with our partners in Central America to strengthen civilian security partnerships and address the root causes of outward migration through a new strategy for regional engagement that will improve security, governance, and prosperity in an integrated manner. We are deepening diplomatic relations with Asia, Latin America, and Europe as we set the world's highest standards for labor rights and environmental protection through the Trans-Pacific Partnership (TPP) and Transatlantic Trade



*Secretary Kerry delivers remarks at the public launch of the QDDR on April 22, 2014. The Secretary is joined by (left to right) Special Representative Thomas Perriello, former USAID Administrator Rajiv Shah, and Deputy Secretary of State for Management and Resources Heather Higginbottom.*

and Investment Partnership (T-TIP), which will put the United States at the center of a free trade zone covering two-thirds of the global economy. In all our efforts we are aided immeasurably by the alliances we have built worldwide and by our partners in NATO and other treaty organizations.

Every day we represent the American people abroad: building relationships with individuals, businesses, and organizations; promoting resilient, democratic societies; influencing outcomes; and making the world safer, more prosperous, and free.

## THE QUADRENNIAL DIPLOMACY AND DEVELOPMENT REVIEW

Undertaken by the Department of State and the U.S. Agency for International Development (USAID), the 2015 Quadrennial Diplomacy and Development Review (QDDR) process reflects our commitment to review our work and profession, innovate constantly, and adapt to new challenges in a rapidly changing world. It is the product of more than a year of extensive internal and external consultations with all stakeholders, including members of Congress and their staffs, our allies around the world, advocates in the NGO community, and opinion leaders at think tanks and universities.

Secretary Kerry directed that this review focus on priority reforms that are crucial to enhancing the effectiveness, agility, and innovative spirit of U.S. diplomacy and development – and American leadership – in a time of dynamic challenges and great opportunities. Pursuing these priorities and reforms will ensure that American diplomatic and development efforts are better able to advance U.S. interests and priorities as articulated in the 2015 National Security Strategy. Toward that end, it builds on the foundation of the first QDDR, completed in 2010, which provided a comprehensive review of our diplomatic and development capabilities, advanced the role of rigorous strategic planning in all elements of civilian power, and emphasized a whole-of-government approach to foreign policy.

The 2010 QDDR elevated development as an equal pillar of American foreign policy and affirmed the role of USAID as the government’s lead development agency. As part of a broad agenda, it also emphasized the role of economic development, made civilian security a focus for the State Department, and reiterated the central importance to all our efforts of engaging and advancing women and girls. We are making significant additional improvements consistent with the emphasis in the 2010 QDDR on energy diplomacy, cyber policy, counterterrorism, and economic statecraft. With a limited set of priority reforms, the 2015 QDDR builds on the progress achieved through the inaugural review and its ongoing implementation [See Appendix: 2010 QDDR Overview and Update].

The 2015 QDDR reviews the steps we have taken and previews where we need to go to place America in the strongest possible position to face the challenges and seize the opportunities of tomorrow. That is why the QDDR focuses on four cross-cutting areas throughout the report:

**Increasing our partnerships and engaging beyond the nation-state.** America’s global alliances and partnerships have never been stronger, and increasing our cooperation with like-minded nations remains a pillar of our diplomacy and development. Yet America’s contributions and influence are not limited to formal cooperation with governments and international and regional organizations. In an era of diffuse and networked power, and with federal funding constrained, our diplomats and development professionals must focus on strengthening partnerships with civil society, citizen movements, faith leaders, entrepreneurs, innovators, and others who share our interests and values. For example, partnerships with mayors will be increasingly important, as nearly 60 percent of the world’s population will live in urban environments by 2030. While traditional diplomacy will be needed to produce a historic global framework on climate change, our diplomats and development professionals must also engage mayors, governors, chief executive officers, faith leaders, scientists, and engineers to find climate solutions. We will work with civil society groups to promote democracy and good governance and address gender-based violence; partner with local communities vulnerable to violent extremism;

and collaborate with all sectors and levels of government to find innovative solutions to our most pressing challenges. We will expand our leadership at the United Nations and in other international organizations, which are increasingly central to our responses to transnational challenges.

**Focusing on improving governance.** Governance affects the security and interests of the United States and our allies around the world. We know from experience that a lack of pluralism, transparency, and democracy exacerbates instability and violent extremism, suffocates inclusive economic growth, and is inconsistent with the advancement of human rights. Corrupt and poorly governed states often lack the capacity to take on shared international challenges such as addressing pandemics, effectively mitigating the causes or impacts of climate change, and helping with regional peacekeeping efforts. Societies that allow citizens a say and a stake in their success are more stable, prosperous, and secure. Consequently, we will be partners with those nations and individuals committed to the difficult work of building strong, democratic governance, sharing in the responsibilities of collective security, and adhering to international norms and standards.

**Managing and mitigating physical risk.** The Department and USAID will ensure that we continue to balance our values and interests with the inherent risks of 21st-century diplomacy and development. We will encourage a broad dialogue on physical risk with the Executive and Legislative branches and beyond, recognizing that we cannot stop all threats. In consultation with Congress, our interagency partners, and other stakeholders, we will seek ways to streamline operations and increase flexibility in dangerous environments, and we will implement the Department's risk-management policy. Additionally, we will continue to develop skilled, professional leaders and managers with the judgment to make tough calls and to trust their people to do the same.

**Enhancing the use of data, diagnostics, and technology.** In a world of information saturation, effective diplomacy and development require smart investments in the technology, knowledge management, and diagnostics that allow us to leverage data. The steps outlined in this report focus on everything from better application of data for crisis prevention and inclusive growth to greater accountability for strategic planning and programs. To strengthen information capabilities and integration, the Department will establish a multidisciplinary hub for analytics, data science, strategy, and knowledge management.

## STRATEGIC PRIORITIES

Building on the 2015 National Security Strategy, this QDDR continues the work of the 2014 Joint Strategic Plan for the State Department and USAID, which focuses on achieving measurable progress by 2017 in economic diplomacy, global security, climate change and energy, democracy and human rights promotion, and modernizing diplomacy and development. Specifically, the QDDR focuses on four global policy priorities for the State Department and USAID:

**Preventing and Mitigating Conflict and Violent Extremism.** We outline steps to enhance our capacity to prevent and mitigate conflict, and to place greater emphasis on prevention within our broader effort to counter violent extremism. We will:

- **Expand prevention efforts to counter violent extremism.** The State Department and USAID will work with other agencies and multilateral partners to strengthen U.S. counterterrorism and CVE efforts by focusing more on prevention and tackling the drivers of violent extremism. Our approach places a premium on partnering with host governments, supporting vulnerable communities, and challenging extremist messaging.
- **Strengthen our ability to prevent and respond to internal conflict, atrocities, and fragility.** We will work with other departments and agencies to finalize and implement a strategic framework for fragile states. We will invest more in conflict prevention, develop a planning process that will be triggered when crises emerge, and provide personnel and support to specified countries of concern.

**Promoting Open, Resilient, and Democratic Societies.** Good governance underpins the long-term success of our foreign policy objectives. In many places around the world, however, the space for democratic

expression and fundamental freedoms is closing due to the rise in autocracy, and state capture by criminal organizations. We will:

- **Bolster support for democracy, human rights and governance.** We will continue to invest in democracy, human rights and governance initiatives, and capacity-building as a strategic priority. We will build on successful global initiatives, such as the Open Government Partnership and the Extractive Industries Transparency Initiative.
- **Expand anti-corruption initiatives.** In collaboration with the Departments of Justice and Homeland Security, we will expand our partnerships with other nations to improve their capacity to target corruption and bribery, increase enforcement, and manage the inevitable reaction from those who profit from corruption.
- **Strengthen support of civil society and protect an open Internet.** We will strengthen our efforts to empower civil society, push back against expanding restraints on freedom of association and assembly, and protect an open Internet in restrictive environments.
- **Deepen partnerships and defend human rights.** We will continue our commitment to the protection of human rights. We will heighten our defense of marginalized individuals and groups, and expand outreach to groups and communities that share our goals on governance issues and other foreign policy challenges. Our efforts in this area will include working with other agencies to promote effective security sector governance.

**Advancing Inclusive Economic Growth.** Secretary Kerry has stated that foreign policy is economic policy. We are committed to advancing that vision and to reinforcing existing efforts to meet global development goals. We will:

- **Prioritize inclusive economic growth.** The Department will advance the Shared Prosperity Agenda, and USAID will continue working with our allies to end extreme poverty through a new model of development. Our strategies emphasize sustained inclusive economic growth, which promotes political and economic stability and expands the middle class worldwide. Inclusive growth does not simply add to a nation's GDP; it decreases youth unemployment and wealth inequality, promotes gender equality, increases access to electricity, provides pathways out of poverty, and increases government accountability. With the international rules-based system now competing against alternative, less-open models, we will work to ensure that tomorrow's global economy is defined by a race to the top, not a race to the bottom.
- **Enhance economic leadership and expertise.** We will strengthen economic leadership in regional bureaus, better align our overseas economic assignments with the skills of our people, and increase opportunities for internal and external assignments that will deepen our staff's economic expertise.
- **Improve our use of data and diagnostics.** Data and economic diagnostic tools will play a greater role in policy and decision-making, planning, monitoring and evaluation, and program development.

**Mitigating and Adapting to Climate Change.** The 2015 National Security Strategy identifies the effects of climate change as a threat to our national security, and addressing this threat is a top priority for the Department and USAID. We will:

- **Strengthen climate diplomacy and development.** We will deploy greater expertise in addressing climate change and promoting clean-energy-technology solutions at priority posts, strengthen climate expertise in the Department's regional bureaus, and direct all Department and USAID bureaus and offices to designate personnel to serve as climate leaders.
- **Strengthen staff understanding of and engagement in climate issues.** We will educate all of our staff on climate-related issues, incorporating climate-related knowledge into the core competencies for Department and USAID officers.

- **Integrate climate change into all of our diplomacy and development efforts.** We will accelerate the integration of climate change mitigation and resilience throughout our policy, programming, and operations, including the development of systems to assess and adjust for climate change impacts in compliance with Executive Order 13677 on Climate-Resilient International Development.
- **Designate critical countries for in-depth climate engagement.** We will intensify our engagement with countries that are the most vulnerable to climate-related challenges, with those that have key roles to play in reducing greenhouse gas emissions, and with those that can influence neighboring countries to meet international climate goals.
- **Expand climate and clean energy diplomacy beyond capitals.** We will complement crucial climate negotiations between nation-states with direct engagement with mayors, governors, faith leaders, women's groups, and business leaders. We will seek their support in making commitments to reduce greenhouse gas emissions.

The initiatives and reforms in these four areas will not only improve critical Department and USAID capabilities, but will reinforce progress on a broader range of priorities that advance the 2015 National Security Strategy. For example, progress toward sustained and inclusive economic growth will reinforce political stability and strengthen our efforts to deepen integration in the Western Hemisphere. Our efforts to address corruption and climate change will help bolster fragile states, assisting our efforts to counter violent extremism and enhance the stability of critical regions like the Middle East and North Africa. In pursuing these reforms, the Department and USAID will uphold America's interest in peace, prosperity, and dignity—at home and abroad.

## BUILDING DYNAMIC ORGANIZATIONS

In a world of complex threats, dynamic opportunities, and diffuse power, effective diplomacy and development require institutions that adapt, embrace technology, and allow for experimentation to ensure continuous learning. Based on an extensive review of operations at the Department and USAID, this QDDR outlines a series of improvements that will strengthen our ability to advance America's interests. These improvements include:

### Harnessing Knowledge, Data, and Technology

Making progress on U.S. policy priorities will require a data-driven, evidence-based approach. The amount, availability, and variability of data is expanding exponentially, and it has the potential to inform us about a range of issues, including conflict dynamics, state fragility, corruption, popular opinion, and climate change. The Department and USAID need to take better advantage of this growth in information. To use data more effectively, we will:

- **Implement a knowledge management strategy at the Department.** This comprehensive strategy for sharing and integrating information, and continuously updating our technology, will encourage the use of data science in making decisions and evaluating their impact.
- **Establish a Development Information Solution at USAID.** This comprehensive solution will harness data for decision-making, improve efficiencies across the entire program cycle, and connect management information from strategy to results.
- **Establish a hub for analytics, data science, strategy, and knowledge management at the Department.** We will bring together the best available resources in a scalable, entrepreneurial start-up environment to solve complex problems. This hub will connect existing policy and regional expertise with advanced technical capabilities, such as diagnostics, data analysis, and design. It will integrate data from all sources (not just from within the Department, but from other government agencies and non-governmental sources) and increase the flow of information between our offices, bureaus, and overseas posts.

- **Expand Open Data opportunities.** The Department and USAID will continue to implement President Obama's Open Data policy, increasing the data resources that are available to the public and to our diplomatic and development professionals.

**Promoting Innovation.** Innovation and programmatic risk-taking require constant experimentation, learning, and iteration. We must foster a culture of success that leverages and scales up our best practices, while treating setbacks as opportunities to develop better solutions. We will:

- **Support creative problem-solving.** We will foster a culture of engagement and experimentation, rather than risk avoidance. We will use data more strategically to shape policy development and evaluations, and experiment with systems thinking and human-centered design.
- **Institutionalize policy to encourage innovation while managing risk.** We will provide our employees with the guidance and tools to allow for innovation, while identifying, analyzing, mitigating, and monitoring the risk inherent to our policies and programs. One of the objectives of the Department's risk-management policy is to foster an environment that encourages programmatic innovation.
- **Capture and communicate lessons learned.** We will increase our capacity to monitor and evaluate our work and to produce timely lessons-learned analysis.

**Managing and Mitigating Physical Risk.** Risk is an inherent part of our work. We will take a realistic and balanced approach to physical risk as we continue to serve in dangerous and challenging overseas environments. We will:

- **Undertake a broad dialogue on physical risk.** Led by the Secretary and other top officials, we will launch a discussion with Congress and the American people about the realities of risk in our work and the need for greater risk-tolerance.
- **Optimize policy and program execution in complex, dangerous environments.** A special State Department and USAID team will review past and current operations in dangerous environments to inform policies and programs, and determine obstacles and lessons learned. In consultation with Congress, U.S. government agencies, and other stakeholders, the team will explore ways to streamline operations and increase flexibility in dangerous environments.
- **Implement a standard approach for managing and mitigating risk.** We will provide leaders and employees with a consistent approach to making decisions in the face of challenging, fluid, and unclear circumstances, while recognizing that there are no one-size-fits-all solutions. This must be an iterative process between posts and Washington.

**Advancing Strategic Planning and Performance Management.** Sound planning and data-use will improve our decisions, thereby maximizing the impact of our resources. We will:

- **Strengthen information-sharing and collaboration.** We will increase information-sharing and coordination, and work together to achieve the objectives in our strategies. Department bureaus and offices will increase integration of strategic planning, budget planning and execution, program and project management, grants management, and performance monitoring and evaluation.
- **Institute senior-level bureau and mission reviews.** These regular reviews will assess progress toward strategic objectives and ensure alignment of policy, planning, resources, and program decision-making.
- **Deepen expertise in planning and performance management.** Department bureaus will use planning and performance management experts to ensure continuity for their efforts in those areas, including monitoring and evaluation. We will develop a training program to build expertise in strategic planning, budgeting, project management, and monitoring and evaluation at all career levels, for both Foreign Service and Civil Service personnel.

- **Advance adaptive planning and assistance.** We will ensure that our strategic planning is flexible and tailored to complex and difficult environments.

**Engaging Americans as Partners in Foreign Affairs.** More than ever, American leadership abroad demands the active engagement of nearly every sector of our society, economy, and culture. The 2010 QDDR called for a “whole-of-government” approach to foreign policy. This QDDR expands that concept to a “whole-of-America” approach, empowering the American people as “citizen diplomats” to engage with a world that is increasingly interconnected. Our principle is simple: in today’s globalized world, it isn’t only about what the State Department and USAID can do for the American people. It is also about what the American people can do for U.S. foreign policy. We will:

- **Increase engagement with diaspora communities, faith-based groups, and others.** We will expand our partnerships with American citizens, institutions, and businesses to advance a more secure, prosperous, and just world. We will expand engagement with diaspora communities, faith-based groups, and other civic organizations.
- **Reach students and civic leaders through the “Engage America” program.** Every Foreign Service employee in the Department and USAID will be expected to engage with the American people on the value of diplomacy and development. We will reinvigorate our Hometown Diplomat program, emphasizing virtual connections and a broad reach. We will continue efforts to develop online content that teachers can use to explain global issues, foreign cultures, and the role of diplomacy and development.

## INVESTING IN AN AGILE, SKILLED WORKFORCE

In managing crises, promoting long-term stability, and meeting other challenges, our most valuable resource is the dedicated workforce of the State Department and USAID. To ensure that we maintain the world’s premier diplomatic and development corps, and that our people are prepared not only for the world we currently face but also for emerging trends, we have identified opportunities to improve the agility of our workforce, their opportunities for continuous career learning, and their resiliency and capacity to serve.

**Increasing Agility.** The missions of the State Department and USAID require us to match the people with the right skills to the right task, at the right time and place. We will:

- **Increase our ability to quickly fill positions.** We will improve our procedures for identifying staffing gaps, locating expertise or additional staff, and quickly bringing in staff to fill positions left temporarily vacant, while ensuring that our existing staff is appropriately placed to advance our priorities. We will also maximize our use of current hiring mechanisms and identify new opportunities to accelerate the hiring process.
- **Make the most of our talent and expertise.** We will capitalize on the skills of all of our people. For example, we will reward senior Civil Service employees, create new avenues for their career development, and fully tap the potential of locally employed staff at our missions.

**Investing in a Skilled, Diverse Workforce Ready to Lead.** To ensure that the next generation of American diplomats and development experts is as strong as the last, we will continue to recruit, develop, and retain a workforce of highly talented individuals with a commitment to public service. We will:

- **Expand the core curriculum and invest in training.** The Department will develop a core curriculum to give Foreign Service employees deeper knowledge of the fundamentals of diplomacy. Both the Department and USAID will increase investments in training and will modernize and integrate that training into daily work.
- **Train and support effective, accountable leaders.** We will strengthen leadership and accountability at all levels. For example, we will include enhanced training and coaching for managers, starting early in their careers, and develop more effective feedback and assessment tools.

- **Increase and encourage long-term training and excursion tours.** We will provide additional opportunities for employees to take outside-the-agency assignments and to receive long-term training that develops expertise and fresh perspectives.
- **Increase the diversity of our workforce.** We will build on efforts to recruit and retain a workforce that represents the diversity of our nation.
- **Increase tours in State Department functional bureaus.** The Department will strengthen the integration of its regional and functional bureaus through steps such as encouraging Foreign Service Officers to seek tours in functional bureaus.

**Taking Care of Our People:** We take work-life balance seriously and will continue to support our employees as they balance their commitment to service with personal wellness and family life. Work-life balance is critical to retaining the best talent. It also is integral to the mission of the Department and USAID, given the round-the-clock nature of foreign affairs, the security concerns and restrictions at posts, and the significant personal sacrifices that our staff and their families are often asked to make. We will:

- **Support those who face the greatest risks.** We will make sure that employees and families who serve at dangerous posts—as well as those who face stresses and challenges at any post—receive the best possible support. They deserve this before, during, and after the assignment.
- **Ensure wellness and work-life balance for our people.** We are determined to make work-life wellness our cultural norm. We will expect managers to enable their employees to strike a healthy balance between work and their personal lives.
- **Pilot extended leave options for employees to meet educational and family needs.** We will pilot a career sabbatical option for Foreign Service and Civil Service employees.
- **Expand opportunities for eligible family members.** We will provide eligible family members, many of whom are pursuing their own careers, with greater assistance in locating relevant employment.

This QDDR outlines a set of strategic priorities and internal reforms as logical steps in a continuous process of learning and improvement. Next comes the difficult work of implementing this plan, with a particular focus on accelerating efforts already underway to advance our diplomatic and development priorities. All elements of the Department and USAID, as well as our partners at home and abroad, will be part of driving progress in these

areas. Where reforms can be made with existing resources, we will proceed. Where additional resources are required, we will work with Congress on a roadmap to reallocate and match resources with priorities.

We stand strong today as a nation because previous generations dared to think about the world not just as it was, but as it might be—and then chose to prepare for that world. With this QDDR, we aim to meet that same standard of leadership. >



*Participants in the Mandela Washington Fellowship for Young African Leaders listen as U.S. Secretary of State John Kerry speaks at the Presidential Summit of the Washington Fellowship in Washington, D.C., on July 28, 2014.*





## CHAPTER 1

### STRATEGIC PRIORITIES AND RECOMMENDATIONS

*President Obama and Secretary Kerry at the Summit of the Americas in  
Panama City, Panama, on April 10, 2015*

## STRATEGIC PRIORITIES AND RECOMMENDATIONS

**“We choose hope over fear. We see the future not as something out of our control, but as something we can shape for the better through concerted and collective effort. We reject fatalism or cynicism when it comes to human affairs. We choose to work for the world as it should be, as our children deserve it to be.”**

*—President Obama, Address to United Nations General Assembly, New York,  
September 24, 2014*

Seventy years ago, a bipartisan group of visionary Americans forged a system of modern international institutions, as well as economic and security arrangements, aimed at preventing another catastrophic world war and addressing acute human suffering. Sustained by steady, principled American leadership, this system enabled the peaceful end of the Cold War, a wave of democratization, and unprecedented improvement in the basic human condition around the globe.

Today, however, aspects of that post-World War II system are fraying. Established orders in Europe, the Asia-Pacific, and the Middle East are being challenged, for example, by Russian aggression in Ukraine; tensions in the South and East China seas; the destabilizing actions of al-Qa’ida, ISIL, and affiliated groups in the Middle East and North Africa; and the proliferation of weapons of mass destruction. This system faces a growing number of weak and conflict-affected states unable to exercise full control over their territory, or prevent the spread of infectious disease, illicit weapons, and narcotics within and across their borders. Meanwhile, the rapid deployment of new technologies – drones, digital surveillance, and cyber warfare – is outpacing the adaptation of current norms and implementation of new ones. And as President Obama has emphasized on several occasions, post-World War II institutions are struggling to enforce norms and mobilize collective solutions to interconnected challenges.

In spite of these challenges, the movement toward accountable governance and the expansion of the global middle class are two of the most promising opportunities in recent human history. The percentage of people living in extreme poverty (defined as those living on less than \$1.25 per day), has been cut by more than half

in a generation, and is now increasingly concentrated in fragile and conflict-affected states. Child mortality has been reduced by 70 percent over recent decades. People are better educated, healthier, and more prosperous. Regional powers are taking on new roles, with great potential for increasing economic growth and security. Africa and parts of Latin America are experiencing unprecedented economic growth, and new technologies offer solutions to major health challenges. We may be seeing the last generation living with HIV/AIDS and other formidable diseases.



*Congressional delegation in Kyiv:  
Ambassador Geoffrey Pyatt (center) and Senators  
John McCain (R-AZ), Dick Durbin (D-IL), Ron  
Johnson (R-WI), John Hoeven (R-ND), and Sheldon  
Whitehouse (D-RI). (Photo courtesy of U.S.  
Embassy Kyiv)*

Most countries recognize the benefits of a rules-based international system that ensures global stability and enhanced prosperity. They support, at least in principle, the basic ideas undergirding such a system. As the 2015 National Security Strategy articulates, principled U.S. diplomacy, backed by the world’s finest military and our enduring commitment to development, will play a decisive role in leveraging this support to reinforce and upgrade the international system so that it can resolve the challenges of our time.

American leadership will continue to be a global force for good, grounded in our enduring national interests:

- The security of the United States, its citizens, and U.S. allies and partners;
- A strong, innovative, and growing U.S. economy in an open and transparent international economic system that promotes opportunity and prosperity;
- Respect for universal values at home and around the world; and
- A rules-based international order advanced by U.S. leadership that promotes peace, security, the rule of law, the open exchange of ideas and commerce, and opportunity through effective cooperation and burden sharing to meet global challenges.

Significantly, the National Security Strategy affirms that U.S. leadership must do more than simply manage the threats of the 21st century. It consistently underscores the importance of U.S. diplomacy and development as first lines in the defense and promotion of America's interests. In an interconnected world, few problems can be solved without the United States—and few can be solved by the United States alone. Diplomatic and development leadership are essential in the constant effort to mobilize collective action to address global risks and seize strategic opportunities.

This QDDR reflects the commitment of the State Department and USAID to a stronger, smarter approach to U.S. global engagement. It reaffirms the fundamental tenets of diplomatic engagement, underscoring that in a world of rising great-power tensions, engagement is more critical than ever. It also reinforces the clear message sent in both the 2010 QDDR and the Presidential Policy Directive on Global Development: that development is not just a core pillar of U.S. foreign policy, but also a strategic, economic, and moral imperative, and reaffirms USAID's role as our government's lead development agency.

The Department and USAID are constantly engaged on a wide range of challenges around the world. Whether it is finding solutions to address Iran's nuclear program, mobilizing international support to meet the urgent humanitarian needs in Syria, working closely with our NATO allies and other partners on the next steps for Ukraine,



*Secretary Kerry – flanked by Under Secretary of State for Political Affairs Wendy Sherman, U.S. Energy Secretary Dr. Ernest Moniz, National Security Council Senior Director for Iran, Iraq, Syria and the Gulf States Robert Malley, and European Union Deputy Secretary General Helga Schmid – sits across from Iranian Foreign Minister Javad Zarif, President of Iran's Atomic Energy Organization Dr. Ali Akbar Salehi, and other advisors in Lausanne, Switzerland, on March 26, 2015.*

#### DEVELOPMENT AS FOREIGN POLICY

The 2015 QDDR reinforces the clear message sent in both the 2010 QDDR and the Presidential Policy Directive on Global Development: that development is not only a core pillar of U.S. foreign policy, but is a strategic, economic, and moral imperative for the United States. This QDDR reaffirms USAID as the U.S. government's lead development agency and reflects USAID's recently adopted mission statement: "We partner to end extreme poverty and promote resilient, democratic societies while advancing our security and prosperity." This QDDR recognizes the importance of continuing the modernization of development policies and practices initiated by the 2010 QDDR, including a new model of development that weaves together local ownership, private investment, innovation, multi-stakeholder partnerships, and high expectations for mutual accountability.

building confidence in the U.S. commitment to peaceful coexistence in Asia through implementation of our strategic rebalance, or supporting a peaceful Nigerian election, the daily work of tough diplomacy and effective development assistance is getting done. The recommendations below address areas where the Department and USAID need new approaches, increased agility, or organizational changes to best direct action on additional threats and opportunities identified in the National Security Strategy: conflict prevention, climate change, the global economic order, ending extreme poverty, empowering civil society, and preventing atrocities.

## THE ROLE OF THE QUADRENNIAL DIPLOMACY AND DEVELOPMENT REVIEW

The 2015 QDDR demonstrates the commitment of the State Department and USAID to continue renewing and reforming U.S. diplomacy and development, so we can better advance our core national interests and shared values and prepare for emerging challenges. This QDDR reflects the 2014 Department of State and USAID Joint Strategic Plan, which aligned resources to achieve measurable progress by 2017 in the key areas of economic statecraft, global security challenges, climate and energy priorities, democracy and human rights promotion, and modernizing diplomacy and development.

It also builds on the 2010 QDDR, which initiated a range of important reforms, including:

- instituting strategic planning to improve operations overseas,
- elevating and modernizing development,
- emphasizing gender equality and women's empowerment in all aspects of our foreign policy,
- strengthening civilian security and conflict prevention and response, and
- increasing capabilities in economic, energy, environmental, counterterrorism, and cyber policy.

We continue to implement these reforms, which have guided the Department and USAID and have helped elevate diplomacy and development alongside defense as essential components of U.S. national security policy.

U.S. diplomats and development professionals are engaged around the world in efforts to advance America's security and prosperity. We are mitigating regional power struggles and deterring aggression, working to reduce the number and threat of weapons of mass destruction (WMD), and combating global health challenges. Much work is already underway to improve our capacity to address these challenges. Secretary Kerry directed that this QDDR focus on a limited set of reforms to enhance effectiveness, agility, and innovation in advancing America's interests in a world of diffuse yet networked power. The 2015 QDDR looks at certain areas where strengthening programs and building capabilities will ensure that the Department and USAID stay ahead of emerging trends and thus have maximum impact for U.S. national interests and the American people.

While much of the important work of diplomacy and development is specific to each country, the dominant threats and opportunities of this dynamic era cross borders and oceans. To ensure our diplomats and development professionals can pursue long-standing missions and creatively tackle new requirements in alignment with the National Security Strategy, this QDDR identifies four policy priorities: 1) preventing and mitigating conflict and violent extremism; 2) promoting open and resilient democratic societies; 3) advancing inclusive economic growth; and 4) mitigating and adapting to climate change.



*Secretary Kerry and Under Secretary for Arms Control and International Security Rose Gottemoeller at the Munich Security Conference in February 2015*

## 1. PREVENTING AND MITIGATING CONFLICT AND VIOLENT EXTREMISM

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“...Whether it’s ISIL or Boko Haram or al-Shabaab, their ideology does not include a plan to build a nation...They don’t have a plan to create jobs or deliver opportunity. They don’t have any of those things that people most want. But they do have a strategy to capitalize on the grievances of those who feel underrepresented and left behind, to march into places of extreme poverty and turn them in their direction, to capitalize on a failure of governance and a failure of vision and a failure of leadership and a failure of accountability, to capitalize on impunity that comes with corruption in too many places....”

- Secretary Kerry, remarks at Frontiers in Development Forum  
September 19, 2014

Violent conflict, fragile states, and extremism imperil regional and international security. Diplomacy and development play critical roles in preventing, mitigating, and responding to threats such as instability within countries, inter-state and great-power conflict, and the spread of violent extremism in both stable and fragile countries.

While the number of armed conflicts between states has plummeted since the 1950s, the risk of such violence remains. We see this in Europe, with Russia’s violation of Ukraine’s sovereignty and regional provocations; in Asia, with North Korean posturing and tensions in the East and South China seas; in proxy battles sponsored by regional powers in Libya, Yemen, and other parts of the Middle East; and in multiple crises across Africa.

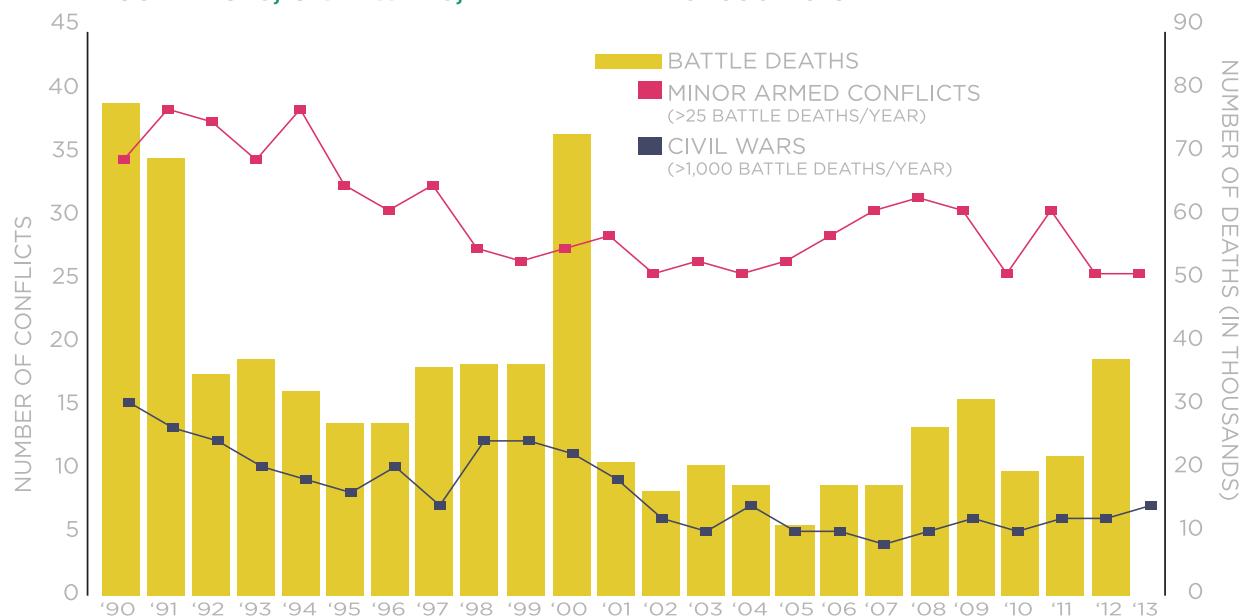
To ensure that the United States continues to lead in reducing the risk of inter-state conflict, we consistently adapt our tools for leveraging and improving negotiations, pursuing peace agreements, and using sanctions and other deterrents. We robustly support existing peacekeeping arrangements and continue to seek dialogue in the world’s frozen conflicts, particularly in Europe. Across borders and regions we work in partnership with allies, international organizations, businesses, and civil society to do the hard work of arriving at peaceful solutions in order to keep Americans safe. At times this entails careful wielding of the levers of American power, exacting costs when irresponsible actors violate international laws and boundaries, and deterring those who threaten mass destruction and atrocities.

While conflict between states has declined over time, the number of civil wars has increased since 2010, accompanied by a surge in fatalities, internally displaced persons, and refugees. Stalled political transitions, weak governance, and corruption fuel conflict, the rise of transnational criminal organizations, and the spread of violent extremism. Additional adaptation and reform are required to enable the Department and USAID to meet the challenge of conflict and fragility within countries, and to address the underlying dynamics that fuel extremism.

Crises are most intractable in fragile states, where long-standing challenges to legitimacy and effectiveness weaken state institutions and the relationship of people with their governments. Fragile states cannot meet these challenges and lack resilience to shocks such as violent conflict, natural disasters, and volatile elections. When conflict and instability arise in fragile states, extremists and criminals take advantage of security vacuums and corruption to

**When conflict and instability arise in fragile states, extremists and criminals take advantage of security vacuums and corruption to create sanctuaries for illicit activity.**

## ARMED CONFLICTS, CIVIL WARS, AND FATALITIES 1990-2013



SOURCE DATA: THE OFFICE OF CONFLICT MANAGEMENT AND MITIGATION (CMM) AND THE UPPSALA CONFLICT DATA PROGRAM (UCDP)

create sanctuaries for illicit activity. These elements are then able to capitalize on political, economic, and social grievances to extend their reach. State fragility is a factor in the crises in Libya and Syria, for example. Pirates take advantage of fragility and conflict in Somalia and Yemen. Boko Haram expanded its territorial control in northern Nigeria, where the state has struggled to govern effectively.

What happens in and among these countries affects the interests of the United States and our regional partners. These challenges have the potential to cross borders and threaten our national security and that of our allies. In our own hemisphere, for example, weak institutions and violence in Central America have contributed to a surge of unaccompanied children across our southern border. Instability abroad also undermines progress on a range of broader priorities, including protecting civilians, eradicating poverty, and mitigating climate change.

In both fragile and stable countries, violent extremist groups are increasingly sophisticated in their use of traditional media and social media to attract new recruits, diversify their membership, and spread into new areas. Both well-established groups such as al-Qa’ida, al-Shabaab, and ISIL, and smaller groups operate in a wide range of states, threatening the stability of our partner governments, the safety of their citizens, and local U.S. interests.

## LINES OF EFFORT

Fragility, internal conflict, and violent extremism are distinct challenges requiring unique, but complementary, approaches from the State Department and USAID in six lines of effort.

**Countering Violent Extremism.** In addition to combating ISIL and other major terrorist groups, the Department and USAID, acting in concert with other government partners, have major roles in implementing President Obama’s Countering Violent Extremism (CVE) strategic approach. At the February 2015 CVE Summit in Washington, the President and Secretary Kerry called on us to get ahead of the next ISIL, and to focus U.S. efforts on preventing the growth of violent extremism, as a core component of our strategy to counter violent extremism. A key element of this strategy is addressing the drivers that fuel the spread of violent extremism. This work spans multiple regions and focuses on education, economic opportunity, good governance, and security solutions. Of particular concern are areas close to active terrorist conflict where populations are vulnerable to the spread of violent extremism.



*This rural primary school in western Kenya is one of the places where the State Department helped monitor the 2013 election, which was much more peaceful than the previous one. (Photo courtesy of Jonathan Howard)*

Countering extremist groups, both directly and by preventing their expansion into new areas, requires working with both U.S. government law enforcement and global partners. Therefore, we have prioritized the development of the Global Counterterrorism Forum (GCTF), a body of 30 nations formed in 2011 that focuses on civilian counterterrorism cooperation. This capability provides an unprecedented platform that we can now build on to optimize prevention efforts, working closely with governments and civil society and with a particular emphasis on youth. We have also strengthened our partnerships with both government and non-government actors through the GCTF-inspired Hedayah center in Abu Dhabi and the Global Community Engagement and Resilience Fund in Geneva.

The Department's approach to CVE communications has also become much more sophisticated – particularly with the addition of CVE expertise within relevant regional bureaus and the expansion of the interagency Information Coordination Cell (ICC). We have strengthened our partnerships with other offices and agencies, and with U.S. and foreign law enforcement and criminal justice-sector counterparts in the Middle East and North Africa through the launch of the International Institute for Justice in Malta. The Department works closely with the U.S. Department of Homeland Security to prevent terrorist travel to the United States, with a specific focus on foreign fighters.

#### **HELPING NATIONS PREVENT CONFLICT**

In 2013 the Department's and USAID's work with the Kenyan government, civil society coalitions, and international partners helped prevent a repeat of deadly election-related violence.

In Somalia, we supported the new national government in its successful efforts to extend governance to recently liberated areas. When the fragile peace process that ended Nepal's bloody civil war was at risk, we funded and supported initiatives that allowed for peaceful and fair elections. And in 2015 the United States helped Nigeria conduct peaceful and credible elections, which included its first viable opposition party, despite Boko Haram's brutal campaign in the northeastern region.

**Mobilizing international action to prevent conflict saves lives and resources and improves the chances of sustained peace.**

**Strengthening U.S. and international capacity to prevent conflict.** Mobilizing international action to prevent conflict saves lives and resources and improves the chances of sustained peace. Collaborating with the U.S. military and other partners, our diplomats and development professionals prevent and mitigate conflict around the globe. Many of our standing development policies and programs help address underlying grievances and prevent conflict. As crises begin to emerge, the United States works with the United Nations, other multilateral organizations, and individual allies to respond to and mitigate escalation, protect and assist vulnerable populations, and stem the spread of violence.

UN peacekeeping operations are a critical element of prevention and deterrence, as well as a traditional conflict response. UN peacekeepers are currently the largest deployed military force in the world, with 16 missions and more than 130,000 personnel deployed. The United States will continue to make substantial investments in these operations and to seek new troop, financial, and equipment pledges from other countries to modernize peacekeeping missions and thus meet the demands of 21st-century conflicts. We also support the UN Secretary-General's efforts to explore the needs of the next generation of UN peacekeeping missions while promoting reforms to improve planning, speed troop deployment, and strengthen measures to prevent sexual exploitation and abuse.

**Preventing Atrocities.** Preventing mass atrocities is a core national security interest and moral responsibility of the United States. The Department and USAID help drive the agenda of the Atrocity Prevention Board (APB) with guidance from the Under Secretary of State for Civilian Security, Democracy, and Human Rights, who leads the Department's atrocity prevention efforts. Established by President Obama in 2012, the Board provides a mechanism for earlier warning and action on potential mass atrocities. Strengthening tools and programs to prevent atrocities and ensure effective action, when possible, will continue to be a priority.

**Establishing frameworks for action in fragile states.** In 2011 the United States and nearly 40 countries and multilateral organizations endorsed the New Deal for Engagement in Fragile States, which establishes peace and state-building goals and action plans. To improve our understanding of fragility and shape our response to it, we are expanding our expertise, analytical tools, and partnership initiatives. We focus on the root causes of fragility, supporting countries as they build capacity in core sectors and enabling national and local leaders committed to reform. In accordance with the U.S. National Action Plan on Women, Peace, and Security, we are promoting initiatives based on the unique roles that women and girls play in preventing and responding to conflict.

**Strengthening partner capacity to protect civilians and restore peace.** Security assistance to military and law enforcement bodies is an important tool in the Department's efforts to increase stability in conflict-affected countries. Through financial assistance, training, and the provision of equipment, we enable our

#### DISPOSING OF SYRIA'S CHEMICAL WEAPONS

In August 2013 Assad loyalists killed more than 1,000 civilians with the chemical weapon sarin. The United States took decisive action by initiating a U.S.-Russian negotiated framework leading to Syria's ratification of the Chemical Weapons Convention in October 2013. This allowed the United Nations and the Organisation for the Prohibition of Chemical Weapons (OPCW) to remove chemical stocks from Syrian soil. The United States helped mobilize a unique coalition in support of this effort, with European partners, Russia, and China making technical and logistical contributions, and the European Union, Japan, Canada, and other nations contributing funds. This resulted in technical innovations to dispose of the lethal chemicals at sea.

Questions remain about the completeness and accuracy of Assad's declared chemical stocks, and the OPCW has confirmed the use of chlorine by the Assad regime since the 2013 agreement. Nonetheless, through diplomacy and partnership with the UN system and the private sector, the international community accomplished an unprecedented outcome: securing the removal of chemical weapons from an active war zone.

partners to safeguard their people, support peacekeeping, and defend against and pursue violent extremists. Our support of the United Nations buttresses international efforts to protect civilians, particularly children, and prevent conflict-related sexual violence.

### **Eliminating the threat of destabilizing weapons.**

The Department works to provide necessary oversight of dual-use technologies and reduce arms supplies, which can escalate conflict and lead to terrorist attacks. We seek to lessen the dangers posed by chemical, biological, and nuclear weapons, while vigilantly working to prevent weapons proliferation and to advance security cooperation with partners around the world. We leverage multilateral cooperation, export controls, sanctions, public-private-sector engagement, and capacity-building programs to keep dangerous weapons and technologies from falling into the wrong hands, especially in conflict zones.



*USAID's Conflict Victims Support Program provides a wide range of support for individuals, families, and communities suffering from conflict-related violence.*

## **ADAPTING OUR ORGANIZATIONS TO BETTER PREVENT AND MITIGATE CONFLICT AND COUNTER VIOLENT EXTREMISM**

While the horrific nature of Boko Haram, ISIL, al-Qa'ida in the Arabian Peninsula (AQAP), and other extremist groups tests us every day, it also unites many nations and peoples to stand against these threats. The eruption of violent conflict results in the loss of lives and undermines security, often beyond the borders of any one country, and it creates an obstacle to our foreign policy goals. This work is exceptionally challenging. Just when it becomes most important to apply a wide range of tools and initiatives to shore up fragile states or deny haven to potential terrorists, increased risk and complex local conditions make it increasingly difficult to mobilize resources quickly and deploy our personnel to areas where they are needed most. For this reason, the following reforms are required to better understand the challenges we face, better target finite resources, and better partner for success.

**Expand prevention efforts to counter violent extremism.** Building on the February 2015 White House Summit on Countering Violent Extremism (CVE), we will enhance U.S. counterterrorism and CVE efforts by focusing more on prevention and tackling the drivers of violent extremism, addressing what President Obama called the “ideologies, the infrastructure of extremists – the propagandists, the recruiters, the funders who radicalize and recruit or incite people to violence.” The Department’s Under Secretary for Civilian Security, Democracy, and Human Rights is leading implementation for the Department on the action agenda agreed to at the White House Summit. We will work with other U.S. departments and agencies to identify and scale up tailored approaches that empower national and local governments; youth and women; religious, cultural, and education leaders; and other concerned civil society actors, as well as the private sector.

**We will enhance U.S. counterterrorism  
and CVE efforts by focusing more on  
prevention and addressing the drivers of  
violent extremism.**

In line with this approach, the Department and USAID will work toward:

- Strengthening responsive and capable states, by helping nations exercise power responsibly, protect civilians, promote an inclusive economy, and guarantee the rule of law. Continuing to encourage our partners to address legitimate grievances and improve relations with all of their citizens is a critical aspect of our campaign to counter violent extremism.

- Building secure and resilient communities, by supporting civil society, governments, and communities, including youth and women, in their efforts to address social, economic, and development vulnerabilities, improve community-police relations, and expand religious and other education that promotes tolerance; and
- Weakening support for violent extremists, by focusing on messages and narratives that counter extremists' messages and actions. We will continue to promote credible and authentic voices, particularly regional and local ones, to help undercut extremists' claims to religious validity, authority, and social authenticity.

To make progress towards these goals, we will:

- **Strengthen our overall efforts to counter violent extremism and prioritize prevention.**

The Department, in collaboration with relevant departments and agencies, will elevate countering violent extremism, including a focus on prevention, by reinforcing the use of civilian interventions, partnering with government and non-government actors, and making funding for our CVE strategy a priority. For example, we will initiate this approach in East and North Africa. We will use robust analysis to identify the specific conditions in those areas that are conducive to violent extremism. That will allow us to undertake comprehensive interventions in the places where extremism has already taken root, and to take preventative measures in communities that are in danger of extremist infiltration.

- **Expand use of analytics.** The Department and USAID will expand the use of local research and analytical tools to identify drivers of extremism, and locations and populations vulnerable to extremism, as well as to review options for expanding support to prevention activities, before extremist groups take hold. With partners, we will promote local research and information-sharing on the drivers of violent extremism and best practices for addressing them. We will monitor and evaluate efforts and share best practices with partners and international institutions, including culture and gender considerations for reducing radicalization and recruitment.

- **Strengthen the Department's messaging to counter violent extremism.** The appointment of a new Special Envoy and Coordinator for Strategic Counterterrorism Communications will strengthen our CVE messaging. We will also focus U.S. and partner efforts on strategic communications, including social media, to counter and challenge violent extremist messaging and delegitimize extremist ideology. Our goal is to build a global movement offering positive, alternative pathways for vulnerable groups, especially youth and women. Additionally, we will elevate the role of credible religious and community voices that support tolerance and non-violence, and broadly promote educational initiatives to build resilience against extremist recruiting. We have invested in training, exchanges, speaker programs, education, and capacity of millions around the world who espouse tolerance and peaceful conflict resolution. We will focus, scale up, and institutionalize our engagement with these contacts in countries of CVE concern, helping them amplify their voices, especially among key demographics and in online spaces. Our diplomats, particularly in public diplomacy, must consistently partner with like-minded community leaders who can help counter the networks that extremist groups use to their advantage. We will innovate from our existing platforms like the ICC to explore new opportunities in counter-messaging with youth, particularly using new or mobile technology. We will strengthen efforts to prevent radicalization to violence in prisons around the world, and support countries in their efforts to rehabilitate and reintegrate imprisoned violent extremists.



*USAID Acting Administrator Alfonso E. Lenhardt participated in the White House Summit to Counter Violent Extremism in February 2015.*

- **Elevate the importance of prevention with key partners.** To take full advantage of the collective resources, programs, and expertise needed for a long-term generational struggle against violent extremism, we will increase collaboration with bilateral and multilateral partners, U.S. interagency partners, civil society organizations, the private sector, and individuals.

- **Enhance USAID's role in the response to violent extremism.**

USAID will expand its role in countering violent extremism by establishing a Secretariat on Countering Violent Extremism. The Secretariat will lead USAID's policy engagement and support analysis, program design, and lessons learned across the Agency, in coordination with USAID's regional and technical bureaus and the State Department.

**Strengthen our ability to prevent and respond to internal conflict, atrocities, and fragility.** In the field and in Washington, we will:

- **Advance a new strategic framework for fragile states.**

The Department and USAID, working with the White House and other agencies and departments, will finalize and implement a framework for more effectively engaging fragile states. We will ensure that analysis of root causes is applied to decision-making processes, and provide guidance on how to achieve results in these challenging environments. This effort will draw from the findings of the New Deal for Engagement with Fragile States and from our own experiences working in fragile states. We will focus on areas where our engagement will have the greatest impact and where we can prevent costlier interventions later. In particular, we will coordinate with international and local partners to strengthen fragile states in five areas: legitimate politics, security, justice, economic foundations, and revenues and services. We will use all elements of assistance, including partnerships and financing, to support fragile states.

- **Increase use of early warning analysis to drive early action on fragility and conflict.**

We will: 1) improve our use of tools for analyzing, tracking, and forecasting fragility and conflict, leveraging improvements in analytical capabilities; 2) provide more timely and accurate assessments to chiefs of mission and senior decision-makers, 3) increase use of early warning data and conflict and fragility assessments in our strategic planning and programming, 4) ensure that significant early warning shifts trigger senior-level review of the mission's strategy and, if necessary, adjustments, and 5) train and deploy conflict-specific diplomatic expertise to support countries at risk of conflict or atrocities, including conflict negotiation and mediation expertise for use at posts.

- **Ensure flexible funding for conflict and atrocity prevention and response.** We will strengthen funding for conflict and atrocity prevention through existing mechanisms such as the Complex Crises Fund and the Transition Initiatives account. This will give the Department and USAID the flexibility to respond quickly in crises and to devote resources where they can have the greatest impact.



*Deputy Secretary Antony Blinken and Assistant Secretary for African Affairs Linda Thomas-Greenfield meet with Foreign Minister Faki of Chad, Foreign Minister Moukoko Mbonjo of Cameroon, Foreign Minister Wali of Nigeria and Foreign Minister Bazoum of Niger, on the margins of the White House Summit to Counter Violent Extremism.*

## 2. PROMOTING RESILIENT, OPEN, DEMOCRATIC SOCIETIES

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**"Inclusive development requires effective and accountable democratic institutions.... Some have proposed a false choice between development and democracy. In fact, the Americas have shown that the opposite is true. Accountable, democratic governance is the surest way to expand social and economic opportunities."**

- Secretary Kerry, "Democracy, Prosperity Linked," op-ed,  
Miami Herald, June 2, 2014

Democracy, accountable governance, and respect for human rights are essential for a secure, prosperous, and just world. These ideals are fundamental tenets of U.S. foreign policy, and reflect the universal values of freedom and dignity that unite us. We know from experience that meeting these objectives requires sustained effort, sometimes over generations.

We are at a critical moment for democracy. The transformation sparked by the citizen movements of the Arab Spring demonstrated that no government can be stable if it represses its people and governs for the benefit of a narrow elite. Across the globe citizens have united to fight corruption, demand reforms, and drive political change. Technology has enabled people to connect, organize, and demand accountability.

While places like Tunisia and Burma are in the midst of significant transformations, we also see disturbing reactionary responses. Some governments limit participation in civil society and restrict access to outside



Deputy Secretary Heather Higginbottom and Ambassador Catherine Russell (on far left and right, respectively) with the 2015 International Women of Courage Awardees.

support for democracy, accountability, and human rights programming. Others use technology to advance a repressive agenda and violate human rights. New laws and campaigns often target vulnerable populations, including women and girls, religious minorities, and lesbian, gay, bisexual, transgender, and intersex (LGBTI) persons. Gender inequality—imposed either by culture or law—limits full participation by women and girls in political, economic, and social life. This denial of rights fuels conflict, fosters instability, and closes off avenues for individual opportunity and contributions to development. The United States continues to stand at the forefront in opposing these trends.

Corruption exacerbates threats to the national security of the United States and our allies, while impeding democratic progress, government accountability, political and social inclusion, and inclusive economic growth. Corruption robs resources from both the state and the people, diverting funds that could be mobilized domestically to improve health and education, create jobs, and ensure a basic social safety net and access to electricity. It undermines security and trust in government institutions meant to protect citizens' rights and deliver services, and can pave the way for illicit actors such as drug cartels, terrorists, and poachers. The economic impact of corruption is considerable: the World Economic Forum estimates that the annual cost of corruption is approximately five percent of global GDP, in the range of \$2.6 trillion annually.

## LINES OF EFFORT

The State Department and USAID promote democratic, accountable governance and human rights by directly engaging with governments, encouraging the free exchange of information and an open Internet and media, and empowering civil society. At times we may face tensions between our short-term security interests and our long-term interest in stable democratic states that respect universal human rights and fundamental freedoms. We acknowledge this tension. We remain committed to democracy, good governance, and human rights because they provide the solid foundation for a more peaceful, secure, prosperous, and just world.

Since the release of the 2010 QDDR, both the Department and USAID have taken significant steps to advance democracy, human rights, and accountable governance, which the 2014 Joint Strategic Plan reinforced as a strategic goal. Notably, the Department established the Under Secretariat for Civilian Security, Democracy and Human Rights to strengthen the Department's policies and operations involving threats to civilians. Similarly, USAID established a Center of Excellence on Democracy, Human Rights, and Governance (DRG Center). Through in-house learning and field support, these issues are elevated and integrated across USAID's overall development portfolio. Our work includes the following lines of effort:

### STRENGTHENING PARTNERSHIPS FOR ACCOUNTABLE GOVERNANCE

The United States is a leader in significant multilateral initiatives, including:

#### **1. The Open Government Partnership (OGP)**

a multilateral initiative with representatives from governments and civil society that secures commitments from governments to promote transparency, empower citizens, fight corruption, and harness new technologies to strengthen governance. U.S. leadership has helped OGP grow from eight to 65 members

#### **2. The Extractive Industries Transparency Initiative (EITI)**

a global standard to promote openness and accountable management of natural resources

#### **3. The Greentree Principles of Digital Development**

a set of nine principles serving as living guidelines to inform the design of technology-enabled development programs

#### **4. The International Aid Transparency Initiative (IATI)**

which brings together donor and recipient countries, civil society organizations and other experts to improve the transparency of aid, development and humanitarian resources in order to increase their effectiveness.

## **PROTECTING FUNDAMENTAL FREEDOMS**

In 2011 the Department launched the Lifeline: Embattled Civil Society Organization Fund, which encourages civil society around the world to work with legislators to draft laws protecting the fundamental freedoms of assembly, association, and expression; to advocate changes when laws do not respect those freedoms; and to provide emergency assistance for organizations or individuals under direct legal or physical threat. During its brief history, “Lifeline” has assisted 523 civil society organizations in 88 countries, and Department efforts have expanded support for this initiative to include 18 donor countries and two private foundations.

**Strengthening global capacity on transparent and accountable governance.** We are building on successful global partnerships, frameworks, and norms to promote open, transparent, and accountable governance and to combat corruption. Sharing data and best practices enables civil society to monitor progress on assistance projects and hold their governments accountable. The Department and USAID are leaders in advancing the President’s domestic open government initiatives with partners across the globe.

**Supporting the rights and freedoms of civil society in both open and restrictive environments.** In September 2013 President Obama called on the entire government to increase efforts to stand with civil society, and to partner with the private and philanthropic sectors, other governments, and multilateral initiatives to address the widespread crackdown on civil society. This commitment was reinforced at the 2014 UN General Assembly and echoes a strong push by the 2010 QDDR to expand diplomatic engagement with non-state actors. To address the increasing challenges facing civil society, the Department and USAID have expanded programs to protect civic space and created partnerships with community-based organizations and other local entities. For example, USAID’s Legal Enabling Environment Program is a rapid-response program to defend the freedoms of association, peaceful assembly, expression, and other rights essential for vibrant civil society organizations.

**Combating corruption.** Recognizing that corruption is a growing threat to the national security of the United States and its allies, President Obama announced the U.S. Global Anticorruption Agenda in 2014. The Department and USAID help an array of international actors comply with common standards, support broad anti-corruption coalitions to generate the political will for reform, and share intelligence that can deny haven to corrupt actors and the proceeds of their crimes. The Department works with other federal departments and agencies to identify and integrate all available tools to detect and deter corruption, including international standards of financial transparency, visa restrictions, asset freezes and seizures, prosecution, confiscation, and alerts to banks about specific risks and threats. In cooperation with U.S. law enforcement partners, we are also supporting efforts to increase the capacity of foreign governments to prevent and prosecute corruption. In partnership with civil society and independent media, USAID is strengthening local capacity to monitor government budgets, procurement, and service delivery.

**Expanding engagement and partnerships.** Opportunities to partner with the private sector and diasporas are on the rise, and we are improving our ability to understand religious dynamics in the communities where we work. We are increasing collaboration with indigenous groups and religious communities on governance and other matters where our diplomatic and development goals align. USAID addresses some of the most pressing needs of indigenous populations through programs promoting issues like land tenure and capacity for political participation. In Guatemala, for example, USAID funded the Project Against Violence and Impunity to strengthen access to justice in Petén, a mostly indigenous area.

**Promoting the rule of law and enhancing access to justice.** The Department and USAID support programs that promote the rule of law, as well as laws that are public, equally enforced, and independently adjudicated for all persons, institutions, and entities. We do this with interagency legal and law enforcement partners. We champion the rights of individuals through rule-of-law programs, which help countries protect human rights, increase access to justice, prevent and prosecute crimes, and empower their citizens to claim constitutionally guaranteed rights. The work we do in the justice area takes many forms, including training in



Attorney Boots Poliquin, INL Senior Rule of Law Advisor to Regional Command Southwest, breaks bread with Afghan prosecutors, judges, defense attorneys, police, and village elders during a break in a ten-day training program in the northern Helmand villages of Now Zad, Musa Qala, and Sangin.

alternative dispute resolution and legal literacy, encouraging justice-sector reform, and supporting governments threatened by powerful forces that profit from a corrupt system. We also implement programs to help local communities address human rights violations through traditional practices. For example, USAID's Kenya Justice Project helped Maasai women gain a voice as traditional leaders and strengthen their property rights consistent with changes in the 2010 Constitution related to customary justice. In 2014, 22 Maasai women were elected as community elders, up from zero just three years before.

**Defending human rights and the inclusion of marginalized and vulnerable groups.** The Department and USAID are global leaders in promoting respect for human rights, particularly those of marginalized and vulnerable groups. We support programs that strengthen international human rights frameworks, institutions, and oversight. These efforts amplify the voices of women, youth, persons with disabilities, displaced persons, indigenous peoples, survivors of violence and trafficking, and other traditionally marginalized populations. We draw on our diplomatic tools, including visa restrictions and sanctions for repressive leaders, annual country reports on issues such as human rights and human trafficking, and changes or cancellation of the assistance we provide to countries whose laws impose harsh, discriminatory penalties on citizens. Our leadership on the UN Human Rights Council has resulted in groundbreaking action on the rights of LGBTI persons, helped lift the veil of secrecy on horrendous human rights environments such as North Korea, and established powerful tools for investigating and reporting on threats to human rights.

**Ensuring accountable security sector governance.** The April 2013 Presidential Policy Directive on security sector assistance (SSA) describes the State Department as the lead agency responsible for the policy, supervision, and general management of the U.S. government's SSA and the congressional appropriation for SSA, (with the exception of DoD SSA appropriations), including integration of interagency efforts and other related assistance activities. The Department and USAID, in collaboration with Defense, Justice, Treasury, Homeland Security and others, help our partners' security agencies and oversight bodies become more effective at deterring aggression, responding after a disaster, preventing and responding to human trafficking, reducing the illicit proliferation of arms, combating poaching, securing borders against illegal trafficking, and countering terrorism. Through assistance, the United States also seeks to make sure that security forces are an effective part of the criminal justice system, operating under the control of civilian leadership, meeting standards of transparency and accountability, and respecting international law, including international human rights law and humanitarian norms. The Department's "Leahy vetting" procedures are intended to ensure that U.S. assistance does not go to security personnel who have committed gross human rights violations such as extrajudicial killings, torture, and rape.

## **ADAPTING OUR ORGANIZATIONS TO PROMOTE RESILIENT, OPEN DEMOCRATIC SOCIETIES**

Although half the world's population now lives in democratic countries, history's march toward freedom for every person is moving at an uneven pace. To promote democracy, governmental accountability, and respect for human rights, we will:

**Optimize the effectiveness of investments in democracy, human rights, and accountable governance.** Good governance is a priority that underpins our national security and economic development goals. We will elevate our focus on democracy, human rights, and governance. We will work with Congress to ensure that we can seize historic opportunities to advance democracy and prevent backsliding on human rights and fundamental freedoms. We will seek to integrate these goals with existing diplomatic efforts, such as trade negotiations and commercial advocacy. As part of this effort, we will:

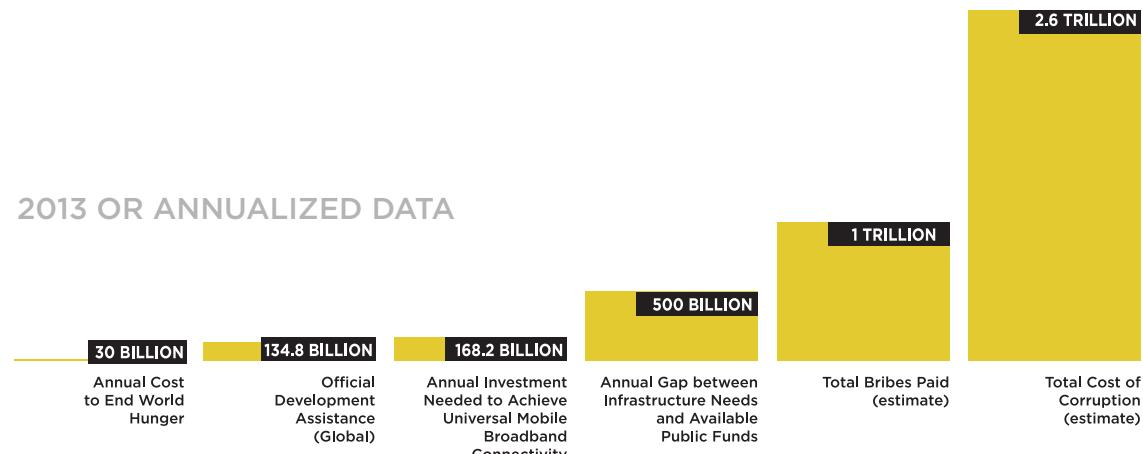
- **Support proactive commitments to good governance, transparency, and accountability.** Building on the success of the Open Government Partnership (OGP), we will continue to support countries implementing open government reforms. A community of practice across the Department, USAID, and other U.S. departments and agencies will use OGP as a tool to advance transparent, accountable, and participatory governance.
- **Enhance and apply data and analytics relating to democracy, human rights and accountable governance.** The Department and USAID will work together to align data, analysis, and lessons learned, in order to provide better information and guidance to chiefs of mission, senior leaders, and planners. We will create a joint Department/USAID “community of practice” to facilitate the sharing of innovation, metrics, and data-driven policies.

**Bolster anti-corruption initiatives.** The Department's Bureau of International Narcotics and Law Enforcement Affairs (INL) will enhance its ability to support regional bureaus through additional training and knowledge management. We will increase diplomatic engagement at posts by identifying emerging and crosscutting anti-corruption policy and diplomacy needs. Teams will work together to identify officials responsible for acts of public corruption to limit their ability to travel to the United States. We will support U.S. law enforcement's efforts to investigate and prosecute foreign bribery and asset seizure cases, and encourage partner governments to devote more effort to pursue such cases domestically. Each Department regional bureau will designate a staff member who will ensure anti-corruption efforts are adequately incorporated in regional bureau and mission strategies, including the Integrated Country Strategies (ICS).

**Strengthen support of civil society and protect an open Internet.** The Department and USAID are committed to supporting the aspirations of people to contribute to the decisions that shape their own societies. We will use diplomatic and development efforts to protect an open Internet and free media and to protect the freedoms of speech and association. We will:

- **Lead in responding to President Obama's call to stand with civil society.** The Department and USAID will answer President Obama's call to stand with civil society. We will apply diplomatic pressure to encourage governments and institutions to respect fundamental freedoms and remove restrictions on civil society, while also undertaking programs supporting civil society. The Department will continue funding the Lifeline: Embattled CSO Fund, which supports one of the three pillars of President Obama's Stand with Civil Society Agenda, and will seek to boost the number of donors to the fund.
- **Implement the Civil Society Innovation Initiative.** USAID will partner with bilateral and private donors to implement Civil Society Innovation Initiatives (CSII), aimed at establishing up to six networked regional civil society innovation hubs worldwide over the next two years. By identifying lessons learned, employing advancements in technology and other fields, and furthering opportunities for engagement, we will provide civil society the best possible tools to respond to restrictions on civil and political freedoms.

## COSTS OF CORRUPTION



SOURCE DATA: CALCULATIONS BASED ON DATA FROM OECD, FAO, STANDARD AND POORS, AND COPENHAGEN CONSENSUS

- **Promote open access to the Internet.** Technology has enabled organizations to connect, collaborate, and demand change. Expanding access to an affordable Internet connection and protecting citizens as they engage with the wider online global community is a fundamental prerequisite for open and democratic societies to thrive. The Department will provide the tools, training, and support needed for more citizens to gain access to information, identify threats to Internet freedom, and advocate against policies restricting freedom of expression online. The Department will continue to lead the multilateral Digital Defenders Partnership, which provides emergency assistance for those who are harassed, threatened, or arrested for discussing democracy and human rights online. We will align these efforts with our support for the international digital economy. USAID will include digital security in developmental programming, to better protect citizens' rights to their data.

**Expand partnerships with indigenous peoples and religious institutions.** The Department and USAID will increase collaboration with indigenous peoples and religious communities on governance issues and other foreign policy challenges. We will:

- **Assess religious dynamics and continue to engage religious actors and institutions.** Recognizing the relevance of religion to our diplomacy and development objectives, the White House issued the 2013 National Strategy on Integrating Religious Leader and Faith Community Engagement into U.S. Foreign Policy. This strategy calls for engaging religious actors and institutions to promote development, advance pluralism and human rights, and mitigate violent conflict. Every overseas post and domestic bureau will seek opportunities to engage religious leaders.
- **Expand efforts to engage and work with indigenous peoples.** Indigenous peoples play a pivotal role in sustainable development, conservation, and mitigating and adapting to the effects of climate change. We will integrate consideration of their issues into USAID and Department policies, programs, and projects. In addition, we will work with their communities to strengthen traditional resource management strategies, legalize and demarcate their territories, and improve their livelihoods.

**Defend human rights and promote the inclusion of marginalized groups.** In open and democratic societies, human rights are protected by the rule of law, public policies promote gender equality, and everyone can participate in public life and peace processes. We are committed to amplifying the voices of women, youth, persons with disabilities, displaced persons, LGBTI persons, indigenous peoples, members of ethnic and religious minorities, survivors of violence, and other traditionally marginalized populations. We will:



The U.S. Embassy in the Czech Republic participates in the 2014 Prague Pride march.

**We are committed to amplifying the voices of women, youth, persons with disabilities, displaced persons, LGBTI persons, indigenous peoples, members of ethnic and religious minorities, survivors of violence, and other traditionally marginalized populations.**

capacity-building efforts, and projects such as the Regional Security Initiative. We will achieve this through international and interagency partnerships, accompanied by rigorous analysis and measurement of the results of our assistance and engagement. The Department's Bureau of Political-Military Affairs is developing a comprehensive approach to monitoring and evaluating security assistance, and DRL is improving the collection and analysis of information on force structure, conduct, and needs.

- **Advance long-term strategies to promote the rights of lesbian, gay, bisexual, transgender, and intersex persons.** On February 27, 2015, the Department appointed its first-ever Special Envoy for the Human Rights of LGBT Persons. The Department and USAID, which named its first LGBT Coordinator in March 2014, will expand and implement long-term strategies to address the homophobia that underlies discrimination against LGBTI persons. The Department will continue to manage the Global Equality Fund, an initiative supported by public and private donors that helps civil society advance human rights norms and provides emergency and preventive assistance to LGBTI activists. USAID will continue to engage in LGBTI programming through several channels, including the Human Rights Grants Program.
- **Improve assistance to prisoners of conscience.** We will expand support to human rights defenders needing emergency assistance. We will also prioritize resources to track the status of prisoners of conscience and advocate for their fair treatment. Our embassies will have access to a proprietary, case-tracking application enabling us to promptly assist human rights defenders when their cases come up for appeals and reviews.

**Emphasize security sector accountability and governance.** The Department and USAID will continue working with DoD and other agencies to promote effective security sector governance. We will place special emphasis on accountability and human rights within security sectors, including preventing and responding to gender-based violence. We will seek to improve the ability of civilian bodies to manage their militaries and police forces through the Bureau of Democracy, Human Rights, and Labor's (DRL) new Security and Human Rights Office, INL's civilian security reform and

Security Governance Initiative for Africa and the Central America Regional Security Initiative. We will achieve this through international and interagency partnerships, accompanied by rigorous analysis and measurement of the results of our assistance and engagement. The Department's Bureau of Political-Military Affairs is developing a comprehensive approach to monitoring and evaluating security assistance, and DRL is improving the collection and analysis of information on force structure, conduct, and needs.

### 3. ADVANCING INCLUSIVE ECONOMIC GROWTH

**“Measures of growing GDP will only matter if they translate into greater opportunity for those currently denied a fair chance.”**

- *Secretary Kerry, remarks at World Economic Forum  
Davos, Switzerland, January 23, 2015*

Sustained and inclusive economic growth contributes to more stable and accountable governments and creates new customers for U.S. exports. Lack of economic opportunity and extreme poverty can alienate citizens from governments and make populations more susceptible to extremist or authoritarian ideologies.

The global middle class is growing at an unprecedented rate, driving continued economic growth in countries like China and India. Extreme poverty has decreased by more than half since 1990. Innovation and investment are expanding the energy supply and providing new economic opportunities worldwide. Information technology is transforming industries, democratizing access to information, and creating new markets for Internet-based services.

While these trends are promising, threats to sustained and inclusive economic growth remain, including:

- **Income inequality and concentrated wealth** define the economic landscape of many nations. Class divisions remain, and the socially and politically excluded—particularly women, LGBTI people, and persons with disabilities—are at greater risk of poverty, even in countries with a rapidly growing middle class.
- **Corruption and unaccountable governance** hinder entrepreneurs and entrench elite interests. Corruption reduces government revenue collection and stunts public infrastructure and human capital investments.
- **Youth unemployment threatens global stability.** Young people in many countries face labor markets distorted by corruption and disrupted by automation and technology. Too few have access to the education, skills training, and capital to seize the career opportunities that offer social mobility or even a living wage in the 21st century.



USAID encourages women to become entrepreneurs in places such as Ranong, Thailand, hit by the 2004 tsunami.

### LINES OF EFFORT

Our economic diplomacy advances U.S. economic interests, leverages our economic strength to advance foreign policy goals, and promotes our international development goals, which include eradicating extreme poverty and fostering sustained and inclusive economic growth. President Obama’s Policy Directive on Global Development declares that development is essential to advancing our national security objectives and cites broad-based economic growth as the path to poverty eradication. Through major initiatives like Feed the Future, Global Health, Global Climate Change, and Power Africa, USAID is working with other departments and agencies to drive a new, transformative approach targeting the causes and symptoms of poverty. Our work on education is reaching millions in extreme poverty, and our cross-cutting efforts to promote democracy, human rights, and good governance; empower women and girls; and build resilient societies are all essential to ending extreme poverty.

### **ADVOCATING FOR AMERICAN BUSINESS ABROAD**

U.S. embassies and diplomats play key roles in advocating for American businesses, products, and services. In 2012, advocacy by the U.S. ambassador in Indonesia helped Boeing land the largest single commercial aircraft sale in its history to Lion Air, a transaction valued at nearly \$23 billion.

and that countries require investments from multiple sources to achieve sustained and inclusive economic growth. This new approach is reflected in part in the U.S. Global Development Lab and in Feed the Future and Power Africa, initiatives combining local ownership, private investment, innovation, multi-stakeholder partnerships, and mutual accountability. The Department and USAID coordinate their development efforts with investments by national governments, the private sector, and the multilateral development banks.

### **PROMOTING WOMEN'S LEADERSHIP IN SMALL BUSINESS GROWTH**

Female entrepreneurship not only expands the economy; it also helps reduce inequality. The Department and USAID have launched or partnered in initiatives to spur economic growth by strengthening women's entrepreneurship and creating opportunities for women to participate fully in the global economy. Prime examples include the Women's Entrepreneurial Centers of Resources, Education, Access and Training for Economic Empowerment (WECREATE) and Women's Leadership in Small and Medium Enterprises (WLSME). We also have promoted women's entrepreneurship and leadership regionally through the Asia-Pacific Economic Cooperation (APEC) Women and the Economy initiative, the African Women's Entrepreneurship Program, and Women's Entrepreneurship in the Americas

**Implementing the Shared Prosperity Agenda.** Secretary Kerry launched the Shared Prosperity Agenda to frame the Department's approach to economic diplomacy. To promote inclusive, job-rich economic growth at home and abroad, this agenda champions entrepreneurship, trade, and commercial advocacy, and addresses corruption that undermines sustained and inclusive economic growth. The Shared Prosperity Agenda features projects that strengthen the Department's economic diplomacy through the application of advanced data and diagnostics, improved knowledge management, and new approaches on performance incentives and training.

**Advancing a new model of development.** In the last four years USAID has forged new ways of investing in development to better reflect that the United States is one of many actors,

### **Promoting American exports and inward investment through jobs diplomacy.**

In 2014 the United States exported \$2.34 trillion in goods and services, supporting 11.7 million American jobs. The State Department works with the Department of Commerce to expand U.S. exports and promote foreign investment in the United States. Our diplomats open markets, resolve commercial disputes, and advise U.S. businesses abroad. They help identify potential export opportunities; facilitate foreign investment; issue visas to investors, business travelers, students, and tourists; and inform foreign students about U.S. higher education opportunities.

### **Collaborating with other agencies to support development.**

The Department and USAID collaborate with other U.S. government agencies, particularly the Millennium Challenge Corporation (MCC), the Treasury Department, and the Overseas Private Investment Corporation (OPIC), to achieve development objectives. Over the past 10 years, with leadership from a board chaired by the Secretary of State, MCC has pioneered a model of competitive selection, data-driven program design, and country-led solutions and implementation. Department and USAID partnerships with OPIC, including the Africa Clean Energy Finance (ACEF) initiative, have leveraged small investments of foreign assistance to generate more than \$1 billion in clean-energy financing. The State Department and USAID support the Treasury Department's responsibility for coordinating U.S. engagement with the multilateral development banks (MDBs).

**Promoting Trade and Regional Integration.** Together with the United States Trade Representative, U.S. diplomats are advancing the most ambitious trade agenda in history. When completed, the Trans-Pacific Partnership (TPP) and Transatlantic Trade and Investment Partnership (TTIP) will

## DIPLOMACY THAT HELPS U.S. EMPLOYERS

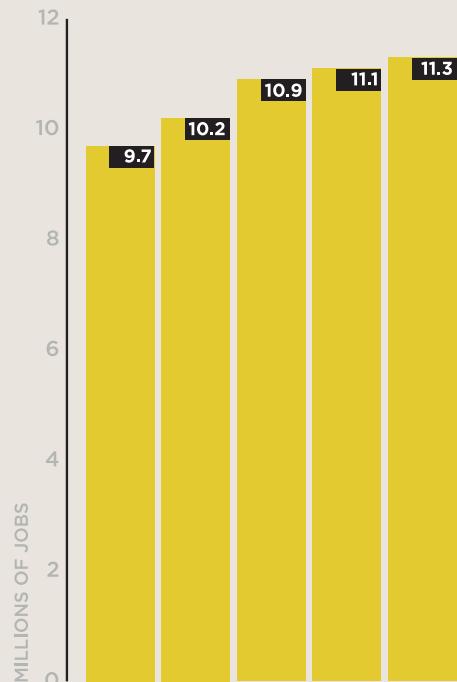
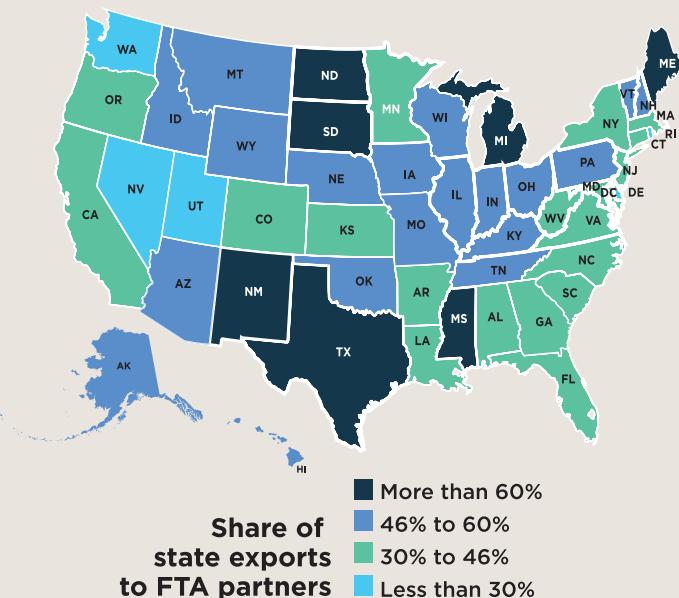
THE UNITED STATES HAS FREE TRADE AGREEMENTS (FTA) IN FORCE WITH 20 MARKETS AROUND THE WORLD.

**46%** OF U.S. GOODS EXPORTS GO TO OUR TRADE AGREEMENT PARTNERS.

EXPORTS TO FTA PARTNERS ARE UP **57%** SINCE 2009.

### FTA's CREATE MARKETS FOR MANY STATES

In 2013, 23 States had record-high exports to these partners.



The number of jobs supported by exports has increased by 1.6 million since 2009.

**EXPORTS SUPPORTED 11.7 MILLION JOBS IN 2013.**

In Fiscal year 2014, U.S. diplomatic missions and the Department of Commerce teamed up to help generate \$80 billion in U.S. exports and \$20 billion of foreign investment in the United States, creating millions of jobs and spurring economic growth.

### IN FISCAL YEAR 2014

**5.8** MILLION  
PEOPLE IN THE UNITED  
STATES WERE EMPLOYED  
BY U.S. SUBSIDIARIES  
OF FOREIGN FIRMS.

put the United States at the center of a free trade zone covering two-thirds of the global economy. That strategic position, along with our highly skilled workforce, strong rule of law, and abundant supply of affordable energy, will help make the United States the world's production platform of choice and premier investment destination. High-standard trade agreements will help level the playing field for American workers and businesses, boosting U.S. exports and the good jobs they support. Complementing these efforts, U.S. diplomats and development professionals are engaged in advancing regional integration initiatives such as the Lower Mekong Initiative in Southeast Asia, the New Silk Road connecting Central and South Asia, and the Indo-Pacific Economic Corridor linking South and Southeast Asia. All countries will benefit when we open markets further, extend and enhance tools such as the African Growth and Opportunity Act (AGOA), and strengthen the global trading system through trade-facilitation improvements and capacity-building investments.

**Promoting job creation through entrepreneurship and small business growth.** Because new businesses, which are often small, produce the majority of new jobs, expanding the number of entrepreneurs abroad leads to social and economic stability and provides new markets for U.S. exports. Building on successful programs in this area, the Department and USAID, in collaboration with other government agencies, are supporting entrepreneurship ecosystems and enabling policy environments. The Department's Global Innovation through Science and Technology (GIST) initiative fosters innovation and technology entrepreneurship through social networking, skills development, and financing mechanisms. USAID partnered with US-ASEAN (Association of Southeast Asia Nations) Business Council to form a Business Alliance for Competitive Small and Medium Sized Enterprises (SME) to develop the capacity and boost competitiveness of SMEs in the ASEAN region.



*Two scientists, Rumana Riffat of George Washington University and Safiya Ahmed of Quaid-i-Azam University, discuss the benefits of scientific cooperation between Pakistan and the United States at the Pakistan-U.S. Science and Technology Symposium in 2013.*

#### THE IMPACT OF CLEAN-ENERGY TECHNOLOGY

"Now, we'll have to invest in new technology, and that will help us bring renewable energy sources like solar, wind, and hydro not only to the communities where those resources are abundant, but to every community in every country on every continent."

— Secretary Kerry  
remarks at the Atlantic Council,  
Washington, DC, March 12, 2015

**Advancing the new energy economy.** U.S. energy diplomacy builds capacity, helps mobilize financing, and diversifies energy sources to increase the use of low-carbon energy technologies. Department and USAID programs emphasize increasing access to electricity for the 1.2 billion people who lack it, while reducing power-related emissions and their impact on the climate and air quality. Through the Power Africa initiative, USAID and the Department, in coordination with the Department of Energy and other U.S. government agencies, African governments, and the private sector, aim to add more than 30,000 megawatts of cleaner, more-efficient electricity generation capacity. MCC expects to invest approximately \$2 billion to support Power Africa through compacts that improve the quality and reliability of electricity and promote climate-smart measures, such as energy efficiency and renewable energy.

The Department and USAID advance our climate objectives by accelerating financing for clean energy and by encouraging the development and implementation of clean energy policy. The more access nations have to low-cost and dependable energy technology, the more ambitious their policy choices on climate change can be. The Department and USAID use energy diplomacy to foster competitive power markets and regional energy trade, which reduces geopolitical vulnerabilities and promotes energy-sector transparency and good governance. In Central America, for example, we provide assistance to support electricity market integration, renewable energy development,

power sector solvency, and resource planning so that citizens of that region will have clean, affordable, and reliable electricity. The Department and many foreign partners, in collaboration with the Department of Energy and the U.S. national laboratories, are investing in the clean-energy research and development required for the low-carbon economies of the future.

**Championing the international digital economy.** A free, global, and open Internet promotes innovation, growth, and the exchange of data across networks and borders. The Department funds technical assistance and training for regulators and policy makers abroad. We also develop partnerships with companies, nonprofits, and initiatives such as the Global Broadband Innovations Program and the Alliance for Affordable Internet. USAID supports partnerships that focus on greater mobile adoption and making broadband more affordable and available for women because a free and open Internet is critical to the ability of women to fully participate in their countries' economies.

**Focusing on food security and agriculture.** The United States is the world's leader in food security. To reduce extreme poverty and hunger, the Department and USAID focus on inclusive agricultural growth, livelihoods, markets, and nutrition. Feed the Future is the U.S. government's signature effort to increase farm productivity and incomes and promote climate-resilient agriculture. Working in 17 countries, this initiative has already improved nutrition for 12 million children and helped nearly 7 million farmers grow their way out of poverty. We empower women in agriculture by expanding access to capital and new technologies, resulting in increased household income, reduced poverty, and improved nutrition.

**Investing in global health.** Because a healthy population is a critical element in economic growth, the United States continues to make significant investments in improving global health. The Lancet Commission's Global Health 2035 report indicates that the return on investments in global health is greater than previously understood: for every dollar invested in health today, there is a projected benefit to GDP of \$9-\$20 by 2035. By focusing on results, the President's Emergency Plan for AIDS Relief (PEPFAR) and the Global Fund to Fight AIDS, Tuberculosis and Malaria helped turn the tide on the HIV/AIDS epidemic. U.S. diplomats are also working on the Global Health Security Agenda, which improves countries' abilities to detect, prevent, and respond to pandemic threats like Ebola. Also, as economic wealth increases, chronic conditions such as heart disease, cancer, and diabetes will become more prominent in developing countries, demanding stronger links to U.S. expertise to mitigate rising human and financial costs.

Education is another key component of economic growth. USAID estimates that an increase of one year in the average level of higher education adds half a percentage point to GDP. USAID intends to help boost the reading skills of 100 million children by the end of 2015, and to expand access to education for 15 million children living in crisis and conflict environments. These efforts will focus on educating girls, as UN and World Bank research shows that educating girls helps quickly decrease poverty by boosting agricultural output and increasing female and family incomes. USAID predicts that increasing the number of females enrolled in secondary school in India by one percent will increase India's GDP by \$5.5 billion.



*Farmers in the Banka District of Bihar, one of the poorest in India. USAID, along with grantees, is working with 500 women farmers to produce diversified vegetables through innovative farming practices. (Photo courtesy of Jake Lyell)*

#### PROGRESS ON MAJOR HEALTH PROBLEMS

As of September 2014, PEPFAR alone has placed more than 7.7 million people on lifesaving antiretroviral treatment. USAID's 2012 Child Survival Call to Action and its maternal health investments seek to end preventable child and maternal deaths. These programs aim to save the lives of 15 million children and 600,000 women by 2020.

### **EDUCATING GIRLS AND WOMEN**

During 2012, U.S. assistance to Tanzania increased access to basic education for almost 285,000 students, more than half of whom were girls. U.S. assistance also provided secondary school scholarships for 700 girls from disadvantaged communities. Additionally, USAID supported an adult literacy program that helped 3,600 Maasai women start their own businesses and secure land rights.

**Defining UN development goals that promote inclusive economic growth.** The United States is committed to the successful negotiation of an ambitious, post-2015 Development Agenda to succeed the Millennium Development Goals. These new sustainable development goals represent an important platform from which to galvanize global action to meet President Obama's challenge to end extreme poverty, to promote opportunities for transformative changes, and to advance inclusive economic development, transparent and accountable governance, the empowerment of women and girls, and environmental sustainability. With clear and measurable targets, the Post-2015 Development Agenda and the Financing for Development agreement can provide an affirmative and clear vision for the future—one that governments, civil society, the private sector, and individual citizens can rally around, and further advances our interest in shared prosperity.

## **ADAPTING OUR ORGANIZATIONS TO ADVANCE INCLUSIVE ECONOMIC GROWTH**

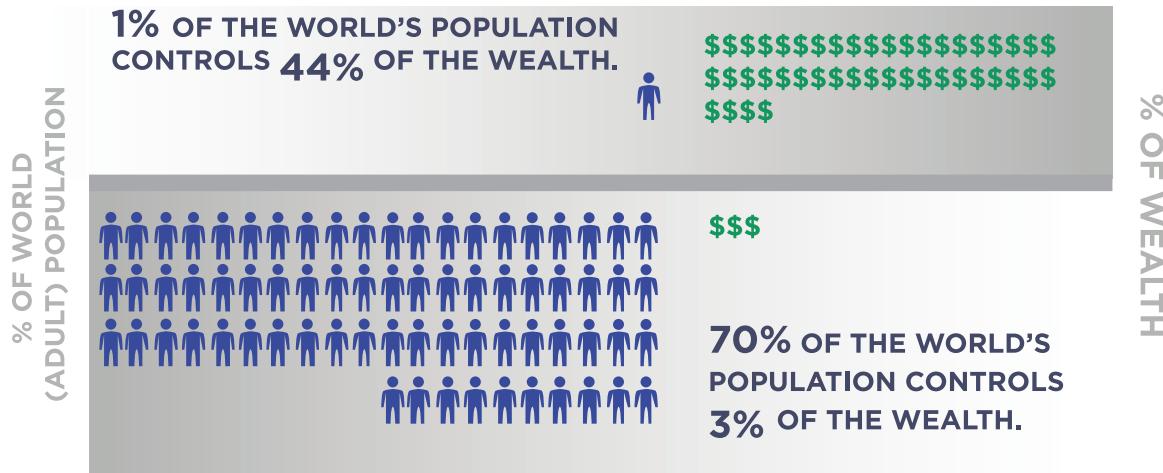
Although the world is becoming more prosperous, economic gains are unequal. To advance America's interests through sustained and inclusive global economic growth, the Department and USAID will:

**Prioritize inclusive economic growth.** The Department will advance the Shared Prosperity Agenda, and USAID will continue working with our allies to end extreme poverty through a new model of development. Our strategies emphasize sustained inclusive economic growth, which promotes political and economic stability and expands the middle class worldwide. Inclusive growth does not simply add to a nation's GDP; it decreases youth unemployment and wealth inequality, promotes gender equality, increases access to electricity, provides pathways out of poverty, and increases government accountability.

**Enhance economic leadership.** The Department and USAID will collaboratively use the knowledge and skills of our regional and functional bureaus to further elevate economic diplomacy and broaden our economic expertise. We will work with the interagency to support our economic and development priorities. We will:

- **Formalize economic leadership.** The Department's regional assistant secretaries will ensure that their bureaus' senior leaders energetically pursue economic diplomacy in close coordination with economic partners within the Department and the interagency. Each regional bureau will also designate a deputy assistant secretary to lead that bureau on economic issues, and serve as the primary contact on regional and cross-cutting economic issues with the Department's Under Secretariat for Economic Growth, Energy and the Environment and the Department's economic bureaus: Economic and Business Affairs (EB), Energy Resources (ENR), and Bureau of Oceans, International Environmental and Scientific Affairs (OES). To facilitate coordination, each designated DAS will be expected to liaise regularly with the three "E family" assistant secretaries, while continuing to be supervised by the regional assistant secretary. E family senior leaders will provide recommendations to regional front offices regarding candidates with strong economic credentials for DAS positions. The Secretary has final responsibility for candidate selection.
- **Establish rotational economic positions.** To maximize coordination between the regional and functional bureaus, the Department will explore rotational assignments of Foreign Service Officers in EB, ENR, and OES. After serving one year in an economics bureau, officers would move to a regional bureau for two years to be part of its economic team. These rotational assignments will ensure that economics priorities are integrated in joint regional bureau strategic planning, monitoring and evaluations, and interagency policy coordination.

## THE ECONOMIC DIVIDE BETWEEN RICH AND POOR HAS NEVER BEEN SO GREAT.



SOURCE: CREDIT SUISSE GLOBAL WEALTH DATABOOK 2014

- **Expand State-USAID exchanges.** To improve coordination between the Department and USAID and facilitate integration of economic diplomacy and development, a new exchange program will place a USAID officer on each Department regional bureau economic team, and Department officers will be assigned to each USAID regional bureau.

**Increase recruitment, development, and alignment of economic expertise.** Foreign Service officers and Civil Service professionals in economic positions at the Department and USAID are crucial to the conduct of economic diplomacy and development. Building on recommendations in the 2010 QDDR, the Department and USAID will continue to emphasize expertise in economics, better recruitment, improved training, and coordination with the economic interagency. We will:

- **Create an economic career board.** The senior leadership of the Department's economic bureaus will constitute an economic career board, convened by the Under Secretary of State for Economic Growth, Energy, and the Environment. This board will work with the Bureau of Human Resources to facilitate recruitment of economic expertise, align that expertise with organizational needs, and work with the Foreign Service Institute (FSI) to review and improve training options. The economic career board will include an HR representative.
- **Increase opportunities for detail assignments and exchanges.** Economic officers will be provided opportunities for detail assignments and exchanges throughout the economic interagency and in the private sector to build relationships and strengthen expertise. For such assignments, the Bureau of Human Resources will work with the relevant functional and regional bureaus on destinations, recruitment, candidate selection, and mentorship, thus ensuring that such external assignments advance Department policy objectives and individual career goals.
- **Place a high priority on overseas economic counselor positions.** The Department's economic counselors, particularly at posts in G-20 countries, play a key role in advancing America's economic interests. The E family and regional bureaus will work together to ensure that officers in these positions have the skills, experience, and training to conduct economic diplomacy. The E family principal deputy assistant secretary (PDAS) group will work with embassies to recruit and recommend candidates for economic counselor positions in G-20 countries for presentation to the regional bureaus and chiefs of missions.
- **Add economists at USAID.** USAID will increase the number of economists in Washington and at its missions overseas to deepen the role of evidence and economic analysis in strategic planning across all sectors.

**Advance inclusive growth through economic diagnostic tools.** Recognizing there is no one-size-fits-all approach to sustained and inclusive economic growth, we will utilize economic diagnostic tools to identify the barriers to inclusive economic growth and causes of unemployment. We will use these tools to inform our regional and country-specific priorities. We will:

- **Utilize economic diagnostics.** The Department and USAID will expand their use of transparent, reviewable diagnostics (such as the Constraints Analysis, pioneered in the U.S. government by MCC) to frame economic policy discussions with U.S. government agencies, host governments, international financial institutions, and other donors and partners. (This approach is further detailed in the sections of this report addressing the expanded use of data and diagnostics.)
- **Conduct country-specific studies.** On an annual basis, in each State Department geographic region, we will fund at least one country-specific study: either an Inclusive Growth Diagnostic or a Constraints Analysis.

## 4. MITIGATING AND ADAPTING TO CLIMATE CHANGE

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**“Unless we act dramatically and quickly, science tells us our climate and our way of life are literally in jeopardy... No single country causes climate change, and no one country can stop it. But we need to match the urgency of our response with the scale of the science. The U.S. is meeting the challenge through President Obama’s Climate Action Plan, and we’re committed to reaching an ambitious agreement to reduce global greenhouse gas emissions with other countries in the United Nations Framework Convention on Climate Change.”**

### CLIMATE CHANGE AND NATIONAL SECURITY

“Among the future trends that will impact our national security is climate change. Rising global temperatures, changing precipitation patterns, climbing sea levels, and more extreme weather events will intensify the challenges of global instability, hunger, poverty, and conflict. They will likely lead to food and water shortages, pandemic disease, disputes over refugees and resources, and destruction by natural disasters in regions across the globe.”

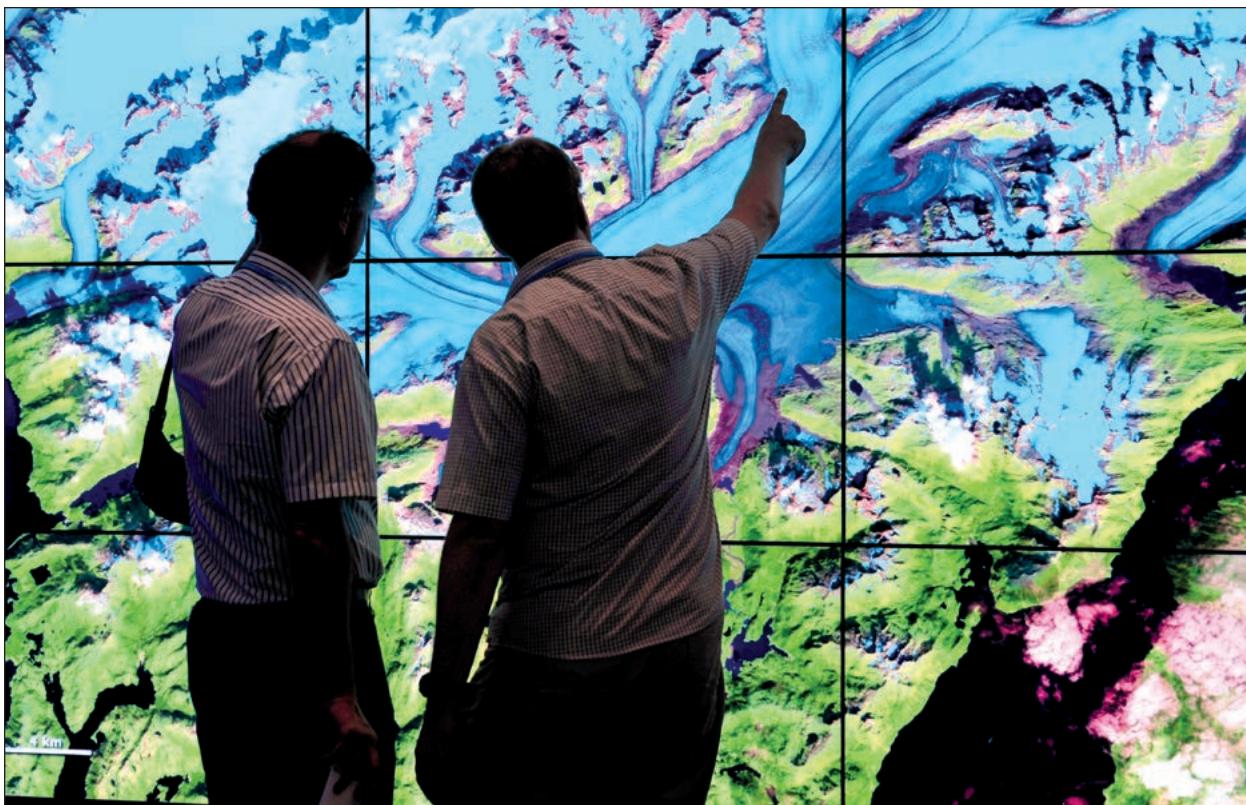
— Foreword,

2014 Department of Defense Climate Change Adaptation Roadmap

Secretary Kerry, statement on release of *Climate Change 2014: Impacts, Adaptation, and Vulnerability, Intergovernmental Panel on Climate Change, Working Group 2*, March 2014

Our generation may be judged, in no small part, by our response to climate change. According to the United Nations’ Environment Programme, one scientific assessment after another has provided unequivocal evidence that the global climate is changing at an accelerating rate, and that the primary cause of the change is human activity. The National Climatic Data Center and other leading meteorological agencies, including the Japan Meteorological Agency, found that the planet’s 10 hottest years on record have occurred since 1998; 2014 was the hottest of all. The longer the world delays in taking decisive action, the greater the costs of mitigating and adapting to climate change.

We are already seeing the negative consequences of climate change, which is a national and global security threat. With impacts continuing to rise precipitously in the decades ahead,



European space scientists view NASA data visualizations at the U.S. Center at the 18th Session of the Conference of the Parties to the UN Framework Convention on Climate Change (COP-18) in Doha, Qatar on November 30, 2012.

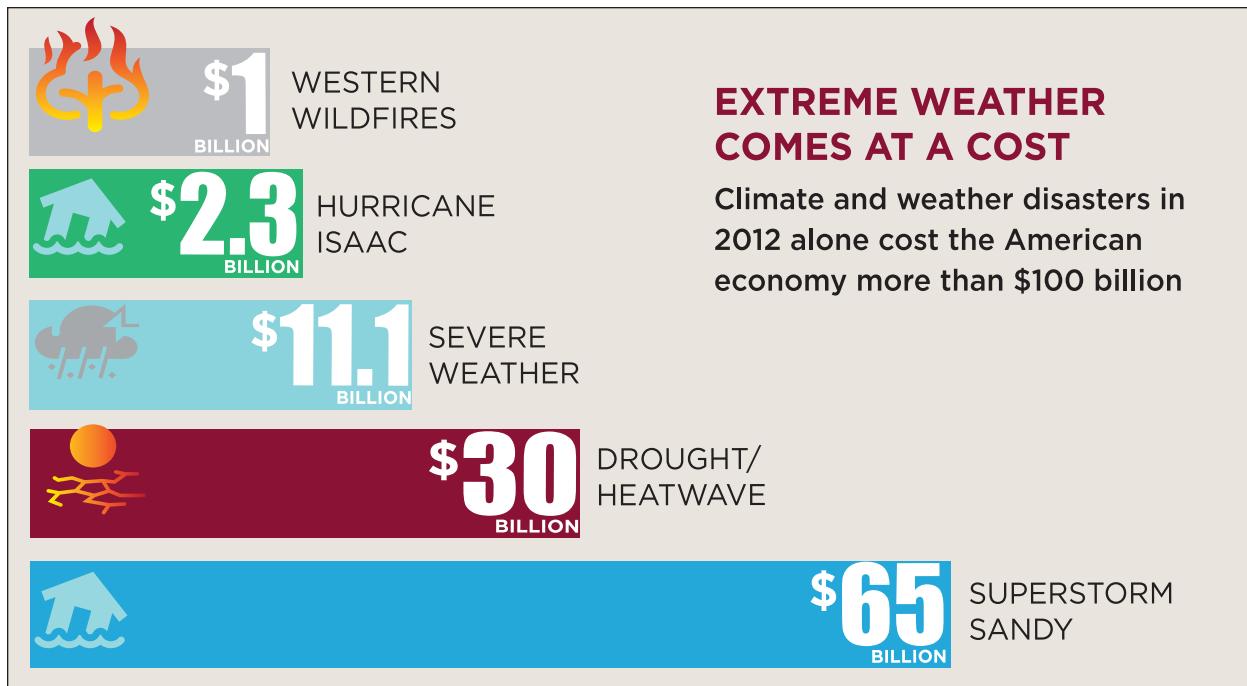
global temperatures could climb 2 degrees Celsius by the year 2100. The 2015 National Security Strategy deemed climate change an

*“urgent and growing threat to our national security, risking increased natural disasters, refugee flows, and conflicts over basic resources like food and water. The present day effects of climate change are being felt from the Arctic to the Midwest. Increased sea levels and storm surges threaten coastal regions, infrastructure, and property. In turn, the global economy suffers, compounding the growing costs of preparing and restoring infrastructure.”*

The Defense Department describes climate change as a “threat multiplier,” with the potential to aggravate resource scarcity and conflict, intensify mass migration and humanitarian crises, and undermine our efforts to eradicate extreme poverty.

The United States is already vulnerable to the impacts of extreme weather; in 2012 alone, extreme weather events are estimated to have cost the nation \$110 billion. Climate change is expected to exacerbate this problem. The 2014 U.S. National Climate Assessment, prepared by the U.S. Global Change Research Program, describes in detail the widespread impact climate change is already having on the United States. Droughts, floods, cyclones, and extreme temperatures in one area bring crop failures and disrupt supply chains in ways that have global economic repercussions. Extreme weather and climate disasters in many regions are expected to intensify without strong action to mitigate climate change. But it is not just extreme meteorological events that threaten economic well-being and national security. Worldwide, rising seas and melting glaciers threaten the livelihoods of billions of people.

Tackling the challenge of climate change provides an economic and public health opportunity. The United States can lead the transition to a cleaner, more energy-efficient global economy and help to lay the foundation for a climate-resilient world, with benefits lasting centuries. Smart policy choices and investments in development can



SOURCE: WWW.WHITHOUSE.GOV/CLIMATECHANGE

mitigate the negative impacts of climate change, while also decreasing the incidence of pulmonary disease and cancers, creating jobs, increasing agricultural productivity, advancing energy security, alleviating hunger and poverty, and strengthening overall resilience. By 2040, according to International Energy Agency projections, investment in the global energy market sector is expected to reach \$20 trillion, offering a clear opportunity for clean energy and other American companies.

## LINES OF EFFORT

### GLOBAL LEADERSHIP ON CLIMATE CHANGE

In June 2013 President Obama issued the Climate Action Plan, which outlines unprecedented efforts by the United States to reduce carbon pollution, promote clean sources of energy that create jobs, protect communities from the impacts of climate change, and work with partners to significantly reduce greenhouse gas emissions, especially by the major emitting countries. The plan emphasizes the need for the United States to continue its leading role in international negotiations to address climate change.

The United States takes a leading role in confronting the threat of climate change through action both at home and abroad. The Department and USAID are taking a number of steps to address climate change in their policy, programming, and internal operations, in line with this larger effort. In response to a recommendation in the 2010 QDDR, the Department created a Bureau of Energy Resources (ENR) and put that bureau, as well as the Bureau of Oceans and International Environmental and Scientific Affairs and the Bureau of Economic and Business Affairs, under a single Under Secretary for Economic Growth, Energy, and the Environment. This new structure has led to better coordination of the Department's climate and energy efforts. In 2012 USAID released its Climate Change and Development Strategy, which made it a priority for our climate change assistance to help developing countries invest in low-carbon growth and build resilience, while slowing the pace of greenhouse gas emissions.

Secretary Kerry's first policy message focused on climate change. In March 2014 he sent a cable, Policy Guidance on Elevating Climate Change Across All Our Platforms, instructing chiefs of mission and bureau leaders to make climate change a foreign policy priority.

**Concluding a new international climate change agreement.** Under the leadership of the Department's Special Envoy for Climate Change, the United States is a primary driver in the UN Framework Convention on Climate Change (UNFCCC) process. In this framework, the United States is working with international partners to achieve an ambitious, inclusive, and durable climate change agreement by December 2015. The ultimate objective of the Convention is to stabilize greenhouse gas concentrations in the atmosphere below dangerous levels.

**Expanding bilateral and multilateral engagement on climate change.** The Department, USAID, and other government agencies have expanded multilateral and bilateral partnerships and established working groups with China, India, the European Union, and others to reinforce U.S. climate and clean energy goals. U.S.-supported partnerships such as the Climate Investment Funds, Clean Energy Ministerial, the International Renewable Energy Agency (IRENA), the UN- and World Bank-led Sustainable Energy for All (which seeks to accelerate the transition to clean energy), and the Climate and Clean Air Coalition (which focuses on short-lived pollutants such as black carbon, methane, and hydro-fluorocarbons) have made measurable progress.

In November 2014 President Obama and Chinese President Xi Jinping announced that the two countries had set their post-2020 climate targets, marking a historic step forward in the U.S-China relationship and for action on climate change. This announcement by the two biggest greenhouse gas emitters heralds a new level of international cooperation in addressing climate change, demonstrating that the world's largest economies can work together.

**Accelerating the transition to low-emission development and climate-resilient societies.** As part of President Obama's Global Climate Change Initiative (GCCI), the Department and USAID help countries accelerate their transition to climate-resilient, low-emission development by promoting clean-energy investments, technology solutions, sustainable land use, and adaptation. As one-quarter of greenhouse gas emissions come from deforestation, other land use changes, and agriculture, the GCCI advances policy discussions on slowing, halting, and reversing emissions from land use under the UN Framework Convention on Climate Change. The Department and USAID support initiatives such as the Tropical Forest Alliance 2020, which brings the public and private sectors together to pursue shared forest-sector goals. In addition, the United States is a founding member of the Global Alliance for Climate-Smart Agriculture, which promotes agricultural practices that enhance food security, while reducing greenhouse gas emissions.

#### MAKING AIR QUALITY DATA AVAILABLE TO THE PUBLIC

In February 2015 the State Department and the Environmental Protection Agency (EPA) began a joint effort to make more air quality data available by installing sensors at select U.S. diplomatic posts, and using the EPA's AirNow system to share the data publicly. The goal is to strengthen relationships among governments and international organizations, by sharing the technology needed to make air quality data accessible. Air pollution is one of the world's leading causes of morbidity and mortality, and yet in many areas there is not enough information available to allow people to make informed actions to protect their health. Tracking air quality data will allow the United States to better protect its employees, contribute to global scientific efforts, and provide a foundation for multinational air quality partnerships. EPA's AirNow system will expand its monitoring to our posts worldwide, building on U.S. cooperation with China to improve its air quality. Making air pollution figures public encouraged Chinese officials to acknowledge the severity of China's air pollution problem and take steps to improve air quality. This high-level political support for tougher action on air pollution enhanced U.S.-China climate change cooperation and contributed to new efforts to reduce China's air pollution. Monitoring systems will be set up at U.S. missions in India, Vietnam, and Mongolia in the coming months. The program will monitor particulate matter in the atmosphere that can cause asthma, heart disease, and autoimmune disorder.

The Department and USAID lead the Enhancing Capacity for Low Emission Development Strategies (EC-LEDS) program, a government-wide initiative to promote climate-resilient low-carbon growth. USAID's climate-resilient development and disaster risk-reduction efforts seek to limit vulnerability to current climatic extremes, while also helping developing countries prepare for the impact of future climate changes. USAID, the Rockefeller Foundation, and the Swedish International Development Agency (SIDA) spearhead the Global Resilience Partnership, which made an initial commitment of \$150 million to accelerate promising technologies that could improve the resilience of communities, ultimately saving lives and livelihoods. In addition, our Feed the Future initiative harnesses scientific innovation to boost food production and help farmers adapt to climate change. Capitalizing on the expertise of the National Oceanic and Atmospheric Administration, the Department and USAID help vulnerable countries strengthen climate resilience by establishing climate monitoring sites and providing climate training to stakeholders.

**Mobilizing financial resources.** The Department and USAID, in partnership with the Department of the Treasury, coordinate with donor countries, recipient countries, and the private sector to mobilize climate-related investment. Leveraging private and foreign direct investment is critical to achieving climate change mitigation and adaptation goals, and leveraging these investments increases the effectiveness of public resources used in areas and sectors that do not yet offer an attractive financial return to private investors. The United States has been a strong supporter of multilateral climate funds; for example, it played a lead role in establishing the Green Climate Fund (GCF) in 2010. With more than \$10 billion already pledged by both developed and developing countries, the GCF will be the preeminent channel leveraging private sector investments and supporting the shift to low-impact, climate-resilient growth in the developing world. The Treasury Department is coordinating with the Department to stand up the GCF and to ensure that the U.S. plan to address developing countries' climate finance needs is realistic, affordable, and achievable.

### PROMOTING CLEAN ENERGY IN INDIA

The U.S.-India Partnership to Advance Clean Energy (PACE) is a government-wide effort that works closely with ministries in the Indian government to accelerate India's transition to a high-performing, low-emission, and energy-secure economy, using policy, regulatory, institutional, financial, and market-based approaches. PACE has worked directly with clean energy developers, researchers, and financiers since 2012 to speed the deployment and uptake of clean technologies. For example, USAID's Development Credit Authority joined with the Northern Lights Capital Group to guarantee a \$100 million private investment fund. This investment has the potential to add 300 to 400 megawatts of sustainable energy capacity, enough to light the homes of tens of thousands of Indian families.

**Advancing clean-energy solutions.** The International Energy Agency estimates that global demand for energy will rise 37 percent by 2040, but more than one billion people will still lack access to electricity. Renewable energy can help meet this growing demand, and is estimated to drive two-thirds of new investment in power generation. Pursuing clean energy solutions makes sense for the climate, national and energy security, the U.S. economy, human health, and global economic growth. Between now and the year 2040, worldwide investment in the power sector is expected to reach nearly \$20 trillion—more than the combined GDPs of China and India. Factoring in the long-term costs of carbon pollution and health hazards, it is much less expensive to develop clean energy sources now than to pay for the consequences of climate change later. The Department and USAID work hand-in-hand with the Department of Energy on international clean energy efforts, and seek to fully leverage the world-class expertise of our U.S. national laboratories and U.S. companies.

Our overseas missions advise U.S. companies on the commercial and investment opportunities in countries interested in low-carbon energy growth. To protect U.S. investors, the Department negotiates with partner countries to promote stable legal and regulatory frameworks in clean energy markets. USAID has supported on- and off-grid clean energy efforts to ensure sustainable, smart policies and a robust capacity to attract private sector investments. Additionally, the Department invests in women, who are often disproportionately harmed by the effects of extreme weather. Around the world, women are partners at the forefront of climate solutions, such as small-scale clean technologies. For example, the Department launched the Partnership on Women's Entrepreneurship in Renewables (wPOWER) in January 2013 to

empower more than 8,000 women clean-energy entrepreneurs across East Africa, Nigeria, and India. They will deliver clean-energy access to more than 3.5 million people over the next three years. In off-grid communities, women are typically the first to adopt and use clean technologies like solar lamps and clean cook stoves.

**Integrating climate change with other diplomatic and development priorities.** The Department and USAID are factoring climate resilience and lower-emission objectives into the design and implementation of international development programs and investments. This action not only contributes to meeting U.S. climate change objectives, it also makes development more sustainable. U.S. diplomats are encouraging countries to seize the opportunity of lower oil prices to cut fossil fuel subsidies. Diplomatic efforts to reduce these subsidies are underway through the G-20, Asia-Pacific Economic Cooperation, and focused engagement in the Middle East, North Africa, and other regions. Cutting subsidies not only reduces fossil fuel use, thereby lowering greenhouse gas emissions, but also makes clean energy more competitive and lessens burdens on national budgets.

Through its Greening Diplomacy Initiative, the Department uses its buildings overseas as models to promote energy solutions that can mitigate the effects of climate change. We are installing solar panels and utilizing energy-efficient designs at our buildings, implementing audits to reduce energy use, and adjusting our vehicle fleets to run on alternative fuel whenever possible. All of these efforts support our domestic and overseas policy goals, highlight U.S. commitment to environmental action, and help reduce facility costs for the U.S. taxpayer.

**Leading by bold example.** U.S. climate leadership worldwide is supported by concerted action to reduce emissions from every significant source and in every economic sector in the United States. In 2012, U.S. greenhouse gas emissions fell to their lowest level in nearly two decades. From 2008 to 2014, wind energy production in the United States tripled, and solar energy capacity increased by a factor of ten. Groundbreaking regulations are under development to cut carbon pollution from U.S. power plants by 30 percent. President Obama's June 2013 Climate Action Plan, together with strong action at state and local levels, has put the United States on track to keep its commitment to reduce greenhouse gases in the range of 17 percent below 2005 levels by the year 2020. These policies also provide the foundation of the pledge we made in Beijing in November 2014 to reduce U.S. emissions 26 to 28 percent by 2025.

## ADAPTING OUR ORGANIZATIONS TO MITIGATE AND ADDRESS CLIMATE CHANGE

We will integrate and elevate addressing climate change across our diplomacy and development goals, including enhancing whole-of-mission efforts to engage host-country governments and subnational actors. To advance our climate change objectives, we will:

**Increase Department and USAID capacities in climate diplomacy and development.** There is growing demand for climate and clean energy expertise across the Department and USAID. In response, we will increase capacity in relevant offices, improve coordination, create senior advisor positions in the Department's regional bureaus, and direct all Department and USAID bureaus and offices to designate specific personnel as

### CLEANER ENERGY FOR THE AMERICAS

The Connecting the Americas 2022 initiative and the Caribbean Energy Security Initiative support clean energy development in the Americas. Led by the Department's Bureau of Energy Resources and Bureau of Oceans and International Environmental and Scientific Affairs, these whole-of-government initiatives provide financial, technical, and regulatory assistance to promote the use of renewable energy sources, finance the development of clean energy projects, and improve energy-sector governance.

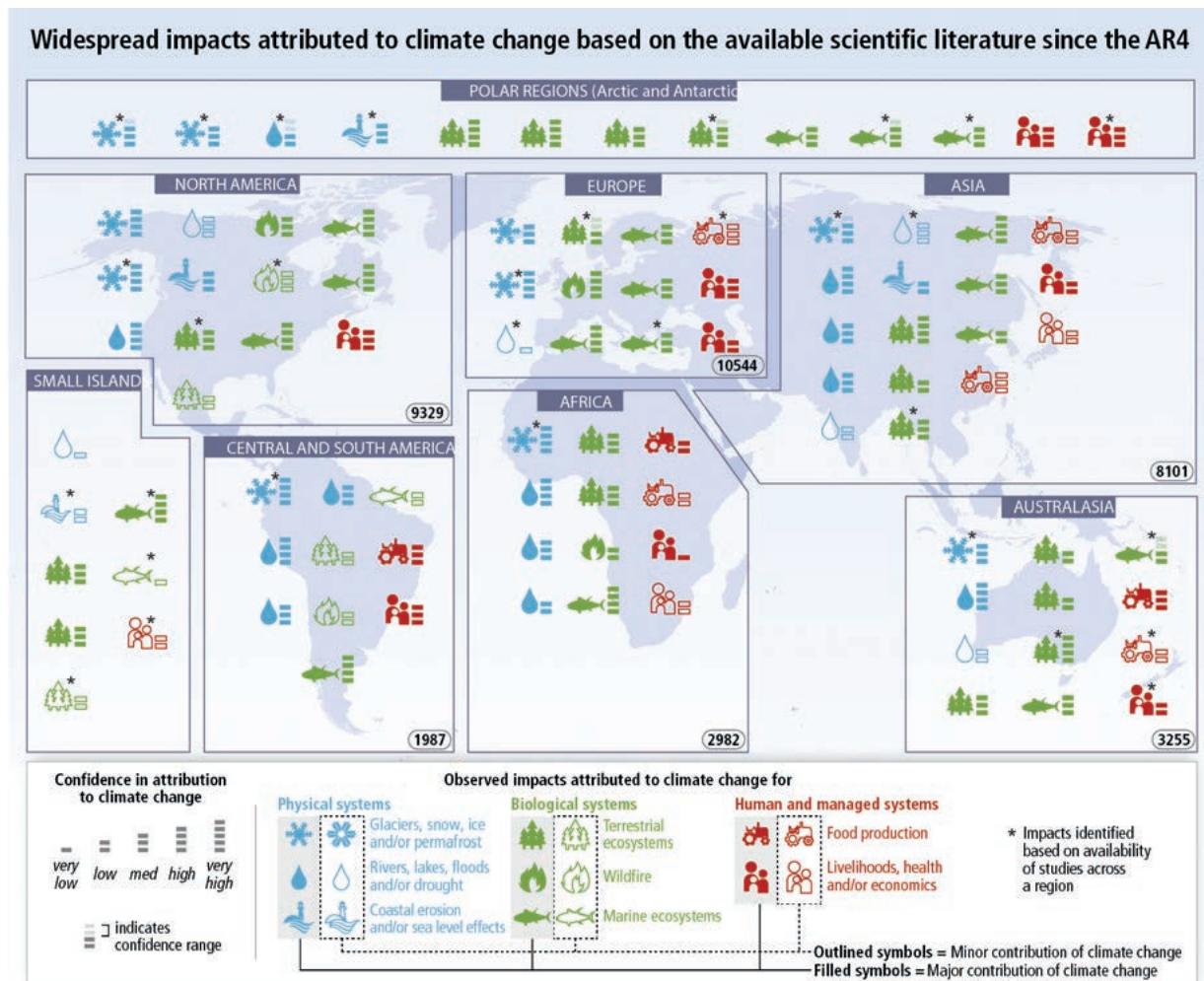
**We are installing solar panels and utilizing energy-efficient designs at our buildings, implementing audits to reduce energy use, and adjusting our vehicle fleets to run alternative fuel whenever possible.**

climate leaders. We will seek to develop stronger links including, where appropriate, detail assignments between the Department, USAID, and climate experts within U.S. government agencies, including the Department of Energy and the Environmental Protection Agency.

**Strengthen staff understanding of and engagement in climate issues.** We will also seek to educate all of our staff on climate-related issues. We will incorporate climate change-related knowledge into the core competencies for Department and USAID officers, reinvigorate the annual “Greening Diplomacy Initiative” awards at overseas missions, and create “Climate Change Champion” awards for both the State Department and USAID.

**Integrate climate change into all of our diplomacy and development efforts.** The Department and USAID will integrate climate-risk considerations and adaptation into all relevant operations, policies, strategies, and programs. These efforts will feed into the interagency working group on Climate-Resilient International Development, chaired by USAID and the Treasury Department. Because no single country can cope with the effects of climate change on its own, the Department and USAID will integrate climate change adaptation and mitigation into development and diplomatic efforts in all sectors. We will:

- **Establish a working group on climate resilience.** This will be located in the State Department to ensure that the Department fully implements Executive Order 13677 on Climate-Resilient International Development.



SOURCE: WWW.IPCC.CH

- **Assess climate change impacts.** We will establish a process by which all bureaus and posts will assess climate change impacts on strategies and plans and make adjustments, in accordance with the Executive Order.
- **Integrate climate change into development assistance programs.** We will integrate climate mitigation, disaster-risk reduction, and climate resilience into our development assistance programs including country strategies, risk assessment studies, climate change analysis for development investment, and USAID program cycle processes.

**Designate critical countries for in-depth climate engagement.** We will intensify our engagement with countries that are the most vulnerable to climate-related challenges, with those that have key roles to play in reducing greenhouse gas emissions, and with those that can influence neighboring countries to meet international climate goals. We will ensure that posts in these countries have the staffing needed to engage host-country counterparts and opinion leaders on climate change and clean energy. We will fully integrate the efforts of the Department and USAID in these countries, and also leverage the technical expertise of agencies such as the Department of Energy and the EPA.

**Expand climate and clean energy diplomacy beyond capitals.** Mayors, governors, chief executive officers, community and faith leaders, women's groups, innovators, and ordinary citizens—all are essential partners in finding ways to mitigate climate change and build resilient communities. Complementing traditional bilateral and multilateral negotiations already underway, we will engage subnational and citizen sectors on climate issues, encouraging them to develop meaningful commitments and creative solutions to reduce greenhouse gas emissions. We will give our chiefs of mission the tools they need for the broadest possible engagement on climate change. Mega-cities, in particular, will be key partners, as 5 million people around the world move to cities each month, adding an estimated 2.5 billion people to urban centers in the next 40 years. Many mayors, along with CEOs and others, are already creating new ways to think about global partnerships for sustainability and resilience. 

We will give our chiefs of mission  
the tools they need for the  
broadest possible engagement on  
climate change.





## CHAPTER 2

# BUILDING DYNAMIC ORGANIZATIONS FOR THE CHALLENGES AHEAD

*Secretary Kerry thanks embassy and task force employees for their hard work during the evacuation of the U.S. Embassy in Sana'a, Yemen.*

# BUILDING DYNAMIC ORGANIZATIONS FOR THE CHALLENGES AHEAD

**“These are exciting and transformational times for public service and for practitioners of diplomacy as we advance America’s values, interests, and goals around the world.”**

— *Ambassador Arnold A. Chacon, Director General of the Foreign Service and Director of Human Resources, State Department, welcome message, January 6, 2015*

Global events move swiftly, and our organizations must adapt to keep pace. Throughout the history of the State Department and USAID, we have continuously adapted in order to practice cutting-edge diplomacy and development that promotes U.S. interests. Our more than 275 locations around the world should be forging innovative solutions and new ways to engage. To reach our objectives, our employees take smart risks, try new ideas, and learn from setbacks. We concentrate on producing results rather than avoiding failure.

To ensure dynamic organizations, we will focus on:

- 1) Harnessing knowledge, data, and technology;
- 2) Promoting innovation;
- 3) Managing and mitigating physical risk;
- 4) Advancing strategic planning and performance management; and
- 5) Engaging Americans as partners in foreign affairs.

## **1. HARNESSING KNOWLEDGE, DATA, AND TECHNOLOGY**

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**“Data is one of the lead indicators that things are changing. With data insight we can ask, ‘Are we comfortable with the way the system is going?’ The right approach is to have data start a conversation. Now everyone’s getting smarter together.”**

—*DJ Patil, U.S. Chief Data Scientist, interview with INC magazine June 14, 2012*

The world’s information environment is changing dramatically. More data is generated each month than existed in all of human history prior to the turn of the millennium. Publicly available data is an increasingly valuable source for analysis, decisions, and innovation, and today governments, people, and technology are linked in ways unimaginable just 20 years ago.

To be effective in a dynamic and networked world our organizations should be as seamless, agile, and transparent as possible, aggregating and ground-testing information. Both the Department and USAID have significantly changed how we take in and analyze information, communicate, and make decisions. We will continue our efforts to leverage talent, technology, and knowledge across our organizations, and strengthen collaborative problem solving.

## LINES OF EFFORT

The Department and USAID have made progress in:

**Using, managing, and standardizing data.** We are standardizing use of data, modernizing data governance, and connecting our personnel and programs in real-time. The Department's Enterprise Data Quality Initiative (EDQI) is increasing the accessibility, reusability, reliability, and overall quality of its enterprise data. Across our organizations, bureaus and offices are tapping emerging technology to analyze data and use it effectively. For example, the U.S. Global AIDS Coordinator combines site-level information with epidemiological and expenditure data to determine exactly where PEPFAR resources can have the greatest impact, and to connect government agencies and partners in pursuing the goal of an AIDS-free generation.

**Managing knowledge.** USAID has introduced a platform and document management system, My.USAID, to increase collaboration and better connect its workforce around the world. USAID has also streamlined information management through globally accessible platforms like ProgramNet, an internal community of practice, and Learning Lab, open to USAID implementing partners. These platforms provide a forum to discuss issues, capture best practices from the field, facilitate peer-to-peer exchanges, and provide practical tools related to different aspects of the program cycle. USAID has developed additional knowledge management systems for creating country profiles; fact sheets; political, economic, and business forecasts; and other reports and analyses.

The Department uses a variety of tools to share knowledge. Wiki, search engines, micro-blogging, blogging, and professional networking platforms provide a virtual global environment where domestic and overseas posts can both draw from and contribute to the Department's knowledge base. These dynamic platforms are a mainstay in the Department's daily work routine.

**Increasing data transparency.** President Obama established an Open Data mandate, instructing government agencies to make as much information as possible publicly accessible and machine-readable, and we are expanding our efforts to do so. Both the Department and USAID share foreign assistance information with the public through the Foreign Assistance Dashboard, which provides an overview of U.S. foreign assistance funding and enables users to examine and track aid investments in an easy-to-understand format. USAID announced its Open Data policy in October 2014, demonstrating a commitment to sharing data as a valuable form of development capital. USAID links spending to results on the Dollars to Results website, providing an integrated view of its investments by country, sector, initiative, implementing mechanism, and geographic location.

The Department engages with public audiences through programs such as MapGive, which teaches anyone in the world how to map the globe and use those maps in disaster or humanitarian relief. The Department's annual Human Rights Reports and Religious Freedom Reports make data accessible, filterable, and customizable via an online interface. The new interface reduces the time needed to create useful information, thus shrinking the time between analysis and action.

### DIPLOMACY LAB

The Department's Diplomacy Lab partners with academic institutions to "crowd-source" challenges in foreign policy. Recently, the Lab produced tools that analyze multilateral voting in international organizations, giving Department leaders valuable insights into the patterns of voting and new ways to apply data to coalition-building.

**Applying technology to programs.** In April 2014 USAID established the U.S. Global Development Lab, which uses an open-to-all approach to source new technologies that help solve development challenges. Through the Lab's Development Innovation Ventures, for example, USAID applied rigorous science to increase the uptake of purifying chlorine, making clean water accessible to five million people over three years. The Department's TechCamp program brings together civil society advocates and technology experts to educate civil society leaders about technology, while its Business Information Database System alerts American firms to overseas business opportunities.

## ADAPTING OUR ORGANIZATIONS TO HARNESS KNOWLEDGE, DATA, AND TECHNOLOGY

We will improve our research, analysis, decision-making, and program evaluation capabilities. We will invest in technologies and processes so that we can integrate available data from all sources. This investment will enable us to streamline the business of diplomacy and development, and will provide our employees overseas the freedom to focus their efforts beyond the confines of the office. “Freeing the field” is one of the underlying goals of our knowledge-management and technology programs. To this end we will:



*The TechWomen Program participants convened in South Africa in January 2015. (Photo courtesy of Donovan Thorne/ Institute of International Education (IIE))*

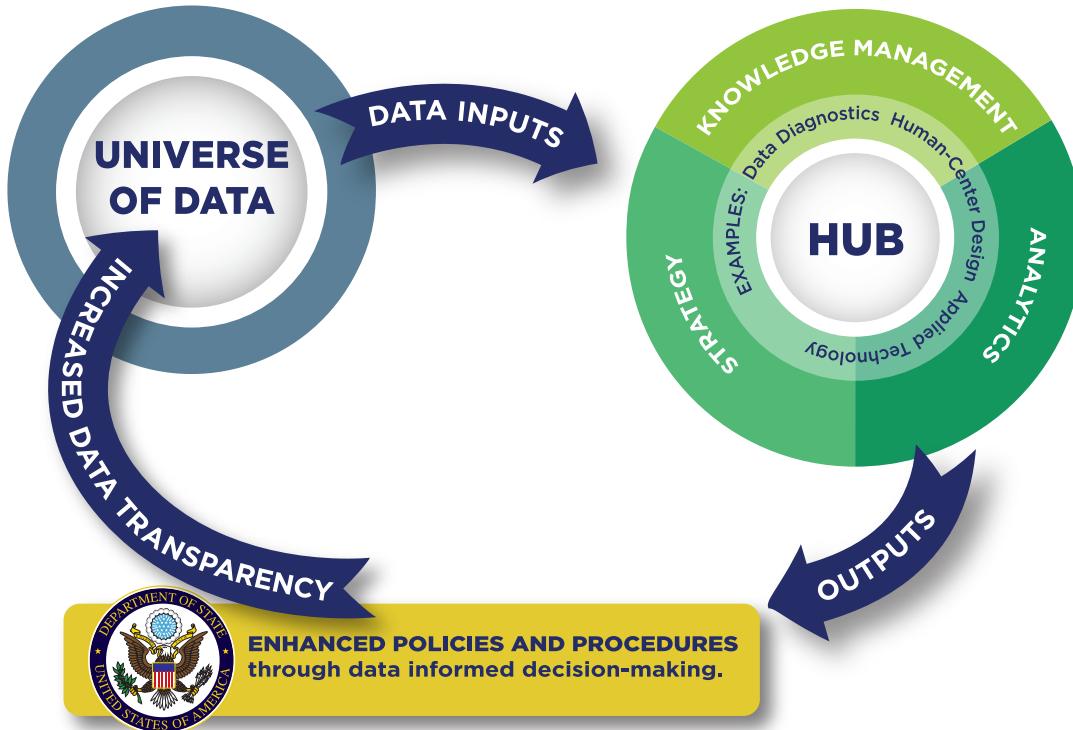
**Implement a comprehensive knowledge management strategy at the State Department.** Building on the Enterprise Data Quality Initiative, this strategy will modernize the Department's handling and sharing of information and its use of technology. It will lower barriers to information access, including those caused by non-compatible technology systems, organizational silos, excessive classification, and cultural dynamics. As a result, we will be better able to share information, integrate the expertise of our 72,000 direct-hire employees across all bureaus and regions, and take full advantage of the knowledge and expertise of previous generations of diplomats and development professionals.

**Establish a Development Information Solution at USAID.** This comprehensive solution will harness data for decision-making, improve efficiencies across the entire program cycle, and connect management information from strategy to results. It will allow staff to map project locations, manage performance indicator data, plan acquisitions and assistance, and manage detailed operational budgets. As a result, USAID will be able to aggregate data from multiple missions, operating units, and other enterprise systems, and present the Agency's entire portfolio with unprecedented clarity, detail, and accuracy.

**Establish a hub for analytics, strategy, and knowledge management at the Department.** The use of knowledge, data, and technology is critical to diplomatic success and operational efficiency. Applying lessons learned and best practices from government agencies and the private sector, the Department will create a multi-disciplinary ‘hub’ for analytics, strategy, and knowledge management. Similar to the new information environment itself, this hub will cross traditional boundaries and serve as a common asset for creatively addressing internal and external challenges.

As a scalable start-up effort, the hub will adapt and grow to support responses to complex and sustained challenges. Through this hub the Department will leverage data and skills to uncover trends and information; foster strategic thinking to connect policy and operations; enhance and integrate big-data analytics, data visualization, and human-centered design; and help integrate these capabilities into problem-solving. Through rotational details and assignments, including personnel from other agencies, the hub will bridge spaces between offices and enable employees at every level to provide data-based insights to decision-makers. The Department will continuously evaluate the inputs, outputs, and impacts of these efforts in order to determine how to build these capacities.

## LEVERAGING DATA AND DIAGNOSTICS FOR MORE EFFECTIVE POLICY AND PROGRAM OUTCOMES



The hub will:

- **Enhance the use of data and analytics.** The hub will collaborate with missions, offices, and bureaus to support efforts to make data more accessible to employees and senior leaders. In addition, hub experts will coordinate with the Department's data and technology offices to make recommendations and pilot technology programs. Exposure to the hub through short-term rotations will support existing efforts to increase data literacy.
- **Connect strategy to data and people.** The hub will support existing efforts to enhance the integration of data into strategic thinking and planning through scenario-based and predictive models.
- **Expand the impact of teams through knowledge management.** Hub staff will work with offices in the Department to develop platforms that make knowledge and data archives more accessible. Teams will coordinate the communication of the hub's research results and outcomes to internal and external audiences.

**Expand open data opportunities.** USAID will establish a Development Data Library, which will make information about USAID-funded projects publicly available and machine-readable. USAID's Open Data policy will promote innovation and invite insights from a wide range of sources, in order to advance new development opportunities and overcome existing challenges. The Department will expand its Enterprise Data Inventory through its iMatrix platform, creating an inventory of all data and enabling an enterprise-wide view of relevant federal data assets. This will make it easier to find data that can then be made available to other systems, other agencies, or the public.

## 2. PROMOTING INNOVATION

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**"There are risks and costs to a program of action. But they are far less than the long-range risks and costs of comfortable inaction."**

*— President John F. Kennedy, address to annual convention of Americans for Democratic Action, May 12, 1961*

Our primary goal is to achieve U.S. national interests, regardless of the conditions we face. Achieving those goals requires the ability to identify options and assess policy risks in volatile, complex, and ambiguous circumstances. In the face of uncertainty and changing circumstances, we must encourage informed risk taking and innovation so that the cumulative cost of inaction does not outweigh short-term concerns about an individual course of action. America leads the world in innovation; we will ensure that our institutions do the same to advance American foreign policy. The Department and USAID will continue to foster creativity, engagement, and experimentation, and reward innovators. We must also recognize that fear of failure cannot be stronger than the desire to solve problems and deliver results. We will take informed risks that are appropriately balanced against our policy objectives. We will strengthen our institutional culture of learning, with approaches driven by analysis of previous actions and programs.

### **1CA AND TEAMWORK@STATE: SHARING INNOVATIVE PRACTICES**

The Bureau of Consular Affairs (CA) introduced a program called 1CA to promote leadership, management, and innovation excellence. The initiative equips consular teams to assess their operations comprehensively and identify innovative ways to meet the growing demands of millions of customers; the 1CA website makes it possible for innovative practices adapted by one post to be quickly shared with posts around the world. For example, Mexico City's American Citizen Services Unit used process mapping to detect and correct passport data entry errors, dramatically reducing the error rate from an average of 15 passports destroyed due to errors per month to just one. Recognizing that 1CA principles and tools are applicable across the Department, the Office of Management Policy, Rightsizing, and Innovation established Teamwork@State, a toolkit to promote collaboration, innovative thinking, and continuous improvement.

### **LINES OF EFFORT**

As the 2010 QDDR noted, "Innovation is informed risk-taking." The Department and USAID will continue to promote innovation that draws on best practices, while treating setbacks as learning opportunities on the path to better results, not unacceptable risks to be avoided at all costs.

**Supporting and scaling innovation.** Several Department and USAID efforts drive innovation. For example, the Department's Innovation Roundtable is a forum for sharing practices on the development, execution, and evaluation of new ideas. Department initiatives such as 1CA and Teamwork@State provide problem-solving tools and training to support teams as they address complex challenges. Dedicated funds, such as the Public Diplomacy and eDiplomacy Innovation Funds, support emerging and creative initiatives.

USAID's Global Development Lab uses competition to find solutions at a fraction of the usual cost and time through, for example, Development Innovation Ventures and the Grand Challenges for Development. USAID is expanding public-private partnerships, accelerating the market adoption of sustainable technologies through LAUNCH mentorships, and creating new collaborations with American and foreign universities through the Higher Education Solutions Network.



On April 3, 2014, USAID unveiled the U.S. Global Development Lab, which fosters science-and technology-based solutions to help end extreme poverty by 2030. The Lab and its 32 inaugural Cornerstone Partners support breakthrough solutions in water, health, food security and nutrition, energy, education, and climate change.

**Accepting and managing risk.** The Department has established a risk management policy that gives its employees greater flexibility to experiment, and take informed programmatic risks, in order to maximize impact. It guides employees in identifying, analyzing, deciding on, mitigating, and monitoring risk throughout our policy, programs, communications, and management practices. The establishment of the Local Systems Framework enables USAID to systematically assess and manage reputational, fiduciary, programmatic, and security risks.

## ADAPTING OUR ORGANIZATIONS TO PROMOTE INNOVATION

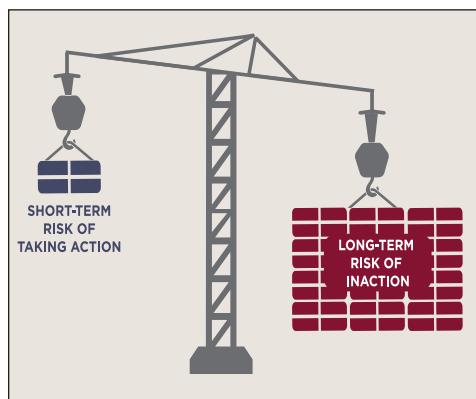
While we continue to actively manage and mitigate risk, unpredictability and risk are inevitable elements of our work. Guided by our foreign policy objectives, we will encourage our teams to err on the side of engagement and experimentation, rather than risk avoidance. We will continue to create the space to learn from both successes and failures. If a system punishes every setback, it drives employees to follow the path of least resistance, recycling old methods and ideas. To address this cultural inhibitor, we must openly recognize that erring on the side of not trying new approaches can actually increase risk over time. The following steps build on our past efforts to foster a culture of success that advances creative and flexible approaches to problems.

**Support creative problem-solving.** We will build a culture of creative problem-solving through skills development; more experimentation with human-centered design and systems thinking; use of diagnostics and data-analysis to bring greater rigor to our policy development and evaluations; and increased partnerships on innovation and data-analysis with

### STRENGTHENING EDUCATION DIPLOMACY THROUGH HUMAN-CENTERED DESIGN

The Department sought to help embassies and partners expand their engagement in the education sector. An education diplomacy team identified common needs, opportunities, and best practices. The team used the feedback from this human-centered design process to build an interactive Education Diplomacy toolkit that offers embassy personnel straightforward, actionable, and locally-relevant ways to advance educational diplomacy. The result is increased sharing of innovative practices and an emerging community of practice that enables us to seize new opportunities for engaging on education.

other agencies and non-governmental institutions. This will also include establishing more formal collaboration and integration of existing capacities and expertise across the Department through cross-cutting mechanisms such as the hub for analytics, strategy, and knowledge management.



### **Institutionalize policy to encourage innovation while managing risk.**

The Department's new risk management policy will guide its employees as they identify, manage, and mitigate risks in developing policy and implementing programs. It will encourage employees to weigh the short-term concern that something might not work perfectly against the longer-term risk of not trying at all. We will integrate this policy within our planning and operational processes, and will also incorporate it throughout our training curriculum.

USAID will continue to build out the risk components of the Local Systems Framework, to assess risks rigorously and comprehensively to strengthen local systems and produce sustained development. The Department and USAID will work

collaboratively to strengthen our approach to risk management. With the support of senior leaders, we will ensure that employees at all levels of our organizations understand that smart risk-taking drives innovation and positive change.

**Capture and communicate lessons learned.** Smart risk-taking will yield the greatest value if we are able to analyze what's working and what's not. The Center for the Study of the Conduct of Diplomacy at the Foreign Service Institute, for example, will disseminate case studies, include them in training exercises, and integrate them into interagency and community-wide planning. The Department will also establish agency-wide standards to capture lessons learned when its personnel transfer at the end of an assignment. Additionally, the Department will further develop its internal communications platform, which will include robust feedback mechanisms with leadership and promote greater discussion and analysis of our processes and policies.

USAID will build on its efforts to improve through collaboration, learning, and adaptation. This will include requirements to capture lessons learned, and continue sharing those lessons broadly. USAID will also continue expanding the use of tools for corporate learning and knowledge management, build a performance-improvement culture, and increase the efficiency and effectiveness of its operations.

## **3. MANAGING AND MITIGATING PHYSICAL RISK**

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**“Demanding zero security risks means achieving zero diplomatic results.”**

*— former Deputy Secretary of State William J. Burns,  
Foreign Policy, October 23, 2014*

Diplomacy and development carry inherent risks. We take continued, real, and concrete actions to mitigate risks and counter threats to U.S. interests and personnel abroad. Our diplomats and development professionals advance American interests in dangerous environments; those interests certainly do not diminish when threats increase. The Department and USAID constantly examine our security across the globe, and continuously discuss how to manage and mitigate risk and balance America's interests – in the short, medium, and long term. Deliberations on risk should remain apolitical. Keeping our diplomats, development professionals, other U.S. officials, and local staff safe and empowering them to do the work necessary to serve the American people is a responsibility we take seriously.

## LINES OF EFFORT

We understand the dangers we face as diplomats and development professionals. We also know that achieving our foreign policy objectives requires us to mitigate and manage risk. Often, the places where we are most needed are the most unpredictable and pose the greatest risks to our programs and people. As Secretary Kerry has noted, “If we are going to bring light to the world, we have to go where it is dark. That is the meaning of service, and that is what American diplomacy has always been about.” We must depoliticize the risks that our diplomats and development professionals encounter, and continue to focus our collective efforts on providing the support and tools to conduct the work that’s needed, where it’s needed.

**Mitigating and managing risk.** In addition to recent White House-level reviews on embassy security, the Department and USAID use several mechanisms to mitigate and manage risk, capture lessons learned, and draw best practices for improving risk management. These include:

- A new risk-management policy guides Department employees on how to manage risk in pursuit of foreign policy objectives, and will encourage a more comprehensive discussion with our employees, management, and Congress about our strategies and tactics.
- The Security Environment Threat List provides an annual, collaborative process that scores each overseas post in specific categories to determine relative risk levels.
- The High Threat Post Review Board uses the Vital Presence Validation Process (VP2) to conduct ongoing analyses of our policy priorities, weighed against the risks, in our most dangerous posts to determine whether our presence is appropriate.
- The interagency Overseas Security Policy Board develops, coordinates, and promotes uniform policies, standards, and agreements on security operations at our missions.
- The Department, via a designated committee, works with our missions to ensure risk assessment tools are appropriate and up to date. It responds to reports from our missions of any increase in risk resulting from developments in that country, and reviews mitigating actions taken by Emergency Action Committees (EAC) to promote greater awareness and accountability within the Department after reports of increased risk.
- The EACs provide the chief of mission with guidance in preparing for and responding to threats, emergencies, and other crises at the post or against U.S. interests.
- USAID has compiled best practices for program design, management, and evaluation to achieve development results in “non-permissive environments” (NPEs) and will launch a course dedicated to working in these environments.
- USAID’s Local Systems Framework supports the creation of tools to broaden risk assessment to incorporate security risks.

**We must depoliticize the risks that our diplomats and development professionals encounter.**

### REOPENING EMBASSY BANGUI, CENTRAL AFRICAN REPUBLIC

In 2013 the Bureau of Diplomatic Security (DS) formally adopted the Deliberate Planning Process (DPP) to manage risk in all DS investigative, protective, and overseas operations. The seven-step DPP provides a common planning process and language to ensure synchronized DS bureau-wide action in support of Department operations at the strategic, operational, and tactical levels. For example, a Department-wide team used the DPP to help plan and execute security support for the reopening of Embassy Bangui, Central African Republic, in September 2014. Prior to the embassy reopening, DS provided temporary duty travel support for six senior-level U.S. government visits to Bangui, including the U.S. Ambassador to the UN and a delegation of high-ranking U.S. religious leaders. Working closely with a broader State Department team and with the Department of Defense, the reopening of Embassy Bangui was a model intra-Department and interagency operation.

## **ADAPTING OUR ORGANIZATIONS TO MANAGE AND MITIGATE RISK**

Recognizing that risk and unpredictability are inevitable in our work, we must continue to engage around the world and learn from our successes and failures. We will:

**Undertake a broad dialogue on physical risk.** More than one third of the 185 countries where our diplomats work have a high risk of conflict or groups that pose a direct threat to Americans. Nearly half of the countries where USAID operates are at risk of conflict, or present direct threats to Americans. And we know all too well that ambassadors and other personnel face threats even in the most stable of allied countries. We must remain actively engaged in these places, while updating our approach to managing and mitigating risk. We cannot stop all threats or retreat from the world, but with the right training, people, facilities, and equipment, we can manage and mitigate risk.

Stopping threats to the homeland requires active engagement abroad. Building coalitions to confront today's global challenges requires skilled diplomats and development professionals, and the ability to engage personally with governments and populations. While social media like Twitter are useful, they can't replace a handshake, as Secretary Kerry recently reminded U.S. ambassadors when they gathered in Washington from around the world. Risk is not a political construct; we need a broad dialogue with our interagency partners, Congress, the private sector and NGO partners, and the American people about the realities of risk in our work, and the need for greater risk tolerance.

**Optimize policy and program execution in complex, dangerous environments.** The Department and USAID will undertake a review of challenges, lessons learned, and opportunities for effectively executing policy and programs at posts where threats and volatility make the environment highly complex. We will look at cases such as Syria, where the Department and USAID have innovated with cross-border engagement and assistance to support the Syrian opposition. We will also examine situations where we addressed subnational challenges, including provincial reconstruction teams in Afghanistan and conflict mitigation efforts in far-flung states in South Sudan. The review will look closely at Department and USAID support of specialized expeditionary missions with the Defense Department or international partners, such as our teams working with U.S. special forces to counter the Lord's Resistance Army in Africa.

As part of the review, Department and USAID leaders will consult with other agencies and implementing partners to garner a broad set of best practices that can assist country teams and Washington bureaus optimize their expertise and resources and, when needed, request additional targeted support. They will identify obstacles to our operations and programs, recommend ways to create additional policy flexibility where security is challenged, devise better options for operating in these environments, and maximize field input to inform high-level policy deliberations on complex crises. The results will be included in training and disseminated to all posts and country team agencies.

**Implement a standard approach for managing and mitigating risk.** The Department and USAID have managed risk since their founding. The establishment of a formal risk-management policy provides Department leaders and employees with a standard approach to defining and making decisions in the face of challenging, fluid, and unclear circumstances. This policy will be implemented through training and our personnel systems. The policy will enhance existing planning and operational processes to ensure continuous management and mitigation of risk.

## 4. ADVANCING STRATEGIC PLANNING AND PERFORMANCE MANAGEMENT

“Long range planning does not deal with future decisions, but with the future of present decisions”.

— Peter Drucker

The Department and USAID are committed to continuous improvement in strategic planning and performance management. We have created a data-informed approach aligning our priorities and budget processes and capturing lessons learned to improve our planning. We continue to make progress as we sequence policies and strategic plans, enabling those plans to drive the formulation of budgets, and assessing performance against our objectives.

We continue to make progress as we sequence policies and strategic plans, enabling those plans to drive the formulation of budgets, and assessing performance against our objectives.

### LINES OF EFFORT

**Elevating and improving strategic planning.** The Department and USAID coordinate planning at all levels. At the agency level the Joint Strategic Plan for the State Department and USAID (JSP) outlines our overarching goals and objectives, and guides bureau and mission planning. Joint Regional Strategies guide priority setting and resource allocation at the regional level. Country-specific strategies, known as Integrated Country Strategies (ICS), reflect a government-wide process with input from the interagency members of an embassy’s country team. USAID’s Country Development Cooperation Strategy (CDCS) defines development objectives for a country program, in order to maximize the impact of in-country development cooperation and coordination. In countries with a USAID mission, these objectives are incorporated as the development portion of the ICS. USAID mission directors lead the development, implementation, and review of the strategy, including annual portfolio reviews to take stock of progress toward development objectives and ensure that USAID-supported projects are leading to the results outlined in the CDCS.

**Aligning budgeting and planning.** Bureaus and missions develop annual resource requests that inform the Department’s and USAID’s annual Congressional Budget Justification. The annual bureau and mission budgets now use the multi-year bureau and mission strategic plans as guidance, and align resources and budget requests with strategic priorities and specific program objectives.

**Improving monitoring and evaluation systems.** As a result of the 2010 QDDR, the Department and USAID established formal policies for conducting evaluations of our programs. Bureaus and missions now incorporate evaluation results into the development of strategic and program plans. To provide guidance and tools and to share completed evaluations and best practices, the Department developed an internal database, the Evaluation Management System. In 2015 the Department began posting summaries of foreign assistance evaluations on its website to increase transparency and share lessons learned. USAID’s publicly accessible Development Experience Clearinghouse builds on the 10,000-plus foreign assistance evaluations available for development activities at USAID. The Department and USAID continue to strengthen performance monitoring by improving performance indicators for foreign assistance programs, and using annual performance data collections to assess and report on the progress made against the strategic objectives in our Joint Strategic Plan.

### ADAPTING OUR ORGANIZATIONS TO ADVANCE STRATEGIC PLANNING AND PERFORMANCE MANAGEMENT

Building on progress since the 2010 QDDR, the Department and USAID will further develop the training, technical assistance, and planning and management tools available to our employees. We will also continue improving our planning and decision-making processes. To this end we will:

**Strengthen information-sharing and collaboration.** Collaboration is essential to the success of strategic planning and programming. At overseas posts the Department and USAID will create networks that share information on strategic planning, budgeting, programming, and performance. In addition, members of country teams will share more information and work together to achieve the objectives in the ICS. Department bureaus and offices will ensure greater integration of strategic planning, budget planning and execution, program and project management, grants management, and performance monitoring and evaluation.

**Institute senior-level bureau and mission reviews.** Senior Department bureau leaders and chiefs of mission will institute regular reviews to assess progress against strategic objectives, and ensure alignment of policy, planning, resources, and program decision making. These reviews will focus on information obtained from monitoring and evaluation processes, and will feed into the formulation of annual bureau and mission budgets and future bureau and mission strategic plans. At overseas posts the country team will also participate in these reviews of policies and plans, to ensure that all U.S. government efforts are aligned with U.S. foreign policy.

**Deepen expertise in planning and performance management.** Each bureau in the Department will assign at least one full-time, qualified, mid- to senior-level Civil Service employee to bureau planning and performance management, including monitoring and evaluation. This staff member will partner with the budgeting team to ensure that planning, project design, performance data, and evaluations inform leadership decisions. The Department will also develop training in these areas for both Foreign Service and Civil Service personnel.

**Advance adaptive planning and assistance.** We will make our strategic planning, program and project design, and monitoring and evaluation processes more adaptive in challenging environments. Our planning, programming, and assistance in fragile states and conflict-affected countries require that our implementation processes have the ability to respond to changes on the ground. We will identify more flexible procurement mechanisms that allow country programs to react to new information and changing circumstances. This process includes more iterative and flexible planning models, as well as establishing grants and contracts that enable course corrections; creating performance indicators and other metrics that encourage timely feedback with partners on analysis and diagnostics; and adopting management processes that facilitate experimentation and learning.

We will make our strategic planning, program and project design, and monitoring and evaluation processes more adaptive.

## 5. ENGAGING AMERICANS AS PARTNERS IN FOREIGN AFFAIRS

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**“In today’s global world, there is no longer anything foreign about foreign policy. More than ever before, the decisions that we make from the safety of our shores don’t just ripple outward; they also create a current right here in America. How we conduct our foreign policy matters more than ever before to our everyday lives.”**

— Secretary Kerry, remarks at the University of Virginia,  
Charlottesville, VA, February 20, 2013

Building on the success of the 2010 QDDR in framing diplomacy and development as a whole-of-government effort, we propose to take an additional step: increase the involvement of the American people in our foreign policy and overseas engagement. In this era American leadership needs the active engagement of nearly every sector of our society, economy, and culture. Americans and peoples of other nations share a profound interest in

knowing more about each other. The Department and USAID will work with business and faith leaders, philanthropists, technologists, scientists, engineers, inventors, artists, and others - a whole-of-America approach—to advance peace, prosperity, justice, and fairness. We commit to greater efforts to inform and engage with the American people, and to learn from them—so that the ideas and innovations of our businesses, organizations, and ordinary citizens continue to inspire our diplomatic and development efforts.

## LINES OF EFFORT

**Expanding public-private partnerships.** The nature of today's economy requires partnerships that span sectors, and public-private partnerships can greatly amplify the impact of the Department and USAID. The Secretary's Global Partnership Office has garnered more than \$820 million in public and private resources through partnerships since 2009. The Global Equality Fund, a collaborative effort led by the Department, brings together government, the private sector, and NGOs to help civil society promote human rights norms and provide preventive and emergency assistance to LGBTI activists. Launched by Secretary Kerry in January 2014, the "100,000 Strong in the Americas Innovation Fund" is a public-private partnership supporting study abroad programs between the United States and the countries of Latin America and the Caribbean; its goal is to connect the nations of the Western Hemisphere through their young people.

USAID has formed more than 1,500 partnerships since 2001, leveraging over \$20 billion in public and private-sector resources. Power Africa, Feed the Future, and the U.S. Global Development Lab incorporate private sector engagement into their core business models, and catalyze billions of dollars of private sector investment into agriculture, health, energy, and other areas important to international development. The Department and USAID will continue promoting public-private partnerships to spur sustained and inclusive economic growth, encourage entrepreneurs, enhance access to workforce training, and expand U.S. businesses overseas.

**Facilitating exchanges and international travel.** Facilitating person-to-person connections between Americans and people abroad is a vital part of our work. USAID's use of American citizen volunteers in Farmer-to-Farmer and other exchange programs builds these personal connections, while enhancing the success of U.S. foreign assistance programs. Under the sponsorship of the Department's International Visitor Leadership Program (IVLP), more than 200,000 future leaders and experts from countries around the world have visited the U.S. since 1940. As part of President Obama's Young African Leaders Initiative (YALI), the Department and USAID, with support from other agencies, have conducted 15 exchange programs specifically for young African leaders, and sponsored more than 1,600 sub-Saharan students and scholars in educational and cultural affairs programs.

In addition to the personal connections that are made, international travel to the United States adds to the bottom line of many American businesses. The Department's consular officers and staff facilitate travel by millions of international visitors who come to the United States each year for tourism, business, or to study at American universities. According to Department of Commerce estimates, international visitors contribute more than \$220 billion annually to the U.S. economy; in 2014, the economic impact of international students alone was more than \$29.4 billion.

**In this era, American leadership needs the active engagement of nearly every sector of our society, economy, and culture.**



*Mimi Arnstein, a Partners of the Americas volunteer and participant in USAID's Farmer-to-Farmer program, and a greenhouse vegetable producer in the Dominican Republic share knowledge and experiences. Ms. Arnstein is an organic vegetable producer from Vermont. (Photo courtesy of Leia D'Amboise)*



*As the Southern California Diplomat in Residence, Michelle Los Banos (front left), travels regionally to inform and inspire future diplomats. In March 2015 she visited a career fair at the Chaminade University of Honolulu.*

### **Engaging the American people.**

Americans are our greatest diplomatic and development asset around the world. The Department communicates directly with the American public, sending speakers to high schools, colleges, and other forums to discuss the policies, priorities, and impacts of U.S. foreign policy, and why diplomacy matters. We also engage in virtual outreach via social media, the Foreign Policy Classroom, and Foreign Affairs Campus Coordinators. The Department provides Diplomats in Residence at many U.S. universities to inform students, professionals, and communities about our work overseas and about potential careers in foreign affairs. Our Hometown Diplomats Program provides opportunities for Foreign Service and Civil Service employees to address American audiences about their careers and experiences. Since the program's inception in 2002, approximately 1,200 Department employees have engaged with students, social and professional organizations, and local media.

## **ADAPTING OUR ORGANIZATION FOR ‘WHOLE OF AMERICA’ DIPLOMACY AND DEVELOPMENT**

America is stronger when more of our citizens are engaged beyond our borders. We need to do more to link our overseas work with the strength and ideas of American businesses, organizations, and citizens. To build on our successes in elevating the role of public-private partnerships since the 2010 QDDR, we will:

**Increase engagement with diaspora communities, faith-based groups, and others.** Diaspora communities retain emotional, financial, and familial ties to their ancestral homes. The more than 62 million first- or second-generation Americans can play uniquely important roles in addressing diplomatic, development, and humanitarian challenges abroad. The Department and USAID created the International diaspora Engagement Alliance (IdEA) to harness global connections of diaspora communities and promote sustainable development in their countries of origin. We will create new platforms to advance diaspora engagement and to encourage financial investments and greater individual involvement. We will build on recent successes, such as the annual Global Diaspora Forum and the African Diaspora Marketplace, and engage host countries in facilitating additional diaspora partnerships.

**Increase faith-based and community engagement.** Secretary Kerry has noted it is “critical we continue and strengthen our work to assess religious dynamics and engage religious actors while pursuing our diplomacy and development objectives.” The Department and USAID partner with faith-based and community groups on a range of global issues, from climate change to international terrorism, with the goal of moving toward a more peaceful, prosperous, and free world. We will eliminate unnecessary barriers to such cooperation, and provide information on grant opportunities that can deepen our engagement.

**Reach students and civic leaders through the Engage America program.**

America's strength rests in part on ensuring that our current and future leaders are exposed to and engaged with all corners of the world. The Department and USAID will develop user-friendly platforms and content for teachers, civic groups, and others to interact directly with diplomats and development professionals at their posts around the world. We will:

**America's strength rests in part on ensuring that our current and future leaders are exposed to and engaged with all corners of the world.**

- **Update and expand the Hometown Diplomat program.** Reconceived as Engage America, the program will facilitate tech-based engagements with overseas posts, with a particular focus on reaching out to classrooms and community groups in under-served American communities.
- **Make citizen engagement part of the job.** Every Foreign Service employee in the Department and USAID will be required to spend time engaging directly with the American people. A key purpose of this engagement is providing young Americans the opportunity to learn about global issues. Wherever possible, we will include domestic outreach in employees' work requirements as a complement to expectations they conduct outreach at posts.
- **Develop innovative online content for teachers.** User-friendly platforms will be developed that can link our presence overseas with any classroom in the United States, explaining the role of diplomacy and development and providing resources for better understanding of other cultures and global issues. 



Former USAID Administrator Rajiv Shah and Deputy Secretary of State for Management and Resources Heather Higginbottom pose with thirty 15-year-old students participating in the launch of a global coalition called action/2015 at the State Department. The event was organized with ONE, Save the Children, the UN Foundation, and Girl Up.





## CHAPTER 3

# INVESTING IN AN AGILE, SKILLED WORKFORCE

*Secretary Kerry with a State Department Civil Service orientation class at a swearing-in ceremony  
at the Foreign Service Institute, Arlington, VA, July 18, 2014*

# INVESTING IN AN AGILE, SKILLED WORKFORCE

**“We continue to be highly regarded as one of the best places to work in the federal government. My goal is to make it even better for everyone -- Foreign Service, Civil Service, Locally Employed (LE) Staff, family members, and the entire labor force. We want to make sure we represent every corner of the United States and every face in the United States, recruiting, retaining and sustaining an exemplary workforce to anticipate and offer solutions to 21st Century foreign policy challenges.”**

*— Ambassador Arnold A. Chacon, Director General of the Foreign Service and Director of Human Resources, State Department, welcome message, January 6, 2015*

We envision a State Department and USAID workforce that is more flexible and diverse, enabling our people to move between positions and agencies, and in and out of the government, as needed. Our managers will foster work environments that allow for the physical and mental health of staff and maximize each person’s skills and career development. Our employees will pursue learning and professional development and will have the tools and the skills required to do their jobs right.

To achieve such a workforce, we will focus on:

- 1) Increasing agility;
- 2) Investing in training, diversity, and leadership; and
- 3) Taking care of our people.

## **1. INCREASING AGILITY**

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**“We stand at an incredible moment in development—as new tools and opportunities have made it possible to achieve progress that was simply unimaginable in the past.”**

*— Acting USAID Administrator Alfonso E. Lenhardt, remarks at Council of International Development Companies conference, November 18, 2014*

The Department and USAID are committed to getting the right people with the right skills, in the right place at the right time, to pursue U.S. national interests abroad. The fluid nature of global events requires us to respond quickly, and we need to be able to deploy expertise whenever and wherever it is needed. The intersection of these goals drives our human capital management on all fronts, including workforce planning, talent management, performance planning, training, and accountability. We are taking the steps needed to meet emerging workforce challenges so we can achieve U.S. diplomacy and development goals, focus greater attention on crisis prevention, and respond to new opportunities as they arise—with a workforce that reflects the diversity of the United States.

We have done this through strengthening local staff abroad and the Civil Service workforce at home, and by recruiting more broadly to increase our diversity. USAID also has added depth and breadth in program technical areas, and hired more Foreign Service officers.

## LINES OF EFFORT

**Increasing mobility of our workforce.** Since the 2010 QDDR, the Pathways Programs have sought to bring more students and recent graduates into the federal workforce. Based on 2010 QDDR recommendations, the Department also introduced the Overseas Development Program (ODP) in 2011, which expanded opportunities for Civil Service employees to gain overseas experience and allowed the Department to develop a cadre of mid-level Civil Service employees with first-hand experience in the Department's overseas operations. In 2013 the Department successfully piloted the Functional and Leadership Exchanges (FLEX Connect) program, which fills sudden gaps and allows for professional development rotations of up to 90 days.

We support crossover assignments between USAID and the Department to promote cooperation and the development of new skills. We will continue to use programs, such as USAID's Civilian Military Cooperation Training and the Department's partnerships with Department of Defense, which allow our employees to participate in long-term training programs at DoD institutions as both students and faculty. And we will seek to provide more opportunities for DoD personnel to participate in State and USAID training programs.

## ADAPTING OUR ORGANIZATIONS TO INCREASE AGILITY

We aspire to create flexible, adaptive organizations with a mobile workforce. To do this, we will:

### FLEX CONNECT

Based on the first QDDR's call for a more agile workforce, the Department of State in 2013 inaugurated FLEX Connect (Functional and Leadership Exchanges). This program uses a web-based platform to connect mid-level Civil Service or domestically posted Foreign Service employees with offices to fill short-term opportunities (up to 60-day assignments or project-based contributions). Participation can be either full-time or part-time, and the employee's position of record does not change. The employee, the employee's official supervisor, and the employee's FLEX Connect host-office supervisor sign an agreement. The program is beneficial to employees, who add to their skill sets, and to employers, who meet short-term office needs.

**Improve our ability to quickly align skills with positions.** Flexible staffing and hiring are critical elements of an agile and integrated workforce. We will:

- **Adjust our training and assignments to meet established needs.** We will track and map all necessary job skills across the Department, building on an initiative begun after the 2010 QDDR, and will expand this initiative to all skill areas. USAID will implement a workforce planning process that provides support to overseas missions and Washington.
- **Increase circulation of personnel in and out of our organizations.** We will do this via assignments in think tanks, the private sector, and local governments, as well as exchanges within the government, to allow employees to bring new ideas and experiences to our work. We will explore ways to expand FLEX Connect to new positions and locations, including virtual rotation opportunities, and link the program with similar interagency efforts. This will not only allow us to fill staffing gaps, but will also give Civil Service personnel more mobility and enhance workforce flexibility.

- **Improve our ability to hire quickly.** We will make maximum use of, and seek to broaden, regulations that allow the advertising of temporary vacancies. We will also support generalized hiring authority for all bureaus to allow rapid acquisition of specialized expertise. The Department and USAID will explore all options for streamlining the hiring process and quickly filling staffing gaps, in compliance with Merit System principles.

**Make the most of our talent and expertise.** While our organizations contain different cohorts that follow a variety of career tracks, and involve different human resource laws and regulations, we are nonetheless one team. We will provide all our employees with career opportunities and well-defined positions that allow them to make the fullest possible contribution in their service to the American people. We will retain and encourage growth in subject-matter expertise among our employees including:

- **Civil Service:** Civil Service employees bring extensive subject-matter expertise and institutional understanding to our organizations, and we need to increase career options that allow those with this expertise to flourish. To improve retention of these experts, we will seek to increase our use of the Senior Level or Senior Technician (SL/ST) designation. This effort will involve greater use of the SL/ST authority we already have; if necessary, we will seek greater SL/ST allocations from the Office of Personnel Management (OPM). We will strive for maximum use of Civil Service expertise through the rotation opportunities mentioned above, as well as by improving the process by which we advertise Civil Service vacancies.
- **Local Staff Abroad:** Locally Employed (LE) staff make up the majority of our global workforce and play critical roles at our missions. The Department and USAID will work with Congress to ensure that we devote sufficient resources to attract and retain this exceptional talent. The Department will build on efforts such as the Executive Corps program, under which a cadre of LE staff visit other posts to train, mentor, troubleshoot, and contribute expertise. USAID will continue its Foreign Service National (FSN) fellowship program, which sends FSNs on temporary rotational assignments to Washington. We will expand this program, sending senior FSNs to provide technical expertise to other overseas missions.



Democracy and Governance Program Director for USAID/Afghanistan Jessica Zaman (center) stands alongside employees Niaz Afghanyar, Mir Shirazi, Noor Ahmad, and Mahmood Rahimi as they proudly display their inked fingers after voting in Afghanistan's presidential and Provincial Council elections.

## 2. INVESTING IN A SKILLED, DIVERSE WORKFORCE READY TO LEAD

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“...A culture of leadership [is] an environment in which a unified leadership philosophy permeates the character of an organization and all members understand, respect and strive to incorporate the unique virtues and responsibilities of leadership into individual performance... our vision is that [we] develop exceptional leaders who expand America’s capacity to act internationally and advance American interests, even in the face of increasingly complex challenges.”

— from “*A Campaign to Build a Culture of Leadership: Aligning Our Work and Outlining a Roadmap for the Future*”, State Department’s Culture of Leadership Roundtable, January 2015

The success of the State Department and USAID rests on our ability to recruit, train, deploy, and retain talented, dedicated professionals. To achieve the policy goals of this QDDR, we must prepare people not only to react quickly to crises, but also to proactively advance our interests. This, in turn, requires us to develop leaders with the skills needed to make tough calls quickly and to guide our organizations in the future. Continuous investments in the professional development of our people ensure that they have the expertise and skills to tackle global challenges. Effective leadership creates strong morale and cohesiveness, which is critical to achieving mission goals and retaining top talent. It does this by creating an inclusive environment where the contributions of all employees are valued.

We are deeply committed to having a workforce that reflects our nation’s broad diversity. This is especially important for the Department and USAID, which represent the United States and its values around the world. A diverse workforce also results in better policy making, by ensuring policy decisions include a wider variety of perspectives.

### LINES OF EFFORT

As organizations, our goal is to value the contributions of all of our personnel, including local staff. To ensure that our workforce has the skills, experience, and expertise to lead, we are:

**Providing continuous, accessible learning.** Since the 2010 QDDR, FSI has begun a significant overhaul of its approach to training. FSI’s goal is to invest in cutting-edge training materials and modules as part of “blended and continuous” curricula that staff can access in the field and in short increments, woven into daily work with encouragement from managers.

**Strengthening leadership training and development.** Strong leadership at all levels is a key component of successful diplomacy and development. For more than a decade, the Department and USAID have had mandatory leadership training and a career development plan including, since 2013, a mandatory Fundamentals of Supervision course for first-time supervisors. The Secretary’s Leadership and Management Principles, released in 2014, underscore our commitment to leadership development. The Department’s Culture of Leadership Roundtable has identified areas where we can inculcate these principles, from recruitment to performance appraisal and promotion, training, and selection for positions. USAID created the Administrator’s Leadership Council (ALC), composed of the Agency’s senior leaders, to discuss priorities, assess results against development objectives, and increase leadership accountability, thus enhancing collaboration, communication, and effective, transparent decision-making.

**Increasing diversity.** Our organizations are making extensive efforts to recruit and support women, minorities, LGBTI persons, and persons with disabilities. Our recruitment efforts include the Department’s successful Pickering and Rangel fellowship programs (see box), USAID’s Payne fellowship program, opportunities for military veterans and persons with disabilities, the 2012 Diversity and Inclusion Strategic Plan, and nationwide outreach to underrepresented populations among students. We will continue to monitor the success of these programs and will seek to increase them as the need arises. Senior leaders from the Foreign Service and Civil Service serve as advisers, advocates, and mentors to the Department’s Employee Affinity Groups. These leadership liaisons also serve on the Department’s Diversity Governance Council which, under the guidance of the Department’s Office of Civil Rights (S/OCR), applies a diversity lens to the development and implementation of management policies and initiatives. Similarly, USAID’s Office of Civil Rights and Diversity (OCRD) partners with the Agency’s Employee Resource Groups (ERG) to address the issues and concerns of their employee stakeholders. OCRD is working with the Office of Personnel Management (OPM) to implement new training on diversity and inclusion, and pilot OPM’s Diversity and Inclusion Dialogue Program. USAID has also worked with private-sector providers on training sessions related to diversity and inclusion.

## ADAPTING OUR ORGANIZATIONS TO INVEST IN A SKILLED AND DIVERSE WORKFORCE READY TO LEAD

Building on these efforts, we will strive culturally and structurally for organizations that provide lifelong learning, promote leadership, and encourage assignments within the interagency and outside of government to increase expertise. We will redouble efforts to cultivate and retain a workforce that represents the tremendous diversity of the United States. To this end, we will:

**Expand the core curriculum and invest in training resources for employees.** The State Department will develop a diplomatic mastery curriculum, as part of an expanded professional curriculum for Foreign Service employees, that will provide a broader understanding of the fundamentals of diplomacy as a practice and profession. Lifelong professional training will begin with a core curriculum upon entering the Department and continue through a person’s professional career, with access throughout to “blended-and-continuous” modules

### THE PICKERING AND RANGEL PROGRAMS

The Thomas R. Pickering Foreign Affairs Fellowship is funded by the State Department and administered by the Woodrow Wilson National Fellowship Foundation. The Fellowship is designed to attract outstanding individuals from all ethnic, racial, and social backgrounds who are interested in a Foreign Service career with the Department. Pickering undergraduates apply as rising seniors; graduate applicants must be seeking admission to a two-year master’s degree program. The Rangel Program is a collaboration between the Department and Howard University that prepares outstanding candidates for the Foreign Service. The program seeks individuals interested in shaping a freer, more secure, and more prosperous world through formulating, representing, and implementing U.S. foreign policy. It encourages applications from members of minority groups historically underrepresented in the Foreign Service and those with financial need. There are two components: an International Affairs Graduate Fellowship Program that provides support for graduate school, professional development, and entry into the Service, and an International Affairs Summer Enrichment Program that provides undergraduates with opportunities to enhance skills, knowledge, and understanding of U.S. foreign policy. Rangel and Pickering Fellows have increased the Department’s minority representation significantly and, along with USAID’s Payne Fellowship, are projected to allow the Department and USAID to reach levels that mirror minority representation in society within a decade.

that combine instructor-led training with peer consultation and comprehensive on-line learning. We will seek more opportunities to train together, using the capabilities of the National Foreign Affairs Training Center. In addition, we will expand partnerships with universities that invite our employees to obtain graduate degrees.

USAID will strengthen the capacity of its staff to ensure that everyone has the knowledge, skills, abilities, and resources to achieve the Agency's ambitious and constantly evolving development and humanitarian assistance goals. Building on its online learning management system, USAID will increase state-of-the-art online technical development courses, including a focus on gender and marginalized groups. Incorporating State Department practices, USAID will establish dedicated first-tour positions for new Foreign Service Officers and increase the number of language-designated positions.

**Train and support effective, accountable leaders.** More than half of our Foreign Service personnel have entered the service in the past 10 years. As this new generation takes on leadership roles, the need for formalized leadership training has grown. Such training, which is currently given at each rank and outside of the work context, has not kept pace with this demand. We recognize the importance of investing in and building leadership capacity at all levels of the Department and USAID by focusing on training, mentorship, feedback, and support throughout our employees' careers. We will:

- **Strengthen mandatory leadership training.** We will enhance and reshape leadership training and place it in context, including through classroom training, coaching by roving trainers, and virtual platforms at posts. To develop effective leaders we will make continuous feedback a priority, beginning this process at the early stages of an employee's career and continuing it up through the senior levels.



Secretary Kerry visits an Arabic language classroom at the Foreign Service Institute (FSI) in March 2013. FSI provides more than 600 courses—including training in some 70 foreign languages—to more than 100,000 enrollees a year from the State Department, more than 40 other government agencies, and the military service branches.

- **Increase accountability for leaders.** The Department and USAID will continue to update the way we evaluate and promote employees. We propose to link evaluations to Secretary Kerry's Leadership and Management Principles. We will expand our use of evaluation tools and update the performance management systems for Civil Service staff at the Department and USAID to better align an employee's performance plans with the objectives of the office. To ensure excellence in senior leadership, we will expand the Deputy Chief of Mission Bidding Assessment Tool and apply lessons from success with the Consular Bidding Assessment Tool.

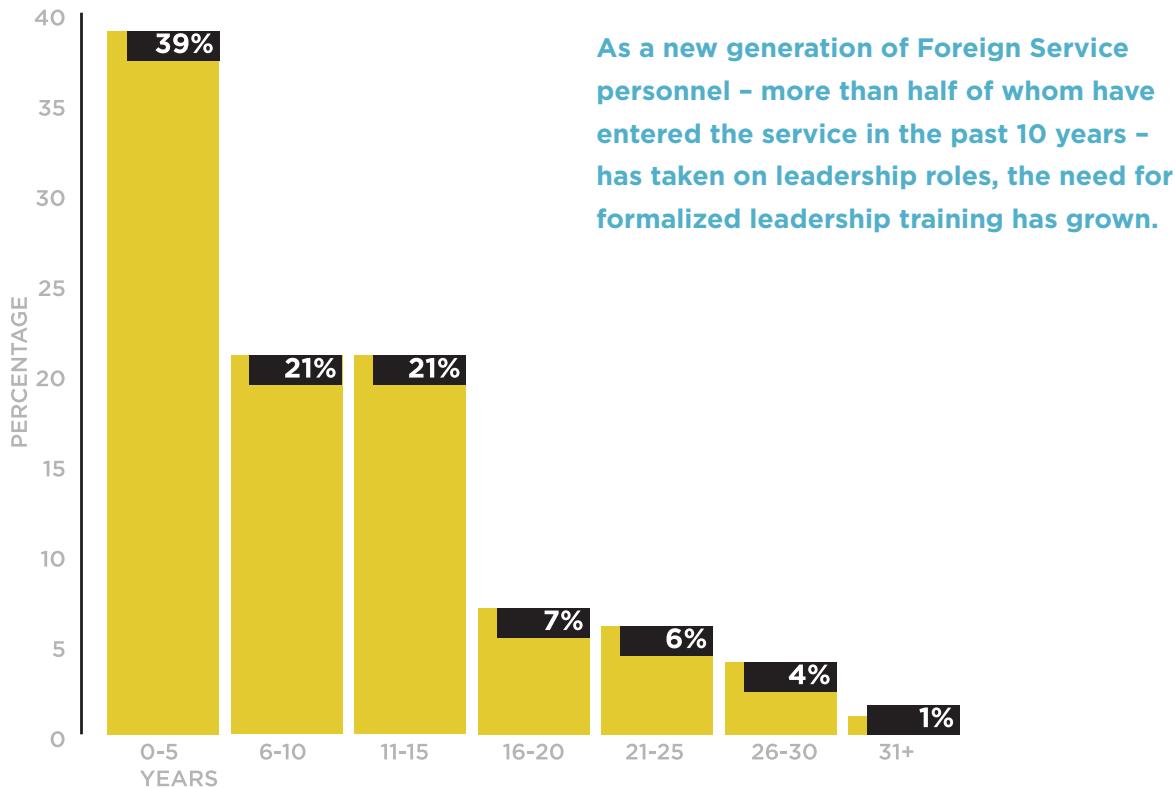
**Increase and encourage long-term training and excursion tours.** Employees returning from outside details to businesses, academia, non-governmental organizations, think tanks, and the interagency introduce new ideas, energy, and connections to the Department and USAID. We will increase excursion tours and long-term training for employees at both senior and mid-levels, increase the number of opportunities and exchanges available, and make the process for taking excursion tours more efficient and flexible. We will ensure that such tours are recognized as part of a balanced career by providing substantive evaluation reports for work done during those periods of time.

### ESTABLISHING LEADERSHIP PRINCIPLES

In March 2014 Secretary Kerry introduced a new set of Leadership and Management Principles to serve as a standard for all Department employees, noting that "you do not need to be a manager to be a leader." The full text of the LMPs is in the Foreign Affairs Manual (3 FAM 1214). The principles include:

- 1. Model Integrity** – Hold yourself and others to the highest standards of conduct, performance, and ethics; act in the interest of and protect the welfare of your team and organization.
- 2. Plan Strategically** – Provide a clear focus, establish expectations, give direction, and monitor results. Seek consensus and unified effort.
- 3. Be Decisive and Take Responsibility** – Provide clear and concise guidance, training, and support, and make effective use of resources. Grant employees ownership over their work.
- 4. Communicate** – Express yourself clearly and effectively. Be approachable and listen actively. Offer and solicit constructive feedback from others. Support the morale and attitude of your team.
- 5. Learn and Innovate Constantly** – Display humility by acknowledging shortcomings and working continuously to improve your own skills and substantive knowledge. Foster an environment where fresh perspectives are encouraged and new ideas thrive.
- 6. Be Self-Aware** – Be open, sensitive to others, and value diversity. Note the overall attitude and morale of the team and be proactive about understanding and soliciting varying points of view;
- 7. Collaborate** – Establish constructive working relationships with all mission elements to further goals. Create a sense of pride and mutual support through openness;
- 8. Value and Develop People** – Empower others by encouraging personal and professional development through mentoring, coaching and other opportunities.
- 9. Manage Conflict** – Encourage an atmosphere of open dialogue and trust. Embrace healthy competition and ideas. Anticipate, prevent, and discourage counter-productive confrontation.
- 10. Foster Resilience** – Embrace new challenges and learn from them. Persist in the face of adversity. Take calculated risks, manage pressure, be flexible and acknowledge failures. Show empathy, strength, and encouragement to others in difficult times.

## TIME SPENT IN THE FOREIGN SERVICE\*



\*includes the career full-time State Department Generalist and Specialist workforce as of 12/31/2013

SOURCE: U.S. STATE DEPARTMENT

**Increase the diversity of our workforce.** Recruiting a workforce that represents the broad diversity of the United States is a major objective of the State Department and USAID. To that end, while continuing to identify and learn from the best practices developed by other agencies and the private sector on diversity and inclusion, we will:

- Add or enhance language in managers' work requirements about the need to foster diversity and inclusion in the workplace, as this is a critical skill for managers to demonstrate before they are promoted to positions of greater responsibility;
- Increase our efforts to reach out to America's veterans, with a particular focus on veterans of diverse backgrounds, to persuade them to continue their public service with the State Department or USAID;
- Sustain the number of fellowships offered annually by the Rangel, Pickering, and Payne fellowship programs;
- Initiate an early identification program, focusing on students from under-represented communities who have an interest in public service;
- Improve retention by addressing the reasons employees resign from their positions, informed by data from exit interviews, and use this data to enhance training for managers.

**Encourage tours by Foreign Service Officers in State Department functional bureaus.** Improving personnel circulation between functional and regional bureaus helps strengthen organizational integration and encourage greater specialization in key transnational issues. The Department will strengthen incentives for Foreign Service Officers to serve in functional bureaus by seeking to add a functional elective option for admission into the Senior Foreign Service and a functional family major to the Career Development Plan.

### **3. TAKING CARE OF OUR PEOPLE**

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**"Breeding a culture that respects and understands the value of work-life wellness starts with...leadership. For everyone to do their jobs well, we need to understand and support your needs...[and] ensure you have the tools to balance family, health, and work responsibilities."**

*Deputy Secretary Heather Higginbottom, remarks at State Department's Work-Life Balance event, October 23, 2014*

Retaining the best people, staying competitive in today's dynamic work environment, and increasing the diversity of our staff require us to invest in our employees and ensure they can balance their work and personal lives. This is important for any employer dedicated to retaining top people, but it is particularly critical for the Department and USAID given the round-the-clock nature of foreign affairs, the increased needs for staffing in dangerous environments, and the significant personal sacrifices our staff and their families often make. We recognize these sacrifices and will provide necessary support for our families.

#### **LINES OF EFFORT**

The State Department and USAID are committed to building a 21st-century work environment where everyone feels engaged and where employees' well-being and work-life balance are high priorities. As part of this commitment, we are doing the following:

##### **BALANCING ACT AT STATE**

Founded in 2011, Balancing Act is an employee organization with more than 500 members. It advocates within the Department for resources and policies that allow a better work-life balance, such as childcare, eldercare, flexible work arrangements, and teleworking. The purpose of these policies is to enhance productivity and to help the Department attract, retain, and motivate a diverse talent pool. Accomplishments to date include:

- **Voluntary Leave Bank:** Balancing Act proposed this and provided examples from the interagency on how to set it up;
- The **Work-Life Wellness event** in October 2014 featuring Secretary Kerry, Deputy Secretary Higginbottom, and Counselor Shannon;
- Successful advocacy for increased capacity at State **daycare facilities**;
- The **backup dependent care program** through Info Quest, established in 2014.

**Increasing work-life wellness.** We continue to encourage a healthy balance between an individual's work and personal life. The Deputy Secretary established and chairs a Work-Life Wellness Task Force and launched a Voluntary Leave Bank. The Department's Family Liaison Office continues to support careers for eligible family members (EFMs) through its Global Employment Initiative and is developing a database to enable hiring managers to identify returning EFMs as candidates for domestic positions. Through the Staff Care Center, which was launched in February 2012, USAID is bolstering campaigns and initiatives that reinforce well-being and work-life balance. The Center offers confidential in-person, telephone, and online services on a 24/7/365 basis to support employees and families.

**Supporting flexible work schedules and families.** As of early 2015, more than 5,300 Department employees had approved telework agreements, up 28 percent from the prior year, and up 50 percent from 2013. In 2014 the Department began a series of conversations with bureaus to explain telework and alternate work schedule policies, suggest approaches for managing a flexible workforce, and address managers' concerns. The Department has enabled

domestic direct hire Department employees, under certain conditions, to telework from overseas in order to accompany their spouse to foreign posts of assignment. Known as Domestically Employed Teleworking Overseas (DETO), this program allows employees to carry out the Department's global mission while keeping families together. USAID has provided in-person telework training to all Washington staff, and 90 percent have a core or situational telework agreement in place. USAID is also pursuing telework pilots customized to the needs and constraints of its employees overseas. Women@AID, a formal USAID employee resource group, worked to ensure that both women and men could use the Voluntary Leave Transfer Program upon the birth of a child. The Department and USAID also oversee a range of family support efforts such as lactation facilities, child care subsidies, and emergency backup care programs.

## ADAPTING OUR ORGANIZATIONS TO TAKE CARE OF OUR PEOPLE

The Secretary's Leadership and Management Principles make clear that good management means taking care of our people. Good managers inspire their teams by understanding people's needs, including balancing work and family life. We will:

**Support those who face the greatest risks.** As the number of dangerous posts has grown, increasing numbers of our Foreign Service, Civil Service, local staff, and contractor workforce have served in challenging

### DEPARTMENT RANKS HIGH IN SURVEYS

In 2014 the State Department ranked third among large agencies in the annual "Best Places to Work in the Federal Government" survey conducted by the Partnership for Public Service. The Department's score for 2014 increased more than that of any other large agency.

In May 2014 *Forbes* magazine reported on a survey that asked members of the Millennial Generation where they wanted to work, and the Department ranked among the top 25 employers.



Secretary of State John Kerry and basketball great Dikembe Mutombo host children of State Department employees who are serving at unaccompanied posts overseas at a reception at the State Department on December 17, 2014.

locations. The Department and USAID are committed to ensuring that anyone who serves at a dangerous post receives high-quality support prior to, during, and on return from assignment. We will expand and update our training and leadership courses to promote resilience in our people. We will increase the capacity of the Office of Medical Services, which will pilot a mentorship program that pairs returnees with staff with high-threat, high-risk (HTHR) experience, and we will expand peer support groups. Lastly, we will examine our policy on Priority Staffing Posts (PSP) to reflect the challenging and important nature of work in HTHR posts and elsewhere. If this examination shows current incentives for posts worldwide to be out of balance, we will modify PSP incentives as needed in consultation with all relevant stakeholders.

**Ensure wellness and work-life balance for our people.** We are determined to make work-life wellness our cultural norm. For example, we will promote the health of our employees and their families by funding committees at posts to support wellness and fitness through health education, disease prevention initiatives, and promoting a healthy lifestyle. These will be supported by periodic travel to posts by our medical support teams. We will continue to make clear our expectation that managers enable a healthy balance between work and personal life. And, we will continue to ensure that our facilities fulfill wellness needs.

**Pilot leave options to meet educational and family needs.** Career-break initiatives already exist or are being considered in branches of the military, as well as in the private sector, and we should keep pace if we are to remain competitive for the best talent. Leave Without Pay (LWOP) offers an alternative to resignation for employees who wish to fulfill personal needs. In some cases Department or USAID employees seeking extended leave beyond one year—whether to pursue an advanced degree or to address a family challenge—resign and apply for reappointment within five years. We will pilot a career-break program that enables our Foreign Service and Civil Service staff, as a natural part of a full career, to take unpaid leave of up to five years over the course of a career for personal, professional, or educational purposes.

**Expand opportunities for eligible family members.** Two-career families are increasingly the norm in both American society and in the Foreign Service. This means that ensuring opportunities for spousal employment should be an integral part of our plans to retain and motivate staff. Therefore, we will strengthen efforts to build eligible family member (EFM) career tracks as an alternative to intermittent employment, building on and further supporting the work of the Global Employment Initiative, and we will use EFMs to fill existing staffing gaps whenever possible. We will create a database of EFM skills to aid spouses in finding jobs at posts, as well as in Washington. The Department also intends to expand popular programs, such as the Expanded Professional Associates Program (EPAP), and create a pool of jobs with telework options that can be advertised to employees interested in working as Domestic Employees Teleworking Overseas (DETO). The Department and USAID will pilot a professional career-track program for EFMs that will provide higher-skilled positions for EFMs and address staffing gaps. We will continue pursuing mechanisms to facilitate the security clearance process for EFMs so they can begin work at post without lengthy delays.

## CONCLUSION

The Quadrennial Diplomacy and Development Review defines a vision for American engagement and leadership abroad in the near term. The inaugural QDDR set out broad parameters for our work. This second Review intentionally looks at a discrete set of challenges, many internal, that, if effectively tackled, will advance the effectiveness of American diplomacy and development. We will focus on the threats of violent extremism and climate change, bolster economic engagement to promote inclusive economic growth and promote U.S. business, and seek to champion the democratic principles and institutions fundamental to world order. To better comprehend a rapidly changing world, we will draw on technological advances and new techniques to harness the power of our own knowledge and data, and more effectively use open source information.

The two greatest assets we possess, and the primary focus of our investments, are our people and our rich store of knowledge and experience in conducting diplomacy and development. America's diplomats and development professionals build the personal relationships that lead to the coalitions and partnerships essential to 21st-century foreign policy. We will further invest in effective, accountable leadership at the State Department and USAID, strengthen the skills of our people, and ensure that our organizational culture and business practices reflect contemporary American society and continue to attract and retain top talent.

Risk is inherent in the work that we do, and the dedicated professionals at the State Department and USAID recognize this fact. We continue to take the steps needed to minimize risk, but when the security environment hinders our ability to engage with governments and foreign publics, our national security suffers. Debates on security and risk cannot be easily resolved, but they cannot be avoided. We will begin a broad dialogue, across branches of government and with the American people, on the need to balance potential risk in our operations with the national security rewards of active engagement and advocacy of U.S. interests. While the State Department and USAID lead, we cannot go it alone. Congress is a partner, and we will seek the insight of members of Congress on the serious challenges we face. The work that our diplomats and development professionals do each day protects America's national interests. We will ask Congress, as our partner, for the resources and authorities needed to carry out that work. 



In August 2014, seventy students attended a three-day Civic Leadership Summit hosted by the Council on International Educational Exchange (CIEE), a State Department grantee. The Summit helps participants develop new skills and ideas to make our communities, countries and regions better places. (Photo courtesy of CIEE)



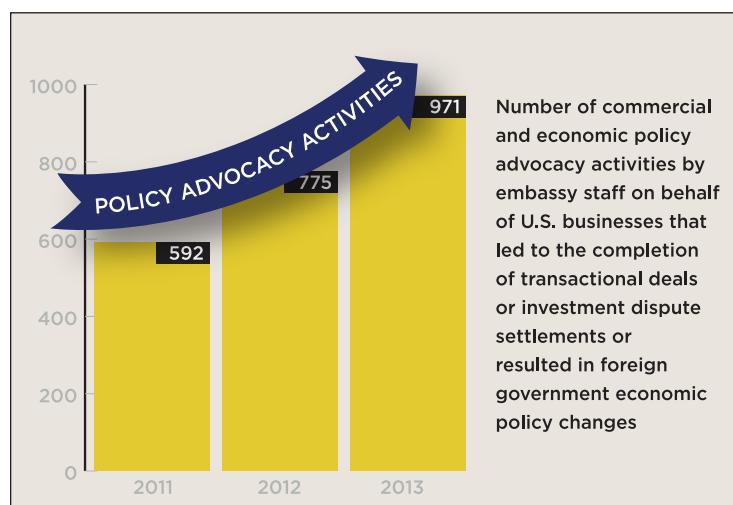


**APPENDIX**  
**2010 QDDR OVERVIEW  
AND UPDATE**

## 2010 QDDR OVERVIEW AND UPDATE

The 2010 Quadrennial Diplomacy and Development Review recognized the importance of civilian power to achieving America's national interests, and set in motion initiatives that expanded U.S. diplomatic and development capabilities. Among the most significant are the elevation of strategic planning, the elevation of international development and USAID, greater emphasis on economics and gender equality, more coordination with other federal agencies, and State Department restructuring to improve responses to challenges involving cyber threats, energy, and civilian security.

**Elevated Economics as an Essential Part of Foreign Policy:** The 2010 QDDR elevated the importance of economic tools at the Department and USAID. USAID more than doubled the number of economists in Washington and in the field, and strengthened the integration of economic analysis throughout the Program Cycle. The Economic Statecraft initiative underscored the Department's contributions to strengthening the domestic economy. In 2011, the Department of State and the Department of Commerce agreed on a mechanism that enables our diplomats to provide fee-based services to U.S. companies exploring market opportunities in 56 high-potential foreign markets. For FY 2013, the State Department exceeded by 43 percent its "Economic Statecraft" Agency Priority Goal (APG) of increasing the number of market-oriented economic and commercial policy activities and accomplishments. Interagency collaboration on these initiatives yielded



SOURCE: U.S. STATE DEPARTMENT

trade treaties signed, and improved investment and trade policies. With the help of U.S. commercial advocacy abroad, American businesses achieved record exports for five consecutive years, with exports reaching an all-time high of \$2.34 trillion in 2014, supporting 11.7 million American jobs.

**Strengthened Energy Diplomacy:** The Department reorganized the Office of the Under Secretary for Economic Growth, Energy, and the Environment, and established the Bureau of Energy Resources (ENR) and the Office of the Chief Economist. The 2010 QDDR recognized that dramatic changes in the energy economy needed to be addressed through a special focus on energy diplomacy. To match the momentum, ENR is actively working to build a cadre of energy officers with experience both overseas and in Washington to integrate an understanding of the energy economy into U.S. foreign policy and energy diplomacy. ENR has built diplomatic relationships to ensure secure, reliable, and cleaner sources of energy for global markets. ENR bolstered Ukraine and broader European energy security, launched a new Caribbean Energy Security Initiative, advanced energy sector governance, transparency and development, and conducted advocacy for U.S. exporters of clean and renewable energy technology. ENR has promoted stability in global oil markets and played a leading role in diplomatic efforts, including the creation of a regime to reduce and monitor the volume of Iran's crude oil exports, the development of targeted sanctions on Russia's energy sector, and initiatives to countering ISIL's access to revenues from the energy sector.

**Realigned Civilian Security Efforts to Improve Conflict Prevention and Response:** The 2010 QDDR recommended incorporating civilian security activities into the Office of the Under Secretary for Civilian Security, Democracy, and Human Rights (J) to lead Department efforts to prevent and counter threats to civilian security and effective governance. The recommendations led to strengthening the role of the Coordinator for Counterterrorism by creating a Bureau of Counterterrorism (CT). In addition, the Office of the Coordinator for Reconstruction and Stabilization (S/CRS) became the Bureau of Conflict and Stabilization Operations to enhance efforts to prevent conflict, violent extremism, and mass atrocities. The goal was to facilitate a more cohesive and strategic approach to civilian security by integrating J bureau activities and by capturing lessons learned. Some progress has been made in this area, and the Department will continue to strengthen this coordinated effort. USAID has enhanced the Bureau for Democracy, Conflict, and Humanitarian Assistance (DCHA) by mainstreaming resilience programming across the Agency programs. Improved resilience will mitigate the impact of shocks that reverse development and require increased humanitarian resources. DCHA is also better positioned to mitigate and respond to crises by deploying an increasingly comprehensive set of resources, including teams of experts, flexible funds, analytical tools, and data analysis that enable more effective programming in countries in crisis.

**Elevated and Modernized Development and USAID to Deliver Results:** USAID promotes sustainable development through local solutions and high-impact partnerships with governments, the private sector, and civil society organizations. The first QDDR defined international development as a strategic, economic, and moral imperative for the United States that is just as central to our foreign policy as diplomacy and defense. It set in motion USAID Forward, a suite of reforms focused on seven key areas: budget management; policy capacity; implementation and procurement reform; monitoring and evaluation; innovation, science and technology; and talent management. USAID increased resources for measuring results, and in 2013 completed 243 high-quality evaluations of foreign assistance programs that help USAID staff make smarter decisions and inform the design of new projects. USAID established the Global Development Lab, which partners with scientists, researchers, businesses, and universities and sources, tests, and scales up innovative solutions to the toughest challenges. In the area of human resources, USAID hired more than 1,000 Foreign Service Officers through the Development Leadership Initiative, increasing its Foreign Service staff by more than 70 percent. These staffing increases give USAID the technical capacity to implement programs and assess the effectiveness of development and humanitarian projects.

**Increased Policy and Program Focus on Gender Equality:** There is a growing body of evidence that greater gender equality increases economic productivity, improves development outcomes for the next generation, and makes institutions and policies more representative. For this reason, the QDDR recommended that gender equality be a priority in all aspects of our foreign policy, development programs, and operations. Following this effort, the federal government released two strategic plans related to the critical policy areas of peace and security and gender-based violence: The National Action Plan on Women, Peace, and Security and the U.S. Strategy to Prevent and Respond to Gender-based Violence (GBV) Globally. Further, State Department and USAID policy and guidance reinforced gender equality as a priority in our diplomacy and development efforts. Now, gender equality is a core element in policy development, strategy and budget planning, policy and program implementation, management and training, and monitoring and evaluation of results. The impact of these efforts is profound, such as the work conducted through the President's Emergency Action Plan for AIDS Relief (PEPFAR) to ensure that gender considerations and GBV are sufficiently addressed across HIV prevention, care, and treatment programs. This effort resulted in nearly 2.5 million people in 12 countries receiving GBV prevention interventions and services in FY 2013 alone.



*Former Secretary Hillary Clinton holds a town hall meeting at the Department of State.*

as mobile learning, food security and nutrition, public health, legal and financial services, sanitation, and mitigation efforts for unemployment. We conduct community diplomacy through strategic dialogues with civil society organizations, as well as with governors, mayors, and other leaders at the subnational level. We have convened technology experts and private sector companies to host TechCamps, aimed at building digital literacy of civil society organizations and other groups around the world. New media and social networking technologies have allowed us to reach new segments of society, as well as to help fight violent extremism. In support of these efforts, we are equipping our diplomats and development professionals with the digital tools and mobile technology they need to be successful.

**Invested in a 21st-Century Workforce:** We implemented the recommendation for increased staffing in both organizations. The Diplomacy 3.0 initiative resulted in a 17 percent increase in hiring at the Department. USAID increased mid-level hiring threefold and increased the size of the Foreign Service by 40 percent through the Development Leadership Initiative. USAID realigned resources with program priorities and repositioned the workforce away from Europe/Eurasia and Latin America/Caribbean to Asia and Africa. In pursuit of the 2010 QDDR's goal of expanded diversity hiring, the Pickering and Rangel programs have increased diversity in our ranks by over 20 percent. Expanded outreach through recruitment and fellowship programs continues. We have improved development and training opportunities, including targeted tradecraft courses emphasizing interagency coordination and collaboration. Since the first QDDR, the Pathways Programs have eased the path for hiring students and recent graduates into the Federal workforce. Based on 2010 QDDR recommendations, the Department also introduced the Overseas Development Program (ODP) in 2011, which expanded opportunities for Civil Service employees to gain overseas experience and allowed the Department to develop a cadre of mid-level CS employees with first-hand experience with the Department's overseas operations. In 2013, the Department successfully piloted the Functional and Leadership Exchanges (FLEX Connect) program, a mechanism to fill sudden gaps through short-term employee rotations of up to 90 days. Lastly, we have enhanced training, selection, and support for Chiefs of Mission reflecting QDDR priorities. Bidders on Front Office positions must now demonstrate a wide range of leadership capabilities showing readiness to direct a whole-of-government effort and prioritize teamwork and morale at the missions where they serve.

### **Increased Capabilities on Cyber Issues:**

The Department established a Coordinator for Cyber Issues (S/CCI) to ensure unified and effective State Department and interagency efforts to promote an open, interoperable, secure, and reliable information and communications infrastructure. The goal is a global information and telecommunications infrastructure that supports international commerce, strengthens international security, and fosters free expression and innovation. The State Department has led the creation of regional cyber strategies to implement the U.S. International Strategy for Cyberspace, through intra-agency and inter-agency fora that facilitate coordination, monitoring, and augmentation of the implementation strategies and activities.

### **Expanded Engagement and Outreach**

**Beyond the State:** As the diplomatic and development landscape has evolved, we have adapted our capabilities to engage beyond the state. We are using public-private partnerships across our diplomatic and development efforts. These partnerships implement initiatives such

**Improved Strategic Planning and Development of Integrated Plans and Budgets:** Under the 2010 QDDR, the Department and USAID streamlined strategic planning for bureaus and for missions overseas, working to make civilian power more strategic, coordinated, and effective. Bureaus and missions abroad now develop multi-year strategic plans that shape annual budget submissions and foster greater whole-of-government coordination, collaboration and transparency. USAID reestablished the Bureau for Policy, Planning, and Learning and the Office of Budget and Resources Management to enhance its ability to conduct budget and resource planning, and to develop policies and strategies. One example is the establishment of the Program Cycle, a model for planning, design, monitoring and evaluation of development projects. Our programs and organizations are now focused on fewer program areas, and are more selective about where they invest. The Integrated Country Strategies, the Country Development Cooperation Strategies, the Foreign Assistance Dashboard (a web-based tool that explains where foreign aid is invested), and improved program evaluation and management reviews have increased transparency and accountability.

**Recognized the Importance of Mission Leadership to a Whole-of-Government Approach:** As more federal agencies operate overseas with overlapping missions, they must perform as a team to avoid redundancies and maximize output. Toward this end, the 2010 QDDR set forth three recommendations: 1) the chief of mission (COM) should operate as a CEO; 2) the USAID mission director, where present, should serve as the chief development advisor; and 3) all agencies should help write an Integrated Country Strategy (ICS) every three years. While COMs do not have full authority over all matters at missions, such as control of other agency budgets, COMs who are successful at leading their missions in a CEO-like manner noted their authority also comes from supporting the different agencies and their goals, and knowing how to integrate each agency's work to further U.S. interests.

The 2010 QDDR was an ambitious undertaking that led to substantial changes across the Department and USAID. It defined the role of civilian power in foreign policy. Initiatives designed to get ahead of emerging trends positioned us to operate more effectively in a changing international landscape. The first QDDR launched a process of continuous adaptation and improvement, and its initiatives provide the foundation for our current efforts. 





## ACKNOWLEDGEMENTS

### *About the U.S. Diplomacy Center*

*The USDC is a privately-funded, non-partisan museum and education center dedicated to the story of American diplomacy. Located at the Department of State's historic headquarters, the Harry S Truman Building, the Center will invite visitors to explore the history, practice, and challenges of American diplomacy through interactive exhibits, artifacts, hands-on education programs, diplomatic simulations, and the expertise of foreign affairs specialists.*

# ACKNOWLEDGEMENTS

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