

PEACE CORPS ROADMAP

I EXECUTIVE SUMMARY

A. Key Issues

The Challenge

The Peace Corps, on the threshold of its 50th Anniversary, can once again inspire a new generation of Americans and play a highly significant role at this critical crossroad in American and world history. President-elect Obama singled-out the Peace Corps in his presidential campaign to play an important role in his pledge to restore American standing and leadership in the world. He is counting on the generosity and service of Americans of all ages to join hands with the peoples of developing countries to fight hunger, disease, poverty, environmental degradation and natural and human disasters. Peace Corps also represents Obama's vision that community service at home and abroad will help unite the country in these times of peril and economic crisis and renew a national spirit of solidarity and commitment to regain the core values of American society. The approximately 200,000 returned Volunteers have contributed enormously to helping Americans better understand other cultures in a fast changing world. Successful Volunteers also contributed in countless ways to the development of their host communities; and the Peace Corps by far has the most "graduates" of any other university or sector into the U.S. Foreign Service, USAID, and international development organizations. To this day, it remains an esteemed and respected institution. However, much remains to be done to further bridge the gap of understanding that separates us from the peoples of other nations, particularly as the United States itself is moving at a fast pace to become a truly multi-cultural society. Peace Corps' contribution in this important area must be given new urgency and commitment.

A necessary step for Peace Corps to become an effective part of President-elect Obama's reinvigorated U.S. diplomacy and development assistance effort is through measured growth over the next four years. Growth can come through expanding programs in the 76 countries with current Peace Corps presence and starting Peace Corps programs in at least 25 additional countries. A firm commitment to growth must come from both the Obama Administration and the Congress, and must remain steady over the coming years to ensure program continuity and effectiveness. To be an effective people to people and development assistance organization, Peace Corps must remain independent of other U.S. diplomatic and security agencies.

While Peace Corps continues to attract and inspire generations of Americans and draw respect from others, to fully meet President-elect Obama's challenge of growth and renewed relevance as an agency, Peace Corps must take urgent and resolute steps to renew many of its policies, procedures and practices. In a fast changing world Peace Corps has been slow to modernize its systems and programming. The challenge is to reform those aspects of its institutional composition that impede real innovation, foster insularity, fragmentation and top-down decision-making. Under the Bush Administration, the selection of field country directors not only became more laborious but also more partisan and does not lend itself to attract the best possible

professionals for this key role. In short, the new leadership of the Peace Corps must be prepared to make significant improvements to both grow and become a more effective agency.

The principal areas for reform that Peace Corps must address include:

- ***Improve volunteer recruitment, processing and placement.*** In an era of information technology, Peace Corps continues to process applications by hand, despite the fact that 95 percent of applications are filled-out on-line. Medical processing needs to be reassessed, particularly if older volunteers are to become a larger part of the Volunteer mix.
- ***Revitalize Volunteer recruitment procedures.*** Recruitment systems have lagged behind changing demographics and new technologies. While universities continue to supply young college graduates, Peace Corps recruitment systems are increasingly unable to attract higher skilled individuals that are much in demand. Part of the reason is that the one program—Master's International—which specifically recruits Volunteers with graduate training, never has received priority attention. Diversity recruitment has not produced a mix of Volunteers reflective of U.S. society. Opening Masters International programs at Historically Black and Historically Hispanic Colleges and Universities would be one way to enhance recruitment particularly if it is linked to some loan forgiveness. Surprisingly Peace Corps does not have recruitment professionals on staff.
- ***Improve programming and training.*** Quality jobs are key to Volunteer effectiveness and satisfaction. What a Volunteer makes of a job is also a function of both technical and language training, and building a Volunteer's capacity to perform well in often unstructured situations. Peace Corps staff recognizes that the agency has fallen behind in this critical area, while offering few suggestions for improvement. Peace Corps will require rethinking, including the development of strong relationships with specialized organizations and universities. Field programming relies heavily on local staff, many of whom are excellent, but have been in their jobs continuously for many years with little programmatic innovation.

In all of these areas but particularly with respect to site selection, program assignment and staff performance, finding more appropriate ways to incorporate the views of current Volunteers and departing Volunteers is essential. Every country should have a Volunteer Advisory Committee (VAC) that is a partner with the country director and staff in enhancing Volunteer safety, living conditions and program success. Volunteer feedback, through a revised, updated and effective annual Volunteer survey, through ongoing informal exchanges on a regular basis with the country staff and formal feedback mechanisms to regional staff and the director, and through more comprehensive close of service formats can be put into place immediately to enhance current and future Volunteer opportunities for success.

- ***Urgently modernize processes and procedures.*** A host of Peace Corps processes and procedures, from submitting volunteer requests from the field offices to matching applicants with volunteer requests do not make use of available software or technology that could help expedite and improve selection and placement performance. An internal Volunteer Delivery Systems committee, representing relevant agency offices, has worked to define the lifecycle

process from volunteer recruitment to close of service. However, implementation has lacked resources and priority interest from the leadership.

- ***Reverse current insularity from the development assistance community.*** Peace Corps has remarkably few partnerships and strategic alliances, either domestically or internationally. Current professional staff is forthcoming in their recognition that Peace Corps has progressively isolated itself in the development community. This has limited its own capacity to best utilize its own material and intellectual resources, leveraging those of other institutions, and creating synergies that could enhance its development impact overseas. Peace Corps has failed to make full use of the energy and enthusiasm of returning volunteers to bear witness to their experience and help Americans better understand other cultures. The new leadership is faced with the challenge of reversing this insularity and building a new array of program-building relationships.
- ***Change overly centralized management structure and practices.*** Presently, some 19 of Peace Corps' functional offices and departments report to the chief of staff, who concentrates power and authority. The Deputy Director is virtually without a specific role, other than filling-in for the Director during his absences. This concentration of power in the hands of one individual has stifled creativity, hampered decision-making, and detracted from agency effectiveness. Field staff complains about "bureaucratization" and concentration of power in the Headquarters. While staff morale is affected, it also affects Volunteer morale and a feeling of disempowerment. Peace Corps struggles with an early termination rate that is disturbingly high. Over centralization and the proliferation of offices has contributed to the emergence of multiple "silos," which limit inter-office communication and cooperation and the resolution of cross-cutting challenges, such as volunteer and staff training. A serious examination of the organization and structure of the Peace Corps is highly recommended to determine if staff positions can be redeployed from headquarters to the country offices where they are urgently needed.
- ***Address severe budgetary constraints.*** Dollar devaluation and inflation in FY2008 had a severe impact on current Peace Corps operations. A needed budget increase did not materialize in FY2009 because of a continuing resolution pegged at last year's level, forcing Peace Corps to cancel a new class of approximately 500 Volunteer trainees who had been recruited and selected for service. It has also meant staff cuts in headquarters and field positions and the postponement or elimination of needed infrastructure improvement investments. Hence, as the new administration is calling for an expanded Peace Corps, the agency has endured an actual reduction in size and capacity to effectively support current Volunteers.
- ***Improve Peace Corps country director selection procedures and provide more and better support to country programs and Volunteers.*** While Peace Corps wisely, though belatedly, decided in 1988 that country directors should not be political positions, the past few years has seen a gradual re-encroachment of partisan political factors or non-merit consideration in the selection process. Moreover, this selection process is cumbersome and excessively long, discouraging qualified candidates from applying. Without question, the country directors are the most important positions in the agency from the perspective of ensuring quality

programs, development impact, and sound Volunteer support and satisfaction. Country director selection must be greatly improved to ensure the hiring of quality professionals through a process not based on personal politics. At the same time, country directors must be given greater authority (while increasing headquarters performance oversight) to creatively manage field operations, establish alliances, leverage host country resources, and explore new programming opportunities. Volunteer support mechanisms for health, security and programs require more effectiveness and resources.

- ***Expand the focus and rewards by putting greater emphasis on the civic roles of returned Volunteers.*** Over the years Peace Corps has paid relatively little attention to its Third Goal, which is to help promote a better understanding of other peoples on the part of Americans. Usually scarce of resources, Peace Corps has focused its attention on on-going programs that center on the First and Second Goals (Helping people in developing countries address social and economic needs; and Helping promote a better understanding of Americans among the people they serve;). Nonetheless, returned Volunteers scattered throughout the country have actively taken it upon themselves to disseminate among family and friends their impressions and experiences. They have formed over 130 organizations of returned Volunteers scattered throughout the country, including the National Peace Corps Association (NPCA). Returned Volunteers have been recruited in significant numbers by U.S. diplomatic and development assistance agencies, as well as international agencies and multilateral corporations. In the spirit of President-elect Obama's call for public service and world understanding, Peace Corps must find ways to lend far greater attention and resources to its Third Goal.

It is time to actuate and demonstrate the power of returned Volunteer cultural and linguistic skills in the new multi-cultural America; show that Peace Corps service abroad helps solve problems here at home – completing the loop for Peace Corps; and create a re-employment stream for returned Volunteers. Taxpayers will see an impact at home (as teachers, public health workers and more). Over time, this grows into more support, first for overseas mission, and then for the domestic goal. It helps local officials meet challenges that some days seem insurmountable.

The Critical Choices for Peace Corps

Peace Corps faces one of the most important choices since its founding. It can rise to the occasion and become a key player in Barack Obama's vision for change, public service and renewed U.S. standing in a world that has grown to distrust Americans, their motivation and institutions. On the other hand, it can continue to struggle with its own relevance in a rapidly changing world that has witnessed the emergence of new development assistance approaches (PEPFAR, MCC), innovative volunteer programs, powerful non-profit organizations and well-endowed foundations. As the new Obama Administration ponders how to best rationalize its commitment to development assistance, Peace Corps must provide a fresh and dynamic response. It must also retool or reengineer itself to streamline and improve its operations to embark on a growth path in line with the President-elect's pledge.

A careful examination of Peace Corps' current program and operations reveals an agency with multiple internal challenges. It is time for some paradigmatic and dramatic changes. In some countries Peace Corps has continued with the same programs for decades without significant changes. In a developing world that is progressively moving towards more democracy and decentralization, Peace Corps Volunteers continue sector approaches, which deny the essentially integrated, multi-sector nature of the development process. In recent years Peace Corps has recognized the importance of local government, but has been less able to creatively place Volunteers in positions to foster improved local governance from the grassroots. One of the greatest strengths of the United States is the capacity of its citizens and local authorities to resolve, democratically, the basic needs of the population. Peace Corps could harness this ingrained know-how of its citizen/volunteers to help emerging nations build stronger and more participatory societies, while resolving critical needs for potable water, food security, environmental protection, health and sanitation and economic development. Peace Corps also needs to explore new and alternative ways to tap the public service interests and possibilities of Americans, such as shorter-term service for disaster or crisis response, partnerships with other institutions, greater use of returned Volunteers for special assignments, and others. Peace Corps should encourage more Volunteers to extend for a third year, which is the best way to ensure greater development impact. Finally, Peace Corps could play a significant role expanding models of public service in other countries, helping with volunteer programs in the host countries and exploring ways to welcome volunteers from other countries to serve in U.S. communities.

Growing Peace Corps will be an effective and low-cost way for the United States to increase its humanitarian presence in the world. Required funding increases for program growth, compared to past Peace Corps budgets, represent a fraction of other development and military assistance programs. Overtime, doubling the size of the Peace Corps could require sustained yearly appropriations of \$700 million. However, to be effective, growth needs to be incremental taking place in parallel with an intense modernization and reform effort. Growth without reform will not achieve the desired results. Yet, even without increased funding, Peace Corps must still urgently pursue comprehensive reform to maintain its relevance.

Peace Corps' challenge is both domestic as well as international. Attention to the domestic front is needed to expand and revitalize the pool of potential Peace Corps applicants, establish creative partnerships with universities and other organization, and to foster the Third Goal in new and creative ways. The new leadership of the Peace Corps must see and understand the opportunities, move with determination and intelligence to improve operations, and build an effective roadmap for solid program growth.

B. Strategic Questions and Options for the First 90 days.

How to launch a revitalized mission for the Peace Corps combined with program growth?

Peace Corps reform needs to start on January 20th. Under ideal circumstances a new director will have been named by that time. It is our understanding that current law requires that Peace Corps be headed by an individual who has received Senate confirmation. By necessity, this means that, unless the Obama administration is able to name a Senate confirmed person to head Peace Corps on an interim basis, it will need to accept the continuation of either the current Director or

Deputy Director to remain on an interim basis. We recommend that the Transition Team look into this matter at the earliest possible moment. If someone from the current leadership must remain until a permanent Obama Administration Director is appointed and confirmed by the Senate, we recommend that this person be current Deputy Director Jody Olsen. Absent new permanent leadership, it is critically important for the Obama administration to signal to whoever is the Acting Director and any other transition team member assigned temporarily to the agency, to move ahead expeditiously with a number of excellent proposals that come from various professional staff committees, particularly those that have been working on growth plans and improving the Volunteer Delivery System. These initiatives represent months of discussion and careful planning and should be given the green light to move ahead, although obviously they will need to be reviewed by the incoming Director.

Critical vacancies should be filled for both field and headquarters staff to ensure program continuity and adequate Volunteer support. Of particular importance is the position of Associate Director for Volunteer Recruitment and Selection (VRS). We recommend that the incumbent political appointee, Rosie Mauk, be kept until a replacement is found. With her planned departure on January 20th there is no other senior staff person (the current chief of operations who would normally fill in is on extended sick leave) who can continue current operations and implement a series of planned innovations that require leadership. Normally, the bulk of new Volunteer entries (referred to as trainee-inputs given their condition as trainees during the first three months followed by their 24 months of service) occur during the third and fourth quarters of the year. To not lose momentum in 2009, recruitment efforts must enter high gear to produce enough candidates to fill field requests and undergo the medical clearance process in time to begin training.

While significant Volunteer growth cannot occur during FY2009 given the long lead time for job development, recruitment, selection and training, some growth could take place this fiscal year provided additional funds are available very early on. We recommend that \$90 million be made available over the current continuing resolution amount of \$330 million to restore harmful cuts; re-invite the 500 new volunteers entries that had to be cancelled; begin paying for the critical infrastructure and program improvements needed to put the program on a sound footing; and lay the groundwork for sustained growth in FY2010 and beyond. Immediate growth can also take place by lifting the restriction on third year of service Volunteer extensions. This action will increase numbers without additional Volunteer inputs and strengthen the development impact.

Within the first 90 days, the new Peace Corps leadership must move swiftly to name key personnel, such as the Regional Directors for the Inter-America and Pacific, Africa, and Europe, Mediterranean and Asia regions, and the heads of the offices of Volunteer Support and Volunteer Selection and Recruitment. While speed is of the essence, it cannot be done at the expense of quality and experience. The reform process must start as soon as possible to ensure that future growth is based on a solid foundation. Building on some existing plans, reforms must also be infused with new ideas and “out of the box” thinking.

Peace Corps should expand Volunteer diversity by increasing minority applicants and by removing the obstacles to recruiting and programming 50+ Volunteers. Currently some 17 percent of Volunteers come from minority backgrounds. More can be done with a concentrated

recruitment effort. One of the past recruiting tools--the Master's International program needs intense work with targeted Historically Black or Hispanic-serving colleges and universities. Course work takes place the first year and then the next two years are serving as Volunteers in lieu of their normal second "clinical" year of the graduate program. A strong effort could make it a particularly useful way of attracting trained minority Volunteers, particularly if it comes with a provision reducing loan repayment obligations after completion of service. Reviewing those guidelines to be sure that they are current and reimbursing for medical tests required by the Peace Corps is one set of actions. A second set involves removing financial constraints, for instance, insuring that senior Volunteers can leave their current private insurance program and return when they complete service. Similarly longer lead-time has to be built-in so senior Volunteers can deal with renting or selling their home.

What will it take for Peace Corps to meet the challenge of growth while increasing its effectiveness as a people-centered development agency?

Sustainable growth in numbers cannot come before Peace Corps conducts a rapid and thorough review of its program policies and procedures. Several good roadmaps exist from the cadre of highly experienced professional staff currently working for the Peace Corps. Country directors, if given the opportunity, can come up with numerous suggestions for change and innovation to increase program effectiveness. It will be important for the new leadership to quickly create an internal environment that fosters and rewards creative thinking and opens channels of communication. A process of empowerment of the regional offices, and in turn the country field offices, should start as soon as possible. Peace Corps staff, many of whom are former Volunteers and/or served previously in staff positions, can be energized to meet the important challenge of the moment. Most are highly enthused by President-elect Obama's call for service and an expanded role for the Peace Corps.

A new organizational structure will be needed to build leadership in key areas and eliminate overlapping functions, ineffective programs or low priority activities. Careful scrutiny must be given to resource heavy headquarters offices such as the Office of the Chief Information Officer and the Office of Program Assistance and Training Support. These offices appear overly large, siphoning off agency resources and becoming veritable bureaucratic barriers that hinder rather than help program effectiveness and change.

The issue of Volunteer health, safety and security must remain a priority. These are areas where the new leadership cannot cut corners. However, new thinking must be brought to bear in these areas to strike a better balance between legitimate concerns for Volunteer health, safety and security and the best way to achieve them and avoid unnecessary risk-aversion. These issues cannot become the driving force for agency decision-making, but must constitute essential factors to be taken into consideration in the best possible manner.

How can Peace Corps retool itself with new approaches for service, while retaining its core values?

While Peace Corps remains a highly esteemed and iconic organization in the minds of the American public, it has experienced minimal change in its programs, systems and approaches

since its founding in 1961. Every decade or so, Peace Corps seems to rediscover what it did earlier under the guise of innovation. Peace Corps was launched by President Kennedy as a challenge for public service to a post World War II and Korean War generation of young Americans at a time of growing world polarization. Peace Corps was a call to spread American idealism among developing countries torn between opposing ideologies. It became an opportunity to share with other cultures and work hand in hand with the poor of the world. For those who heeded Kennedy's call for service and successive generations of Americans since that time, Peace Corps has been a transformational experience.

Over the past 50 years, the world has seen dramatic changes, particularly represented by the collapse of communism and the emergence of the United States as the sole superpower. It has also witnessed the steady growth of democracy in its various forms as the best way to ensure the happiness and wellbeing of a nation. Yet, today powerful new challenges are emerging that threaten the survival of the planet: cultural divides and fanaticism; global warming and environment degradation; the exhaustion of non-renewal sources of energy; new diseases; persistent poverty for over half the world's population; and persistent conflict within and among nations. To this we must now add the current world economic collapse.

It is in this context that the leadership of Barack Obama emerges and captivates the hopes and aspirations of the world. His call for service echoes those of his predecessor of a half century ago. While the context has changed, the underlying message and theme remain universal: the hopes for humankind are predicated on the ability of people to reach out to each other to form bonds of friendship and understanding and to work together, hand in hand, to build better communities and fight poverty and disease.

What should be the role and approach of the Peace Corps in this new and complex world? It is a world of instant communication flowing even to the most remote places on earth; massive movement of peoples searching for new opportunities; and mixing bowls of cultures and ethnicities occurring at an increasingly fast pace. The opportunity and challenge for Peace Corps is to reexamine many of its traditional ways of conducting business. New approaches to service are needed, including rethinking the potential contribution of returned Volunteers who will come home to an increasingly diverse and multi-cultural United States with mounting problems at the national and local levels, and eroding living standards as of result of the current global economic crisis. Peace Corps is in a unique position to embrace the "global community" and build a strong linkage between its service in other countries and its contribution to service at home. One of the great challenges of the new Peace Corps leadership will be to find ways to build mechanisms to bridge overseas and domestic opportunities for service.

What will be required financially for Peace Corps to increase its numbers while increasing its effectiveness to achieve its three goals?

The financial cost of growing the Peace Corps is not only represented by increased funds to pay for Volunteers. Fresh resources are also required for retooling investments and to pay for the cost of building the necessary programmatic and institutional infrastructure capable of improving and supporting the full gamut of steps and processes that entail placing Volunteers in meaningful jobs overseas, ensuring their health and well-being, and supporting their repatriation in a new

and productive way. The traditional paradigms that have served Peace Corps over the years will require a fresh look to bring them in line with current needs and challenges both in other countries and in the United States.

Both the Obama administration and Congress should be mindful of the fact that growing the Peace Corps must be viewed as a long-term commitment and endeavor that will require incremental appropriations over the next four years and sustained funding once optimal size has been reached. Peace Corps over the years has experienced growth spurts, followed by funding reductions that have severely damaged operations, cut short the aspirations of many service oriented Americans and harmed relations with host countries. Country closings due to budgetary constraints have not served the Peace Corps and U.S. interests well.

To fulfill President-elect Obama's pledge to double the size of the Peace Corps will require the political will to prioritize this expenditure and enlist solid congressional support. While it will be the duty of the new Peace Corps leadership to build strong support in Congress and a solid constituency for the Peace Corps and its increased funding, Administration backing (Department of State, OMB and White House) will be of paramount importance. The Obama Administration will need to view the Peace Corps at its optimal operating level as a \$700 million or more agency.

II. AGENCY OVERVIEW

The Bush Administration leaves an organization of approximately 2000 employees and 7500 volunteers serving in 76 countries with 71 Peace Corps country field offices (some offices cover multiple countries, as in the cases of the Eastern Caribbean and Micronesia). A combination of yearly budget shortfalls, recent agency-wide budget reductions and a highly centralized organizational and management structure have left the Peace Corps in desperate need of policy, program reform and reengineering and with serious staff morale issues.

In recent years even the Peace Corps under the Bush Administration has realized that major reform and modernization are necessary to improve operations and efficiency. But very little actually has taken place. Initiatives are barely underway that can or could improve the volunteer delivery system. They remain in the planning stages, and will require early review by a new Peace Corps leadership to determine which have the potential to increase Volunteer effectiveness and lay the foundations for program growth

Past efforts to expand numbers.

Three years ago and with program strength of just over 8000 Volunteers, Peace Corps reached its highest level in 37 years. However, this growth was short-lived, as the financial and staff resources required to sustain this growth were not provided, forcing Volunteer levels to drop, and once again straining the capacity of field staff to maintain adequate support for Volunteers. Past calls for Peace Corps growth have not been followed by funding increases, nor by improvements in management systems, programming at the country level, or in empowering Volunteers, thus, creating false starts and frustration both on the part of Volunteers and staff and host country counterparts.

Continuing the last two Presidents' calls to double the Peace Corps, OMB asked Congress in 2004 for \$359 million (20 percent increase) and in 2005 \$401 million (26 percent increase) to carry out that mission. However, little priority or political capital was attached to secure those increases by the Administration and Congress appropriated only \$310 million in 2004 and \$320 million in 2005. These false starts were very damaging to Peace Corps and underscored the importance of sustained Presidential support for any Peace Corps growth plan.

Safety and Security

In March 2003, the position of Safety and Security Coordinator that was established during the Clinton Administration was given more stature by establishing a separate Office of Safety and Security. Its purpose was to foster improved communication, coordination, oversight, and accountability for the safety and security of Peace Corps Volunteers. This new office was established with the rank of Associate Director and with a mandate that encompassed all aspects of Volunteer safety and wellbeing, such as the capacity to track crime statistics, identify crime trends and pinpoint potential safety risk to Volunteers. Legislation enacted in 2003 authorized the Peace Corps Director to make appointments without regard to the five-year rule when they involve the safety of Peace Corps Volunteers. In November 2003, the Peace Corps Director designated 25 positions in the Office of Safety and Security as safety-related and exempt from the five-year rule. Incumbents and new appointees to those positions have been given indefinite appointments, thus introducing for the first time a new category of Peace Corps employee not subject to limited term appointments. The events of 9/11 have had an important and long-lasting impact on the Peace Corps.

Office of AIDS Relief

Expanding efforts to combat the HIV/Aids pandemic began during the Clinton Administration that included a requirement that all Volunteers serving in Africa be trained as HIV/AIDS prevention educators even if that was not their primary assignment. Peace Corps established its own Office of AIDS Relief to provide policy guidance, leadership and general supervision to Peace Corps HIV/AIDS activities. Additionally, the Office of AIDS Relief is the link for the agency's involvement in the President's Emergency Plan for AIDS Relief (PEPFAR).

Peace Corps has been an active partner in global PEPFAR programs in 34 countries, having received \$50 million over five years for Volunteer support and individual projects. Incoming leadership must examine utilization of PEPFAR funding for core Peace Corps functions. PEPFAR funding, intended to provide posts with the additional resources to enhance activities and support in the area of HIV/AIDS, has been increasingly used to fund core post functions (such as staff salaries, administrative expenses and Volunteer allowances), especially in the Africa Region. For example, three quarters of the Ethiopia post budget and sixty percent of the Rwanda budget, are funded with PEPFAR money. This situation, while understandable in tight financial times, makes the Peace Corps country programs that use PEPFAR resources vulnerable to changes in PEPFAR policies and priorities. Peace Corps must use its own appropriations to fund the basic costs of running its program operations and use external resources, such as PEPFAR, only to enhance or complement its operations.

Peace Corps Response Program

The Peace Corps Response Program builds on the work of its predecessor "Crisis Corps." It deploys returned Peace Corps Volunteers and active Peace Corps Volunteers who are completing their tours of service to help countries address critical needs in the areas of disaster response, disaster preparedness and mitigation, humanitarian assistance, HIV/AIDS, and post conflict assistance, on a short term basis. Peace Corps Response also oversees the United Nations Volunteer (UNV) program, which helps place highly trained U.S. citizens in the UNV technical assistance programs to provide technical assistance to developing countries. Growing the Peace Corps Response program is an ideal way to increase the pool of "experienced" men and women eligible for Peace Corps service. This program could consider reaching beyond former and current Volunteers to increase the pool of qualified candidates for disaster or crisis response service. Peace Corps Response could also be utilized to expand Peace Corps' presence in countries in transition following the Liberia model. (Peace Corps recently returned to Liberia after an 18 year absence by opening a Peace Corps Response "stand alone" program. Relying on experienced volunteers allowed Peace Corps to field technically and cross-culturally experienced volunteers during the late post-conflict reconstruction period in Liberia). A Peace Corps Response approach could also help expedite new country entries as Crisis Corps did earlier. As the host country moved from a reconstruction to a development phase, the program could be expanded to include regular Peace Corps Volunteers.

Volunteer Delivery System Steering Committee

Over the past year, Peace Corps established a Volunteer Delivery System Steering Committee that is focused on three goals of Peace Corps, and is concerned with the task of optimizing the Volunteer Delivery and Support System by leveraging the full force of the agency's organization, management, technology, and fiscal operations capabilities. The VDS SC is charged with overseeing these activities to better address the ever-changing needs and expectations of future generations of Volunteers and host countries. The utility of the Committee should be examined, particularly in terms of whether its recommendations over the past year have led to positive agency reforms.

Office of Strategic Information, Research, and Planning (OSIRPS)

The Office of Strategic Information, Research and Planning (OSIRPS) was established May 14, 2007 as a result of recommendations by the Strategic Information & Research Team (SRI). This Team was created in the fall of 2006 to address the need for the Peace Corps to improve its ability to measure the impact of the work of the Volunteers. OSIRPS is also concerned with returned Volunteer impact in the U.S. While considerable time and effort has gone into the elaboration of an agency strategic plan that is part of the GRPA requirements, the new leadership should review this office, its size and budget and determine how much of the office can be eliminated in order to meet country staffing needs. It remains a challenge for Peace Corps to devise methods to measure its impact, which cannot rely on traditional quantitative approaches and must focus on changing attitudes and measuring the increased capacity of the communities and organizations with which Peace Corps Volunteers commonly work. Traditional

development assistance results oriented yardsticks not only cannot normally be applied to Peace Corps, but they fail to capture the richness of the Peace Corps contribution to development.

III. PRIMARY CAMPAIGN COMMITMENTS RELATED TO PEACE CORPS

During the Presidential campaign, President-elect Obama made the following comment in a speech at Cornell College in Mt. Vernon, Iowa when introducing Senator Harris Wofford, a person with a close association to the Peace Corps since the days of John Kennedy: "It is an honor to be introduced by Harris Wofford - one of America's greatest advocates for public service. Starting with the civil rights movement and the Peace Corps, Harris and a generation of Americans answered a call to service. At a pivotal moment in our history, they stood up; they changed America; and they changed the world...."

He went on the say, "To restore America's standing, I will call on our greatest resource - not our bombs, guns, or dollars - I will call upon our people. We will grow the Foreign Service to renew our commitment to diplomacy. We will double the size of the Peace Corps by its 50th anniversary in 2011. And we'll reach out to other nations to engage their young people in similar programs, so that we work side by side to take on the common challenges that confront all humanity...."

IV. HIGH PRIORITY ISSUES

A. Priority Policy and Legislative Issues Requiring Immediate Attention

- ***Reaffirm pledge to double the number of Peace Corps Volunteers and follow that with an increased budget request that will begin the process of raising the number of annual enrollments.*** While doubling the numbers responsibly will require at least four years, immediate action following the Presidential inauguration is required to start the process of laying the groundwork for growth and increasing Peace Corps' operational capacity and effectiveness. The pledge should preferably commit the new administration to grow, and to double as soon as possible, ideally with sufficient reforms across-the-board and resources to enable that to occur over the next four years. That goal for the Peace Corps should be contained within the Inaugural Address as part of a national call for service and an increased commitment to meeting the needs of developing nations.
- ***Hold meeting at the White House with Peace Corps stakeholders followed by a press conference on future plans for the Peace Corps.*** As part of the launching of an expanded role for the Peace Corps to fulfill President-elect Obama's vision for reenergizing public service and humanitarian assistance around the world, the Transition Team recommends that President Obama host a meeting at the White House that would gather important Peace Corps stakeholders, such as the Kennedys, the Shrivvers, former Peace Corps directors, representatives of the returned Peace Corps community, notables such as Harris Wofford, Senator Chris Dodd, Congressman Sam Farr and other return volunteer members of Congress, Bill Moyers, Bill Novelli (CEO/AARP), Governor Jim Doyle, Lt. Governor John Garamendi, Chris Matthews and author Paul Theroux.

A meeting of this nature early in the Obama Administration could be an opportunity to underscore to the United States and the world the seriousness and importance ascribed by the Obama administration to the need to commit ourselves to public service and the public good at home and abroad. It would be a symbolic gesture to signal a profound change in how the new leadership in the United States views its role in the world by embracing the highest values in American society (exemplified by Peace Corps) embodied in respect and service to others. Such a meeting could also announce the designation of the new Peace Corps Director and plans for program growth.

- ***Early issuance of directives by the Secretary of State to insure independence of Peace Corps from day-to-day foreign policy and intelligence operations of U.S. government is highly recommended.*** Since the first days of the Peace Corps, as a people to people program, it was deemed of paramount importance that it remain separate from short-term foreign policy considerations and, above all, visibly disconnected from any form of intelligence operation. Early in their tenures, successive Secretaries of State have sent instructions to U.S. Ambassadors around the world in countries with Peace Corps programs reaffirming this independence. It is highly recommended that Secretary of State designate Hillary Clinton again inform and instruct ambassadors to be mindful of the independence of the Peace Corps. They should be reminded that Peace Corps is not to be viewed as an instrument for short-term U.S. foreign policy, and that all U.S. agencies are barred from any attempt to request, direct or attempt to use Volunteers for intelligence gathering. This policy of independence is absolutely essential. It not only lends credibility to Peace Corps as a genuine and transparent humanitarian organization, but is also a key element for the protection and security of Peace Corps Volunteers and staff who interact daily with the local population at the provincial and community levels.

In recent years, this separation has been somewhat eroded by the pressures of security considerations, which have had considerable impact on Volunteer site placements and have forced the adoption of security policies and procedures that may run counter to the best interests of a program such as the Peace Corps. Without question, security must be a matter of the highest priority. Decision makers responsible for Volunteer safety must exercise balanced judgment in their decisions, consulting broadly before making determinations that might have far reaching consequences for the program. Recently, the Bush administration withdrew Peace Corps from Bolivia following the expulsion of the U.S. Ambassador to that country. Peace Corps was ordered to almost immediately evacuate from Bolivia – in part because of the violation of the independence of the Peace Corps. While U.S./Bolivian relations are strained and an eventual withdrawal might have been necessary, the manner in which Peace Corps withdrew conveyed the message that the withdrawal was in retribution for the expulsion of the Ambassador. A return to Bolivia, South America's poorest country, should be sought as soon as conditions permit.

- ***Consider pros and cons of White House send-off of new group of Peace Corps Volunteers who will reinitiate the Peace Corps Program in Rwanda.*** Peace Corps is set to return to Rwanda following an absence of 19 years due to the genocidal war between the Hutu and the Tutsi nations. The 35 new volunteer-trainees, who will be working in a

HIV/Aids program with PERFAR funding, will gather in Washington DC January 26-28 for their final processing prior to departure to Rwanda. A White House send-off with newly inaugurated President Obama would be a powerful message to the United States and the world regarding the new administration's commitment to service, development assistance and an increased humanitarian role for the Peace Corps. This type of Volunteer send-off was practiced by past Presidents, starting with President Kennedy in the earliest days of the Peace Corps.

Obviously a decision to hold a public gathering that will attract world-wide press coverage also commits the prestige of our new President. The current Rwandan government's widely reported support for marauding rebels in the Eastern Congo might give some pause for concern regarding the wisdom of hosting a White House gathering centered on Rwanda and its government at this time. The new administration must weigh this decision carefully. The scheduled Washington process of other new Peace Corps groups during the first month in office of President-elect Obama could be explored as an alternative to a Rwanda send-off.

- ***Name a high level commission to collaborate with on-going nationwide efforts to commemorate the Peace Corps' 50th anniversary in 2011.*** The 50th Anniversary of the founding of the Peace Corps will occur during President Obama's first term in office. Some 200,000 returned Peace Corps Volunteers have high expectation for this historic milestone. Advanced planning is underway for what will be a major event in Washington D.C. and around the country. Discussions are underway with a variety of organizations, such as the Smithsonian Institution and universities to plan for the celebration. The University of Michigan, where President Kennedy first issued his call for service is ready to host events commemorating their role in Peace Corps history. Given President-elect Obama's proposal to foster a national spirit of public service and increase the role of Peace Corps in international humanitarian assistance efforts, it is extremely important for the new administration hopefully will want to play a leading role in planning and sponsoring Peace Corps' 50th anniversary celebration.

Our recommendation to the Transition Team is to convey to the Obama White House as soon as possible after the inauguration the possibility of naming a high level commission that can guide the planning and lead the series of events that will culminate in the 50th anniversary celebration. Important stakeholders should include the National Peace Corps Association and Peace Corps organizations of returned Volunteers throughout the United States with Peace Corps agency as a partner. Planning to date envisions a budget of approximately \$2 million that will need to be raised from private donations.

This event can have international bearing, as it will be an opportunity to invite heads of state and other world dignitaries.

- ***Consider the proposal pending for a Peace Corps Foundation.*** Ron Tschetter, the outgoing Peace Corps Director has actively promoted the passage of legislation to create a Peace Corps Foundation, modeled after similar foundations of other government agencies. The Fish and Wildlife Foundation serves as an example. This proposed Foundation would

have the ability to raise private funds to support a host of activities that Peace Corps as a federal agency cannot support with appropriated funds.

The idea to create a Peace Corps Foundation has been drawn-up as a proposal, but has not been introduced as legislation. While Director Tschetter has received positive bi-partisan reaction, he considered that a new leadership in the Peace Corps needed to study this initiative and decide whether it should be given further consideration.

In principle, we consider that it is an interesting idea for Peace Corps to have a closely related, private, non-profit partner with the capacity to raise private funds and broaden the scope of the Peace Corps' work. While this initiative is not urgent, it could be included in a package of initiatives for immediate consideration in the context of increasing the size of the Peace Corps program and establishing new mechanisms or bridges for closer cooperation with the public and organized returned Volunteers.

- ***Peace Corps Volunteer Empowerment Act – S.732 pending in Congress should address needed reforms in Peace Corps operations without creating unnecessary constraints and rigidities that may not be in the best interest of the agency.*** Two pieces of legislation that were presented in the last Congress could emerge once again. One was sponsored by Sen. Chris Dodd and the other by Cong. Sam Farr. Both seek to reenergize Peace Corps by proposing growth and addressing needed reforms. While these actions are intended to be in the best interests of the Peace Corps and the Volunteers, any legislation should be careful not to set a precedent that reverses a long-standing tradition in the Congress not to dictate management issues to the Peace Corps. The proposed legislation is the result of persistent concerns voiced by former Volunteers and staff regarding needed changes and improvements in agency operations and a greater voice for Volunteers to improve the program. It will up to the new Peace Corps leadership to provide convincing arguments to supporters in Congress that these changes are forthcoming and that programming and volunteer support concerns are being addressed. After consideration by the new Director and his team of the legislation, as much of the legislation as possible should be instituted through executive action. Similarly in close consultation with the Senate and House authors, the new Director should support the legislation that provides additional budgetary authorities and those other measures that are deemed likely to strengthen the capacity of the Peace Corps to grow and more effectively achieve the reforms that are critical to that growth.

B. Priority Regulatory and Litigation Issues Requiring Attention

The Five-Year Rule. This provision, written into the Peace Corps legislation, was intended to prevent Peace Corps from developing an entrenched bureaucracy of functionaries that would lose touch with the freshness and creativity of a Volunteer corps. We believe the five-year rule has served the Peace Corps well and should be preserved. However, over the years exceptions have been introduced that have tended to create a sense of inequity and affected staff morale.

The five-year rule has undoubtedly created some problems for Peace Corps. With constant staff rotations, the agency tends to lose its institutional memory and is prone to “reinventing the

wheel". It produces gaps in staff coverage, both at the headquarters and field levels that affect performance and slowdown decision-making and affect Volunteer support. The office of Human Resource Management (HRM), charged with staff recruitment, is perennially behind in its work, trying to fill the constantly vacating positions that are the logical result of limited term appointments. Support and specialist positions in HRM and other offices such as Finance, Management, Medical Processing, and Recruitment are themselves affected by a constant staff turn-over. Some support employees from other federal agencies view Peace Corps as a stepping stone for career advancement. Shortly after securing a position in the Peace Corps (and a raise or promotion), they begin searching for their next move. Staff in some offices has tenure of nine to 18 months.

The five-year rule also has a negative effect on field staff. Living and working overseas makes it difficult for them to find new employment at the end of their five-year term. Often, they must begin the process of job search a year before their departure from post, distracting them from the job at hand. This situation affects Peace Corps' capacity to recruit qualified individuals who are rightfully concerned about the limited nature of their tenure.

Peace Corps does have some flexibility with the five-year rule, particularly for senior professional positions that are needed in positions of higher responsibility. Limited to 15 percent of the to American hires, the Peace Corps Director is able to grant a sixth year, a third tour of 30 months, or both. After completing the maximum of a sixth year and three tours for a total of eight and a half years of employment, Peace Corps is still able to retain employees on contract or as "expert consultants". While this has enabled the agency to retain valuable persons, it is also viewed as a reward for certain employees that detracts from a policy requiring fairness and consistency.

Special legislation recently exempted certain positions in the Peace Corps Safety and Security Office, creating for the first time a cadre of permanent employees who must rotate positions throughout their careers within a relatively narrow set of jobs. The Office of the Inspector General also received authorization from the Peace Corps Director to hire staff for a guaranteed five years, instead of two thirty month tours.

The new Peace Corps leadership must review the application of the five-year rule to determine how to best implement it, and how to manage the current flexibility that is provided to the Director, in the best interest of the agency. There may be a need to request additional flexibility from Congress, but without changing the essentially positive nature of the five-year rule.

C. Priority Budgetary and Management Issues Requiring Immediate Attention

- ***Immediate action on the FY2009 funding level and the FY2010 budget mark.*** Peace Corps is currently operating on a \$330 million continuing resolution that is pegged at the FY2008 level. This level is several million dollars lower than both Senate and House of Representatives marks for the FY2009 appropriation that has not been acted upon. The current funding level has imposed severe hardship at all levels, forcing the cancellation of almost 500 new trainees scheduled for this year, staff cutbacks, and the postponement of needed investments for improved systems. Given programming and recruitment lag-times,

and the need for widespread modernization and reforms as prerequisites for growth, fresh resources are needed immediately if Peace Corps is to start showing increased numbers in FY2010. For growth to continue into FY2011 and FY2012, significant funding increases are required for those years. Program, and particularly country staff, considers that before real growth can take place, significant investments must be made to develop quality Volunteer placements and jobs and construct the necessary institutional infrastructure to adequately support them. We strongly agree.

A FY2009 increase of \$90 million would restore cuts, rescue the training class that was cancelled, pay for planned modernization activities, and provide for the additional staff and program development for the new Volunteer placements

For the growth path to continue, Peace Corps would need a budget in the range of \$550 million for FY2010, and a further increase in FY2011. As OMB has not submitted the FY2010 budget to Congress pending the arrival of the New administration, it will be of critical importance for OMB to include a \$550 million mark in President's Obama's request to Congress in March 2009.

- ***Consider reestablishing no-year spending authority for the Peace Corps.*** As most federal agencies over the past few years, Peace Corps was given two-year spending authority for its yearly appropriations. Given the 27-month life cycle of a Volunteer and the likelihood of unforeseen events that force cancellation of programs and the withdrawal from countries experiencing turmoil, two-year spending authority imposes severe constraints on Peace Corps' capacity to adequately manage its resources and program. Providing Peace Corps with no-year spending authority, as is the case with PERFAR and the MCC, would help Peace Corps to better function in an uncertain environment, taking advantage of opportunities without protracted delays.

D. Priority Personnel Issues Requiring Immediate Attention

- ***Management Plan (keep head of VRS; Name 3 regions, Safety & Security).*** As mentioned earlier, it may be legally necessary for the Obama Administration to accept the continuation of current Deputy Director Jody Olsen as Acting Peace Corps Director until a new director is named. For operations to continue without interruption in another critical area, we also recommend that Rosie Mauk, the current Associate Director for Volunteer Recruitment (VRS) also be permitted to stay beyond January 20th until her replacement is named. No current senior staff in the VRS Office can readily fill this position in an acting capacity. The current Director of the Office of Safety and Security, who is a career senior Foreign Service officer, is scheduled to retire in March, 2009. He should either be asked to remain for a transitional period, or the new Peace Corps leadership should move expeditiously to find a replacement. Finally, while the three Regional Offices (Inter-America and Pacific - IAE, Africa, and Europe, Mediterranean and Asia - EMA) that oversee field operations have good professional staff that can serve in an acting capacity, it would be an important step to move expeditiously to find highly qualified individuals to fill these key positions.

- ***Define transition team role until the arrival of new appointed leadership.*** Absent further instructions, the current co-leads for the Peace Corps transition team, C.D. Glin and David Valenzuela will conclude their assignments Monday December 29 following the submission of this document. Nevertheless, we and the Peace Corps transition team advisors highly recommend that the National Security Transition Team that oversees Peace Corps consider naming one or two individuals to maintain transition continuity through January 20th and then to work closely with any Acting Director until such time as new permanent leadership is named. Both professional Peace Corps staff and Volunteers are looking to the transition team for leadership as the agency prepares for the future.
- ***Strive to name the new director prior to January 20, 2009.*** Given the important role that President-elect wishes to entrust to Peace Corps, naming the new Director prior to the inauguration would send an important signal to the Peace Corps community that change is coming and time for meeting the new challenge is of the essence.

Peace Corps should be populated with highly skilled and experienced development assistance professionals. While recruiting former Volunteers and persons with former Peace Corps experience is highly desirable, relevant international development and volunteer management experience is of paramount importance. The director and deputy director must share President-elect Obama's broad vision for the Peace Corps as a means to restoring America's standing in the world. They should also be qualified to lead significant streamlining and modernization of Peace Corps' operations, ensuring the development of high quality placements for an expanded Volunteer force, and possess the necessary diplomatic skills to negotiate multiple new country entries over next four years.

E. Budget Opportunities

Potential for including \$90 million in budget stimulus package for FY2009 The Obama Transition Team that is preparing the stimulus package that will be announced shortly after the Inauguration approached the Peace Corps transition co-leads to determine if this package could contain needed resources for immediate use. We suggested that this would be an alternative mechanism for funding current program shortfalls; reestablishing the group of trainees that was cancelled; open the door for increased third year extensions for Volunteers; pay for growth investments in staff and systems; and increase the readjustment allowances for returning Volunteers that has remained unchanged for 10 years.

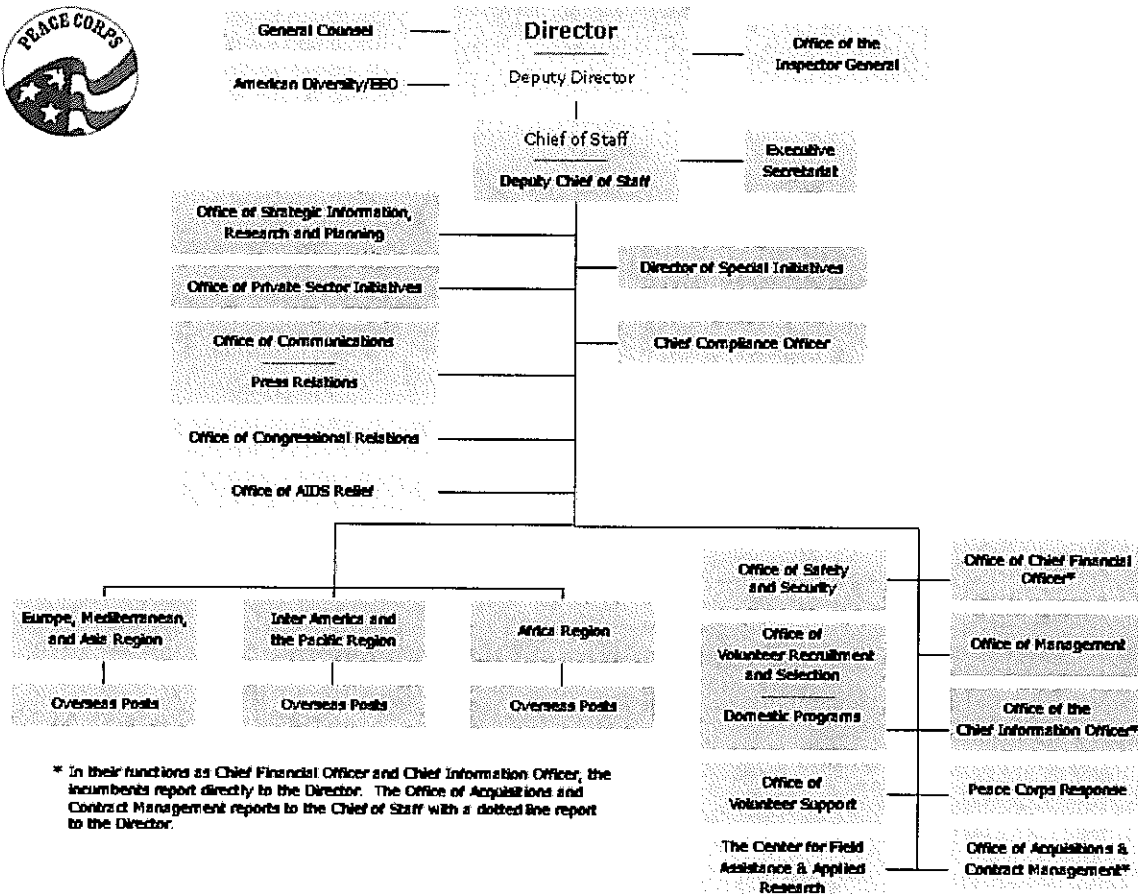
F. Organizational Structure

Reduce the number of political appointees for technical and administrative positions given the small size of the agency and the need for greater programmatic continuity. Peace Corps has approximately 32 positions, including the Senate confirmed Director and Deputy Director positions, that are listed as political appointments. We believe this is far too many. A great many of these positions are of a technical or administrative level. This is the opportunity for change in this respect. It would be a way to immediately boost staff and

Volunteer morale by signaling to them that Peace Corps is an agency that should be guided primarily by technical and professional considerations. It would also help smooth the way for future transitions by avoiding the sudden departure of the entire leadership of the agency.

DRAFT

Peace Corps Organizational Chart



Peace Corps Budget

FY 08:

Budget:

\$333.5M appropriated; with rescission: \$330.8M

FY09

Budget \$:

\$330.8M CR; President's Budget Request: \$343.5M

Peace Corps Headcount

FY 08:

Full-Time Employees (FTE): Total: 1000

Positions:

Political Appointees/Schedule C Positions (included in FTE): 32 (from the Plum book)

Overseas Personal Service Contractors: 1420

FY09

Full-Time Employees (FTE): Total: 1010

Positions:

Political Appointees/Schedule C Positions (included in FTE): 32 (from the Plum book)

Overseas Personal Service Contractors: 1400