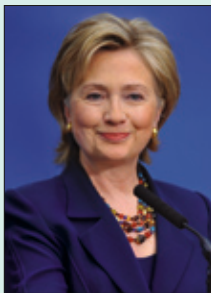


MESSAGE FROM THE SECRETARY OF STATE

As the President's chief advisor for foreign affairs and development assistance, I am pleased to present *A Citizen's Guide to Foreign Affairs*, created jointly with the U.S. Agency for International Development (USAID). During the past year, we reinvigorated U.S. foreign policy with robust diplomacy and strengthened our traditional alliances, built new partnerships, and gave adversaries a stark choice between isolation and living up to their international obligations. We elevated development to equal status with diplomacy and defense, recognizing that development is central to solving global problems.



We take seriously our duty of accountability to the taxpayer. The budget request that we recently proposed represents new priorities, new approaches, and a renewed commitment to use the resources of the State Department and USAID wisely and strategically to get the best possible results for the American people and to maximize the impact of every dollar we spend. To improve the overall effort of State and USAID, I initiated the Quadrennial Diplomacy and Development Review (QDDR), a comprehensive review of our diplomacy and development tools and institutions, with the goal of making them more agile, responsive, and complementary. The QDDR will ensure that State and USAID make informed, strategic choices that will create more effective global leadership to address the foreign policy challenges that confront us.

The State Department is ready and eager to take the lead in carrying out the President's foreign policy agenda, including the strategic use of development assistance. We are focusing on results – measuring the impact of our efforts – to ensure that we achieve lasting change around the world. This past year presented an array of complex challenges, and the United States achieved key successes. We are pleased to share with you a few of our notable FY 2009 achievements:

- Launched global initiatives to fight hunger, promote sustainable agricultural development and global health, and combat the threat of climate change.
- Surpassed our goal to train and equip 75,000 non-U.S. peacekeepers through the Global Peace Operations Initiative.
- Initiated negotiation with Russia, which resulted in a new Strategic Arms Reduction Treaty with Russia in 2010.
- Achieved the election of the United States to a seat on the United Nations Human Rights Council.
- Exercised U.S. leadership in combating sexual violence in armed conflict, resulting in the adoption of a resolution in the United Nations Security Council.

- Promoted the adoption of tough UN Security Council Sanctions on North Korea.
- Built seven new facilities around the world, moved nearly 1,500 employees into safer work environments, and completed eight major physical security upgrade projects at existing facilities.
- Required that all new embassy and consular buildings receive the U.S. Green Building Council's Leadership in Energy and Environmental Design certification, which verifies strategies and improvements to achieve energy and natural resource conservation.
- Opened four new U.S. Passport Agencies in: Dallas, Texas; Tucson, Arizona; Detroit, Michigan; and Minneapolis, Minnesota; and issued over 13 million passports and six million visas.
- Expanded our workforce to significantly strengthen our ability to deliver more effective diplomacy and development programs, adding approximately 600 Foreign Service Officers.

Our achievements in the Administration's first year provide a solid foundation for the road that lies ahead. Our priorities are clear – to ourselves, our friends, and our adversaries. We will ensure that the extraordinary story the United States has to tell is presented clearly and effectively across the world.

True partnership is based on shared effort and responsibility. The Department of State and USAID together prepared this report to provide a succinct analysis of our investment of citizens' resources in U.S. foreign policy. I am pleased to offer this summary of key performance, budget, and financial information and note that the data herein are complete and reliable in accordance with guidance from the Office of Management and Budget.

I am proud to represent the thousands of employees, including both Americans and Foreign Service Nationals, who serve at more than 260 posts worldwide. Our strength lies in the talent and determination of all our employees who work tirelessly to ensure the safety of the American people and enhance the global leadership of the United States. We look forward to continuing to serve alongside them as we work together to demonstrate America's values, advance America's interests, and help build a world in which all people have the opportunity to live healthy, peaceful lives, and achieve their true human potential.

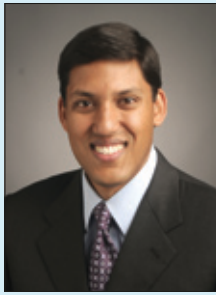
A handwritten signature in black ink that reads "Hillary Rodham Clinton".

Hillary Rodham Clinton
Secretary of State
April 30, 2010



MESSAGE FROM THE USAID ADMINISTRATOR

The Obama Administration has pledged to elevate development to play a critical role, alongside defense and diplomacy, in our nation's national security and foreign policy. Secretary Clinton and I are committed to making USAID the world's premier development agency. USAID is central to U.S. efforts to improve food security and human health, reduce poverty, mitigate the impact of global climate change, to empower women and girls, help countries like Haiti recover from natural disasters, and bring peace and stability to Afghanistan, Iraq and many other conflicted places throughout the world.



Development is a long-term process that must be led by the people of developing nations themselves. Our objective is to create conditions where countries no longer need our assistance; where people have access to healthcare, education and food, communities and private enterprise thrive, governments are accountable to their citizens, and democratic institutions deliver services and improved living standards.

On behalf of the American people, USAID's results in 2009 include:

- In sub-Saharan Africa, sustained high level of childhood vaccination in target areas with 82% of children receiving a third dose of diphtheria-pertussis-tetanus vaccines for two consecutive years, and 75% of children receiving two doses of vitamin A. Reduced deaths of children under age five by 30% in three years in Senegal alone due to targeted malaria activities.
- Strengthened the capacity of financial institutions to lend to small businesses, as evidenced by an additional \$316 million in private financing through 19 new Development Credit Authority guarantees, to help micro, small, and medium-sized enterprises gain access to commercial sources of capital.
- Encouraged transparent, participatory, and accountable governance in 61 countries, many of them emerging and consolidating democracies, in part by training over 117,000 justice sector personnel and domestic election observers.
- Increased the cultivation of alternative crops to coca and poppy, leading to more jobs and income in targeted areas. In Colombia alone, USAID exceeded the FY 2009 target of 93,777 hectares of alternative crops by 28,777 hectares.

- Responded to 57 life-threatening disasters in 46 countries providing more than \$754 million to those in need. In all cases, USAID responded within 72 hours of declared disasters.
- Through the Development Leadership Initiative, increased USAID's workforce by 207 Foreign Service Officers in FY 2009, significantly strengthening its ability to deliver more effective development programs.
- Launched a new worldwide integrated procurement system, Global Acquisition and Assistance System, improving the efficiency and effectiveness of a critical Agency business process.
- For the seventh consecutive year, earned unqualified opinions on its financial statements, a representation that these statements fairly present the financial condition of the Agency.

All these accomplishments are possible due to the commitment and talent of our workforce overseas and at home. Many Agency professionals endured hardship, spent time away from families, and even put their lives in danger to help partner nations. In fact, 40% of USAID's Foreign Service Officers have served in Iraq, Afghanistan, Pakistan or Sudan.

I am pleased to certify that the performance and financial data are complete and reliable. It is USAID's policy that all performance data reported to the American public are assessed against standards of validity, integrity, precision, reliability, and timeliness to identify the strengths and weaknesses of the data and the extent to which they can be trusted for programmatic decisions. A fuller discussion of FY 2009 performance and data sources is available in the 2009 Foreign Assistance Performance Report published in the joint USAID and Department of State FY 2011 Foreign Operations Congressional Budget Justification.

A handwritten signature in black ink, appearing to read 'Rajiv Shah'.

Rajiv Shah
USAID Administrator
April 30, 2010

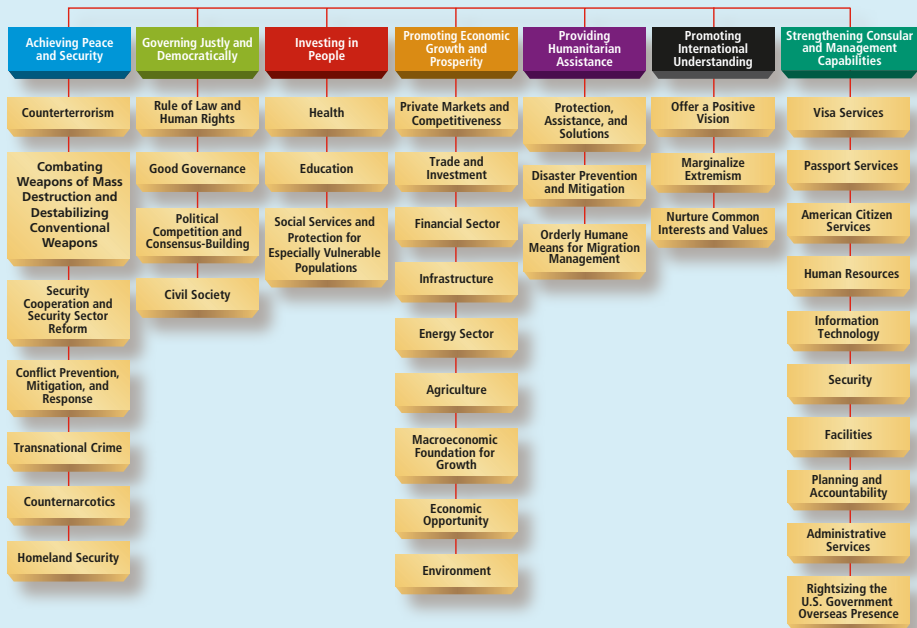
RECENT PERFORMANCE AND RESOURCE HIGHLIGHTS

OUR MISSION STATEMENT

Advance freedom for the benefit of the American people and the international community by helping to build and sustain a more democratic, secure and prosperous world composed of well-governed states that respond to the needs of their people, reduce widespread poverty, and act responsibly within the international system.

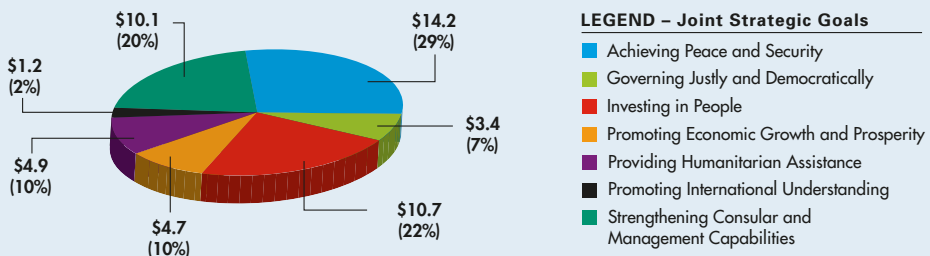
JOINT STRATEGIC FRAMEWORK

American diplomacy and development in the 21st century are based on three fundamental beliefs: our freedom is best protected by ensuring that others are free; our security relies on a global effort to secure the rights of all; and our prosperity depends on the prosperity of others. The joint Strategic Goals and Priorities of the Department of State and USAID displayed below reflect this vision and our mission. For joint reports, including the Joint Strategic Plan for 2007-2012, see <http://www.state.gov/s/d/rm/rls/dosstrat/index.htm> and <http://www.usaid.gov/policy/budget/>.



COMBINED FY 2009 DEPARTMENT OF STATE AND USAID BUDGET – \$49.2 BILLION*

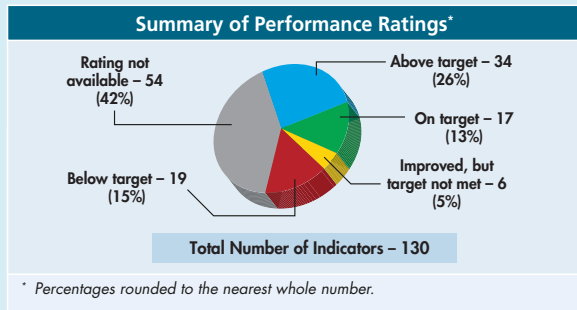
Budget by Strategic Goal (\$ in billions)



* Includes appropriations and fees.

SUMMARY OF STATE-USAID PERFORMANCE

The Department of State and USAID are committed to using performance management best practices to ensure the most advantageous U.S. diplomacy and development outcomes and promote greater accountability to the American people. Drawing on technical expertise within both agencies and from the development and security communities, the Department and USAID have developed quantitative and qualitative performance indicators to provide a comprehensive picture of the results that are being achieved with U.S. taxpayer resources. The chart and table shown here summarize those ratings overall, and at the Strategic Goal level, for FY 2009. Additional information is available at <http://www.state.gov/s/d/rm/rls/perfrpt/2009performancesummary/index.htm> and <http://www.usaid.gov/policy/summary09>.



● Above Target
 ● On Target
 ● Improved, but Target Not Met
 ● Below Target
 ● Rating Not Available

Performance Ratings by Strategic Goal*		
Strategic Goal 1: Achieving Peace and Security	Performance Ratings	
Preserve international peace by preventing regional conflicts and transnational crime, combating terrorism and weapons of mass destruction, and supporting homeland security and security cooperation.		29 Indicators
Strategic Goal 2: Governing Justly and Democratically	Performance Ratings	
Advance the growth of democracy and good governance, including civil society, the rule of law, respect for human rights, political competition, and religious freedom.		19 Indicators
Strategic Goal 3: Investing in People	Performance Ratings	
Improve health, education, and other social services to help nations create sustainable improvements in the wellbeing and productivity of their citizens.		17 Indicators
Strategic Goal 4: Promoting Economic Growth and Prosperity	Performance Ratings	
Strengthen world economic growth and protect the environment, while expanding opportunities for U.S. businesses and ensuring economic and energy security for the nation.		24 Indicators
Strategic Goal 5: Providing Humanitarian Assistance	Performance Ratings	
Minimize the human costs of displacement, conflicts, and natural disasters to save lives and alleviate suffering.		8 Indicators
Strategic Goal 6: Promoting International Understanding	Performance Ratings	
Achieve foreign policy goals and objectives and enhance national security by fostering broad, mutually-respectful engagement and mutual understanding between American citizens and institutions and their counterparts abroad.		7 Indicators
Strategic Goal 7: Strengthening Consular and Management Capabilities	Performance Ratings	
Assist American citizens to travel, conduct business and live abroad securely, and ensure a high quality workforce supported by modern, secure infrastructure and operational capabilities.		26 Indicators

* Percentages rounded to the nearest whole number.

CURRENT PRIORITIES AND LOOKING AHEAD

QUADRENNIAL DIPLOMACY AND DEVELOPMENT REVIEW (QDDR)

The Quadrennial Diplomacy and Development Review (QDDR) provides the short-, medium-, and long-term blueprint for U.S. diplomatic and development efforts. The goal is to use this process to guide the United States to agile, responsive, and effective institutions of diplomacy and development, including how to transition from approaches no longer commensurate with current challenges; leveraging the full range of American policy tools and resources; measurably impacting global progress in security, prosperity, and wellbeing; preventing and responding to crises and conflict; and providing strong, flexible management platforms to support institutional objectives. The QDDR offers guidance on how State and USAID should update methodologies; deploy staff; add new tools and hone old ones; and exercise new or restored authorities. It aligns policy, strategy, capabilities, authorities, and resources—human and financial—to ensure effective execution of solutions to national security priorities. In 2010, to assist us in moving forward, State and USAID will complete discussions in Washington and the field to address any institutional gaps and strengthen capabilities. For more information, see <http://www.state.gov/s/dm/qddr/>.

HIGH PRIORITY PERFORMANCE GOALS

The White House Office of Management and Budget requested agencies to identify a limited number of high-priority performance goals (HPPGs) as a first step toward developing the President's performance agenda. State and USAID prepared a joint submission that reflects the Secretary's and Administrator's highest priorities and will be a particular focus for the two agencies from now through 2011.

State and USAID jointly selected eight goals that are outcome-focused and relevant to the public, require interagency coordination, are in the implementation phase, and will show measureable results through clear indicators and ambitious targets. The State-USAID HPPGs address the following subjects:

- Afghanistan and Pakistan
- Iraq
- Global Health
- Food Security
- Climate Change
- Democracy, Good Governance and Human Rights
- Global Security – Nuclear Nonproliferation
- Management – Building Civilian Capacity

U.S. GOVERNMENT'S ROLE IN HAITI RELIEF

On January 12, 2010 a magnitude 7.0 earthquake struck southern Haiti, with an epicenter 10 miles southwest of Port-au-Prince. On January 13, President Obama named USAID the lead Federal agency for earthquake relief and reconstruction. The U.S. Government's joint civilian-military response to assist the Haitian people following the earthquake is being carried out in coordination with the United Nations, the international community, and nongovernmental organizations worldwide. Our assessment teams are also evaluating public health, critical infrastructure, and longer-term food and nutrition needs with a view to post-disaster reconstruction. The Department of State and USAID work as one to coordinate the overall American humanitarian response, demonstrating the ongoing linkage of diplomacy and development. To learn more, see <http://www.state.gov/p/wha/ci/ha/earthquake/index.htm> and <http://www.usaid.gov/haiti/>.

SMART POWER

The Obama Administration recognizes that the United States and the world face great peril and urgent foreign policy challenges, including ongoing wars and regional conflicts, the global economic crisis, terrorism, weapons of mass destruction, climate change, worldwide poverty, food insecurity, and pandemic disease. Military force may sometimes be necessary to protect our people and our interests. But diplomacy and development are equally important in creating conditions for a peaceful, stable and prosperous world. Smart power requires reaching out to both friends and adversaries, bolstering old alliances and forging new ones.

Smart power translates into specific policy approaches in five areas. The Department of State and USAID will:

- update and create vehicles for cooperation with our partners;
- pursue principled engagement with those who disagree with us;
- elevate development as a core pillar of American power;
- integrate civilian and military action in conflict areas; and
- leverage key sources of American power, including our economic strength and the power of our example.

STATE-USAID BUDGET

The Department of State and USAID are the lead U.S. agencies responsible for carrying out the President's foreign policy agenda, which includes developing and executing U.S. foreign policy and interacting with foreign governments and international organizations. The Obama Administration's diplomatic and development efforts enhance American leadership, strengthen alliances, and build new partnerships to confront pressing global challenges. By increasing foreign assistance and expanding diplomatic and development capacity, the United States is taking steps to renew its leadership role in the global community. The international agenda today is unforgiving – two wars, conflict in the Middle East, terrorism, nuclear proliferation, economic recession, climate change, hunger, pandemic disease, and transnational criminal networks. All of these challenges threaten global stability and progress – all affect America's national security and prosperity. To meet the challenges, the United States must use a full range of foreign policy tools, particularly the indispensable instruments of diplomacy and foreign assistance.

The State and USAID budget requests are critical components of the U.S. national security budget, along with the Departments of Defense and Homeland Security, and are vital to securing U.S. national security interests around the world. State and USAID are committed to demonstrating the relationship between their budget requests to Congress and the performance of the programs that these budgets support.

FISCAL YEAR 2010

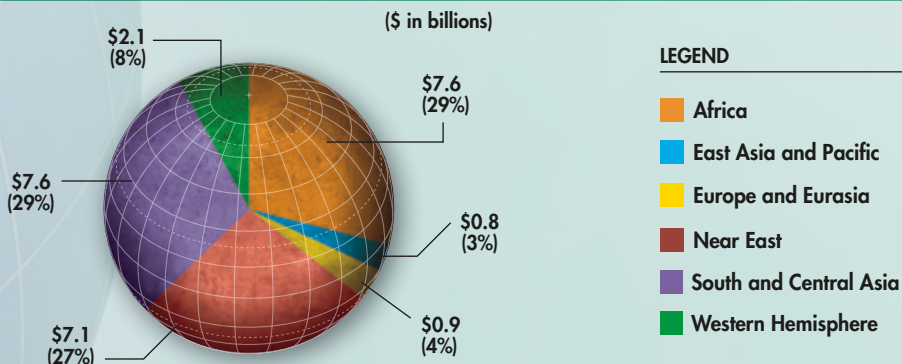
The budget provides \$47.9 billion to the Department of State and USAID. Increased foreign assistance supports initiatives

to educate children in the poorest countries, foster global food security through sustainable agriculture, increase the size of the Peace Corps, and stabilize post-conflict states. The budget also increases funding for global health programs, funds reinvigorated efforts to counter proliferation, terrorism and transnational crime, increases non-military assistance to Afghanistan and Pakistan, and strengthens assistance to help Iraqis who have been displaced because of the war. Further, the budget expands diplomatic and development operations by increasing the size of the Foreign Service at both the Department of State and USAID. There is an additional budget request to Congress for \$4.5 billion to support civilian efforts in Afghanistan, Pakistan and Iraq, and \$1.6 billion for assistance to Haiti.

FISCAL YEAR 2011

The budget request for the Department of State and USAID totals \$52.8 billion, a \$4.9 billion increase above FY 2010 levels, with \$3.6 billion of the increase for programs in Afghanistan, Pakistan and Iraq. Of the total budget, \$36.4 billion is devoted to foreign assistance, of which \$26.1 is allocated to provide support in the regions of the world as shown in the chart below. The remaining \$10.3 billion of foreign assistance provides funding for the following: Democracy, Conflict and Humanitarian Assistance; Population, Refugees, and Migration; the Office of the Global Aids Coordinator; International Partnerships; and USAID Management and other foreign assistance programs. For more information on the Department of State and USAID budgets, see the Congressional Budget Justifications for Fiscal Year 2011 at <http://www.state.gov/s/d/r/m/c6113.htm> and <http://www.usaid.gov/policy/budget>.

STATE-USAID FY 2011 FOREIGN ASSISTANCE BUDGET REQUEST BY REGION
\$26.1 BILLION



OUR PEOPLE

The Department of State is the lead institution for the conduct of American diplomacy and the Secretary of State is the President's principal foreign policy advisor. The Foreign Service is a diplomatic corps of more than 12,000 employees dedicated to representing America abroad and responding to the needs of American citizens living and traveling around the world. The Department's Civil Service corps, totaling more than 9,000 employees, provides continuity and expertise in accomplishing all aspects of the Department's mission. There are also more than 37,000 Locally Engaged—including Foreign Service National—Staff at overseas posts.

USAID, headed by the USAID Administrator, is an independent federal agency that provides economic, development, and humanitarian assistance around the world in support of the foreign policy goals of the United States. More than 72 percent of USAID's 7,900 employees—including Foreign Service, Civil Service, Foreign Service National, and personal service contractors—serve overseas. Through contracts and grant agreements, USAID partners with more than 3,500 companies and over 300 U.S.-based private voluntary organizations.



OUR LOCATIONS

The Department and USAID carry out their joint mission in a worldwide workplace, focusing their energies and resources wherever they are most needed to best serve the American people and the world.

Headquartered in Washington DC, the Department of State has an extensive global presence, with 260 Embassies, consulates, and other posts in 180 countries. The Department also operates several other types of offices, most of which are located throughout the United States, including passport agencies, foreign press centers, logistic support offices, security offices, and financial service centers.

USAID implements programs in more than 100 countries through its eight Washington DC bureaus and 88 field missions. USAID provides assistance in five regions of the world: Sub-Saharan Africa; Asia; Latin America and the Caribbean; Europe and Eurasia; and the Middle East.

DID YOU KNOW?

- The President's International Affairs Budget request represents slightly more than one percent of the total federal budget.
- On any given work day in 2009, approximately 51,869 Americans were issued a passport and approximately 22,300 people received a non-immigrant visa to visit the United States.
- The State Department makes payments to support diplomatic and development operations worldwide in 149 different foreign currencies.
- The President's Emergency Plan for AIDS Relief directly supported prevention of mother-to-child transmission programs that allowed nearly 100,000 babies of HIV-positive mothers to be born HIV-free in 2009.
- President John F. Kennedy created USAID in 1961 by executive order, however, the Agency's origins date back to the Marshall Plan reconstruction of Europe after World War II.
- The Department of State is the oldest (established in 1789) executive agency of the federal government. Thomas Jefferson was the first Secretary of State and Benjamin Franklin was our first Ambassador—to France.
- On Earth Day, April 22, 2009, Secretary Clinton launched the Greening Diplomacy Initiative, a new commitment to lead by example, and improve the sustainability of the State Department's facilities and operations.

IMAGE CREDITS

Cover (clockwise from upper right): Agence France Presse (AFP); Family Health International; Associated Press (AP); Peace Corps; Department of State; AP; Shah Marai/AFP; Academy for Educational Development; Department of State; Jide Adeniyi-Jones; Nicholas Kamm/AFP.

Messages: AFP and USAID



2201 C Street, N.W.
Washington, DC 20520
(202) 647-4000
www.state.gov



1300 Pennsylvania Avenue, N.W.
Washington, DC 20523
(202) 712-0000
www.usaid.gov

EMAIL: performance&planning@state.gov