**Impact of Proposed FY 2018 Budget Allocations on USAID Operations**

A review of the proposed budget allocations in the Devex article dated April 25, 2017 – “Budget Cuts Hint at Organizational Change in USAID” – see <https://www.devex.com/news/budget-cuts-target-development-assistance-hint-at-organizational-change-90132> -- provides a link to State Department budget allocations. See <http://neo-assets.s3.amazonaws.com/news/FY18-Budget-Control-Levels.pdf>. This analysis is based on budget allocations by Mission and Bureau and multiplied the percent budget reduction projected for 2018 by the 2017 staffing numbers for US Direct Hires (USDHs) in each unit included in the 2017 CBJ.  Two groups were considered (1) those Missions that would be completely closed out plus the Bureaus in Washington that had draconian cuts and (2) the Missions that had approximately 40% cut in funds or higher. Based on those two groups, the potential total cuts would be 384 USDHs.  That is not including the other reductions of funding of 30% or less for the remaining Missions. This is out of a total 3,611 USDHs in Washington (2,007 in DC) and Missions (1,604 in the field).  Based on these estimates, the number of reduced positions would be 175 USDH in Washington versus a 209 USDH in the field.  Even if these numbers were doubled to a total of 768 USDHs -- that would still only be a 20% cut in overall USDH positions.

A review of the budget allocations indicates the following:

31 USAID Missions and 3 Bureaus will be zeroed out – Those units that are proposed to receive no funding or, in the case of BFS, DCHA and Global Lab, will have very significant cuts, in 2018 are the following: Central Africa Republic, Mauritania, Niger, Sierra Leone, African Union, Laos, Marshall Island, Micronesia, Thailand, Timor-Leste, Azerbaijan, Belarus, Montenegro, Poland, Int. Fund for Ireland, Middle East Regional Cooperation (MERC), Trans-Sahara Counter-Terrorism, Kazakhstan, Maldives, Turkmenistan, STATE South & Central Asia Regional, USAID South Asia Regional, Brazil, Cuba, Ecuador, Jamaica, Nicaragua, Paraguay, Venezuela, USAID Caribbean Dev. Program, USAID South America Regional, Bureau of Food Security (68% cut in funding from 2017 level with 6 offices zeroed out), DCHA (51% cut in funding with 8 offices closed), Global Health (60% cut in funding with 6 offices closed), and Global Development Lab (86% cut in funding with 2 offices closed).

The number of personnel potentially affected are the following.

* + Closed Out Missions & Downsized Bureaus - Taking the FY 2017 Congressional Budget Justification tables for personnel levels (Tables 16a – i) – “USAID Workforce FY 2015 – FY 2017, and decreasing staff by the number of US Direct Hires (USDHs) in each unit that is being closed gives a total of 214 USDH positions. The downsizing of Bureau of Food Security, DCHA, Global Health and Global Development Lab is a major part of the eliminated positions – 175 in AID/w out of a total of 214 positions. Total of 214 USDH reductions in Missions and Washington (primarily in DC).
	+ Downsized Missions – A more complicated analysis could give an estimate of the number of personnel that could potentially be affected in the downsized Missions based on overall funding cuts. Taking just Missions with an approximate cut of 40% or greater in funding provides the following list: Djibouti (55%x2) 1; Ghana (39%x22) 9; Liberia (50%x29) 15; Madagascar (45%x8) 4; Senegal (50%x54) 27; Sudan (38%x5) 2; Cambodia (71%x18) 13; Regional Dev. Mission Asia (63%x52) 33; Georgia (41%x21) 8; Moldova & Ukraine (50% average x36) 18; Egypt (47%x34) 16; India (64%x23) 11; Kygrz Republic (60%x6) 4; Nepal (56%x24) 13; Dominican Republic (52%x20) 10; Mexico (50%x12) 6; and Peru (41%x26) 11. Taking these cuts into account without factoring in the downsizing of 15% to 30% gives you a total of **170 USDH reductions** in Missions.
	+ If you take the difference between the 214 USDH positions reduced by complete close out of Missions and Offices and subtracted the staff located in AID Washington, you have 39 field staff. Add that to the number of USDH reductions in Missions (170) and you get 209 USDHs in the field and 175 USDHs in Washington that could potentially have their positions eliminated.

This level of cuts (at most, 1 in 5 positions) would cause disruption but not complete chaos.  Transparency, equity and proactive communication will be critical over the next few months.

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| Mission | USDH Personnel | Mission | USDH Personnel |
| Central Africa Rep. | 0 | Turkmenistan | 0 |
| Mauritania | 0 | USAID South Asia Reg. | 0 |
| Niger | 3 | Brazil | 2 |
| Sierra Leone | 14 USDHs are listed for both Guinea & Sierra Leone (estimate is that 2 USDHs will be affected).2 | Cuba | 0 |
| Laos | 0 | Ecuador | 0 |
| Marshall Island | 0 | Jamaica | 6 |
| Micronesia | 0 | Nicaragua | 7 |
| Thailand | 0 | Paraguay | 3 |
| Timor-Leste | 7 | Venezuela | 0 |
| Azerbaijan | 3 | USAID Caribbean Regional | 4 |
| Belarus | 26 USDHs are listed for Ukraine, Moldova & Belarus (estimate is that 2 USDHs will be affected)2 | USAID South America Reg |  |
| Montenegro | 0 | Bureau of Food Security | 68% cut (54 x 68% = 37) 37  |
| Poland | 0 | DCHA | 51% cut (122 x 51% = 62)2 \*There are only 2 USDHs the rest are PSC positions. |
| Middle East Reg. Cooperation | 0 | Global Health | 60% cut (103 x 61% = 63)63 |
| Trans- Sahara Counter Terrorism | 0 | Global Dev. Lab | 86% cut (85 x 86% = 73)73 |
| Kazakhstan | 0 | Total estimated number of USHD positions that would be eliminated in the closed out Missions and downsized offices would be 214 with 175 of them coming from bureaus/offices in Washington DC. |
| Maldives | 0 |