USAID Transition Initiatives Account

Annual Report to Congress for Fiscal Year 2022

Bureau for Conflict Prevention
and Stabilization

November 2022

OTI AT A GLANCE

The Office of Transition Initiatives (OTI) within the Bureau for Conflict Prevention and Stabilization (CPS) of the U.S. Agency for International Development (USAID) presents the following report to Congress on its use and expenditure of Fiscal Year (FY) 2022 Transition Initiatives (TI) funds, referred to in Senate Report 115-282, which accompanied the Department of State, Foreign Operations, and Related Programs Appropriations Act, 2019 (P.L. 116-6, Div. F).

In FY 2022, OTI managed a total of $339 million; $213.9 million in TI funds, comprised of $80 million in FY 2022 base TI (a 13 percent decrease from previous fiscal years), $120 million in Ukraine Supplemental TI, and $13.9 million in TI carried over and recovered from previous fiscal years. Of the total $339 million managed, OTI received $125.1 million from other parts of the U.S. Government.

While the overall increase in the TI account due to the Ukraine supplemental (included in the Consolidated Appropriations Act 2022) allowed OTI to immediately respond to Russia's unjustified war in Ukraine, the temporary decrease in base TI limited OTI's flexibility to respond to other emergent crises. Increased flexibility in both the amount and type of funds is paramount to OTI's ability to effectively respond to the U.S. Government's (USG) highest foreign policy priorities.

PROGRAMMING

From October 2021 through September 2022, OTI funded 872 activities in 20 countries:

Africa: Benin, Burkina Faso, Ethiopia, Ghana, Niger, Mozambique, Sudan, and Togo.

Asia: Malaysia.

Europe and Eurasia: Armenia, Belarus, Moldova, and Ukraine.

Latin America and the Caribbean: Colombia, El Salvador, Guatemala, Haiti, and Honduras.

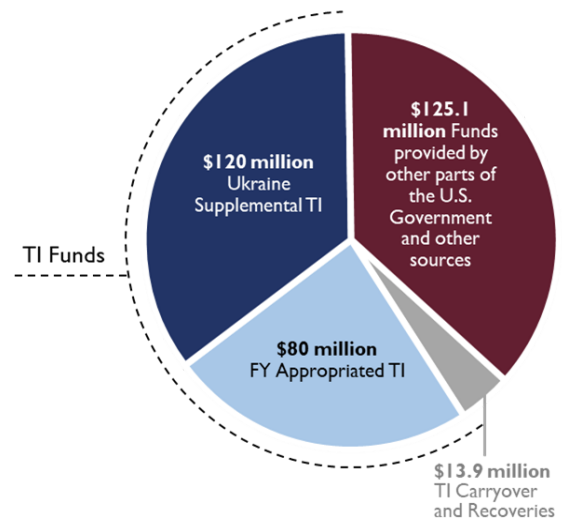**The Middle East and North Africa:** Iraq and Libya.

OTI works closely with stakeholders in all our country programs to ensure our programmatic objectives fulfill the USG's overall foreign policy interests.

CRISIS IN EUROPE

In February 2022, Russia launched an unprovoked, full scale invasion of Ukraine, threatening the sovereignty of a U.S. democratic partner and unleashing the most significant land war, and largest displacement crisis in Europe, since World War II. Russia's war of aggression has been deeply costly with far-reaching consequences beyond Ukraine—significantly the global food crisis and economic challenges affecting many of the countries in OTI's worldwide portfolio. OTI responded to the crisis in Europe by extending its program in Ukraine, expanding its program to support the Belarusians working toward a sovereign, democratic state, and launching a new program in Moldova. Each of these rapid contingency programs serves as a critical, distinct element of the U.S. Government's response to Russia's invasion and its effects throughout the region. The Ukraine Supplemental provided OTI an additional $120 million in TI funds. Although TI was not included in follow-on Ukraine Supplemental packages, the inclusion of language allowing the transfer of funds to TI provided critical support and increased OTI's ability to respond quickly to the rapidly evolving context.

OTI Funds Administered in FY 2022
Total: $339 million

$120 million Ukraine Supplemental TI

$125.1 million Funds provided by other parts of the U.S. Government and other sources

TI Funds

$80 million FY Appropriated TI

$13.9 million TI Carryover and Recoveries

OPERATIONS AND PROGRAM COSTS

OTI's core operational support costs were approximately $26.4 million, or 7.8 percent of total FY 2022 funds managed by OTI. OTI's multi-country program support costs, including OTI's "Bullpen" (program experts who serve in a surge capacity worldwide), totaled approximately $12.9 million, or 3.8 percent of total funds managed. Combined, these two categories of costs constituted 11.6 percent of total funds managed by OTI in FY 2022.

Transition Initiatives (TI) Funds for Fiscal Year 2022 (U.S. Dollars)				
Program	Description	Dates	Est. Budget ($000) TI	Non-TI
AFRICA				
Burkina Faso	Sought to mitigate the destabilizing effects of violence and insecurity by empowering community leaders, fostering economic opportunities, revitalizing traditional community mechanisms, and enabling critical local service delivery.	Start: 7/2018 Exit: 2/2022	1,019	0
Ethiopia	Building an enabling environment for inclusive and peaceful national consensus processes by strengthening intra- and inter-group relationships and actions, advancing inclusive and constructive public discourse, and mitigating mis/disinformation and hate speech.	Start: 9/2019 Exit: 2/2024	7,836	2,000
Coastal West Africa	Supporting local counterparts across three West African coastal states (Benin, Ghana, and Togo) to withstand the increasing pressures of violent extremist organizations by addressing instability factors, including governance weaknesses, conflict, and weak social cohesion.	Start: 3/2021 Exit: 3/2024	2,780	7,650
Mozambique	Prevented and countered violent extremism in Northern Mozambique by strengthening resilience, empowering youth, and fostering positive engagement between communities and government.	Start: 10/2019 Exit: 01/2022	1,183	0
Niger	Strengthening government action to resist the spread of insecurity, and reinforce the links between and within government structures and communities.	Start: 8/2014 Exit: 6/2023	1,728	0
Sudan	Creating space for a successful civilian-led democratic transition in Sudan by ensuring efforts for an inclusive, civilian-led democratic transition are expanded, supporting access to timely, accurate information, and supporting politically engaged stakeholders to unify around core democratic values.	Start: 2/2020 Exit: 8/2023	TI: 42 TI-EM: 2,511*	0
ASIA				
Malaysia	Supported Malaysians' aspirations for a more democratic society by empowering reformers within the Malaysian Government to advance institutional democratic change, and by increasing public engagement on issues of transparency, accountability, and freedom of expression.	Start: 2/2019 Exit: 2/2022	340	0
EUROPE AND EURASIA				
Armenia	Improved prospects for a lasting democratic transition in Armenia by advancing reforms in the executive branch and key public institutions that improve transparency, reduce corruption, and address emerging challenges that could threaten citizens' confidence in democratic governance.	Start: 3/2019 Exit: 2/2022	493	0
Belarus	Supporting Belarusian aspirations for a democratic, sovereign future.	Start: 4/2021 Exit: 2/2025	TI: 1,633 TI-UKR: 16,976	3,000
Moldova	Ensuring that Moldova's reform efforts withstand the destabilizing effects of Russia's war in Ukraine and the associated crisis.	Start: 4/2022 Exit: 3/2023	TI-UKR: 6,872	0
Ukraine	Supporting a resilient, democratic, and united Ukraine that overcomes Russia's war of aggression.	Start: 5/2014 Exit: 8/2023	TI: 1,931 TI-UKR: 79,047	10,000
LATIN AMERICA AND THE CARIBBEAN				
Central America	Supporting local partners in El Salvador, Guatemala, and Honduras to increase community resilience in the face of significant poverty, violence, poor governance, corruption, and climate change, all of which contribute to irregular migration.	Start: 5/2021 Exit: 5/2024	13,817	8,740

Colombia	Supporting a sustainable and inclusive peace accord by strengthening engagement of government and regional actors in peace accord implementation and piloting approaches to challenge the social norms that perpetuate the conflict and affect rural security.	Start: 7/2015 Exit: 9/2026	4,236	11,000
Haiti	Intended to increase public engagement and confidence in Haiti's democratic and political transition processes through partnerships with local media and civil society, and bolster future efforts to increase the inclusivity and credibility of eventual constitutional reform and democratic elections. A window of opportunity to support Haiti's political processes never opened, thus the program was shut down.	Start: 9/2021 Exit: 3/2022	7	0
MIDDLE EAST				
Iraq	Increasing stability in Iraq by helping communities affected by ISIS recover, while working toward a more pluralistic and cohesive country capable of addressing threats to Iraq's security and regional stability.	Start: 6/2018 Exit: 9/2024	8,889	6,500
Libya	Increasing local authorities' responsiveness to Libyan citizens; creating opportunities for positive political participation; fostering peace dividends and national unity; and maintaining stability in strategic areas.	Start: 7/2011 Exit: 9/2023	7,013	6,250
Multi Country Program Support (*Costs not attributed to a single country program*)			TI: 12,270 TI-UKR: 590	0
Washington, D.C., Program Support for Worldwide Programs			TI: 23,656 TI-UKR: 2,695	0
TI No Year Funds Adjustment**			(8,873)	0
TOTAL FUNDS: FY 2022 TI: 80,000 TI-UKR: 106,180 TI-EM: 2,511* Non-TI: 55,140				

*Fiscal Year 2021 Title IX ESF that was transferred to the TI account for Sudan
**This adjustment includes: 1) funds from the prior Fiscal Year; and 2) collections, recoveries, and reimbursements. OTI carried over $5 million in FY 2022 base TI, $13.8 million in TI Ukraine Supplemental, and $67.5 million TI-EM Sudan funds into Fiscal Year 2023, which is not included in the totals above.

OTI's Policy, Strategies, and Programs 2022

OTI's mission is to seize emerging windows of opportunity in the political landscape to promote stability, peace, and democracy by catalyzing local initiatives through adaptive and agile programming, in support of U.S. foreign policy. The challenges confronting the world are nuanced and fast-evolving. OTI partners with USAID Missions and U.S. Embassies to contribute to peace and stability through programs, funding, and technical services focusing on social, communal, and political aspects of crises and political transitions. OTI programs take cross-sectoral and sometimes regional approaches, engaging with local partners to tackle political problems such as conflict, democratic backsliding, terrorism prevention, and stabilization—delivering high-impact programming in rapidly changing contexts.

Strategic Competition

Moldova (2022-Present) Russia's invasion of Ukraine thrust Moldova to the forefront of Europe's largest conflict since World War II. The war presents challenges for the Government of Moldova and elevates its prospects for European integration, particularly after the country recently received EU candidacy status. In April 2022, OTI launched a short-term program to address the immediate threats that the war posed to Moldova's stability, unity, and continued European integration. OTI builds confidence in the government's European integration efforts and enhances crisis management capabilities through targeted strategic communications support to the Government of Moldova; increases the consumption of independent, accurate media by supporting non-Kremlin aligned Russian language news and content creators; and fosters social cohesion and unity around Moldovan identity through civil society-driven engagement and cultural activities.

Ukraine (2014-Present) Since 2014, OTI has worked to increase Ukrainians' confidence in democratic reform through activities that help citizens embrace a values-based civic identity, engage in the reform process, and build trust in objective media. Following Russia's unprovoked invasion of Ukraine in February 2022, OTI extended its program (initially slated to close in April 2022) to augment the U.S. Government (USG)'s response; in its current iteration, the program is a flexible,

rapid-response mechanism designed to help Ukraine's citizens, civil society, and government authorities address the impacts of Russia's war and maintain unity around a democratic and sovereign Ukraine.

Since the invasion, OTI's existing network of civil society partners have proved remarkably resilient and agile under the duress of war, quickly pivoting to become first responders and trusted information sources for communities under attack. As a result, OTI became a critical, distinct piece of the overall USG response by leveraging strong partnerships with national ministries, regional authorities, local councils, civil society, volunteer networks, and the creative sector and independent media to quickly pivot and scale up support across the country. As part of this response, OTI works with Ukrainian partners to strengthen the country's resilience and democratic unity along four main lines of effort: enabling Ukrainian voices to build support for Ukraine's unity, democracy and independence; enabling government and civil society in key areas to rapidly respond to critical priorities caused by the war; mobilizing Ukrainians around shared values that maintain unity to shape the country's future; and contributing to nascent efforts for national healing and addressing atrocities.

Illustrative OTI projects include: monitoring and reporting to support the Government of Ukraine and civil society partners in countering disinformation entities; ensuring frontline local governments maintain core functions and critical infrastructure through provision of emergency equipment including generators, protective gear, and satellite radios; supporting the launch of integration centers to strengthen relationships between host communities and internally displaced persons; and providing training for mental health providers and guidance for organizations on setting up psychosocial support systems for war-affected populations.

Expanding Democratic Space

Armenia (2019-2022) Following the 2018 Velvet Revolution, OTI supported the Government of Armenia (GoAM) in implementing its reform agenda. This support took shape in multiple ways, including advancing reforms to improve transparency and reduce corruption through initiatives such as helping the GoAM create e-governance platforms, improving and restructuring their strategic communications, and establishing a Corruption Prevention Commission. The program also addressed emerging challenges that could threaten citizens' confidence in democratic governance through initiatives such as the provision of critical food and hygiene supplies for people displaced due to the Second Nagorno Karabakh war in late 2020, and the delivery of agricultural equipment to help border communities recover their livelihoods after the conflict.

Belarus (2021-Present) OTI's Belarus program launched in April 2021 in response to the fraudulent 2020 presidential elections and subsequent protests led by hundreds of thousands of Belarusians calling for change. OTI supports Belarusian aspirations for a sovereign, democratic future by supporting civic activity inside Belarus, enabling more Belarusians to engage with independent media and alternative non-regime content, and strengthening and expanding the pool of Belarusian initiatives serving communities inside the country. Amid ongoing repression by the regime, OTI works in close collaboration with a diverse array of pro-democracy partners inside Belarus and across the region, including democratic movement actors, civil society groups, journalists, activists, and other citizen-led initiatives.

Supporting Dialogue and Promoting Peace

Colombia (2015-Present) Colombia has experienced armed conflict with insurgency groups for nearly 60 years, which exacerbated state weaknesses and structural inequities. OTI's program works with government agencies and civil society to carry out rural development plans and other local priorities set forth in the peace agreement. OTI also increases government entities' commitment of resources for peace accord implementation and advances bottom-up implementation in critical geographic areas which have high levels of violence, illicit economies, illegal armed group activity, and a historical lack of state presence. For example, the program supports community identified small-scale infrastructure projects, such as pedestrian bridges linking populations to schools, markets, and other government services, in regions prioritized by the peace agreement.

Ethiopia (2020-Present) Launched in February 2020, OTI's Ethiopia Support Program aims to build an enabling environment for inclusive and peaceful national consensus processes in Ethiopia. While the government initiated substantial and long-awaited political, economic, and security reforms in 2018, the country currently faces recurring inter-communal violence in various regions and a new regional conflict in Northern Ethiopia which displaced 2.5 million people and pushed 7.5 million people into acute food insecurity. Multiple reports and investigations revealed that all parties to the conflict in Northern Ethiopia committed human rights abuses, including gender-based violence, and there are reasonable grounds to believe that starvation has been used as a method of warfare in this conflict. Additionally, actors such as Eritrea, with its military involvement in northern Ethiopia, and non-state armed actors within the country also threaten Ethiopia's stability. In this evolving context, OTI's focus at program inception shifted from one of supporting Ethiopia's reform agenda to a focus on human rights and conflict mitigation and subsequently to a focus on building an enabling environment for national consensus process. OTI does this by supporting opportunities to address inter- and

intra-ethnic and communal issues; advancing inclusive and constructive public discourse; and mitigating the impact of mis/disinformation and hate speech. OTI advances local-level peacebuilding efforts by linking like-minded actors across ethnic, religious, political, and regional lines to build relationships for a longer-term national dialogue and consensus process. The program partners with universities, traditional and social media, and local customary institutions (such as elders councils). OTI's activities are at both the national and regional level with Amhara and Oromia as current target regions.

Sudan (2020-Present) Following a nationwide nonviolent movement that ushered in a civilian-led transitional government after 30 years of military rule, OTI launched a program in January 2020 to shore up Sudan's historic democratic transformation. From January 2020 through October 2021, OTI supported the consolidation of Sudan's democratic transformation by enabling the civilian-led transitional government to demonstrate progress on key transition processes, and by strengthening civic engagement and expanding independent media. The program partnered with more than 20 government entities, focusing on the Office of the Prime Minister, Ministry of Economics and Financial Planning, and Ministry of Information and Digital Transformation. Activities included technical assistance, assessments, and implementation plans on reform initiatives and priorities, equipment and training, and support with strategic communications to better inform citizens on actions and progress.

The military takeover of Sudan's government on October 25, 2021 interrupted the democratic transition, spurred an economic crisis, and led pro-democracy activists to again take to the streets. OTI responded to these shifts in the political landscape by immediately pausing all support to the Government of Sudan and pivoting assistance to civilian pro-democracy actors. OTI is now focused on creating space for a renewed civilian-led democratic transition by ensuring, among other things, citizens have reliable access to timely and accurate information, and politically engaged stakeholders unify around core democratic values. This includes activities that improve communication, cooperation, coordination, and ultimately consensus among key pro-democracy civil actors. It also includes skill-building and civic education for grassroots organizations such as resistance committees, and supporting independent and reliable media to counter mis/disinformation about the transition.

Understanding that sustainable democratic change in Sudan must involve the peripheries and not just the capital, OTI expanded its programming by opening an office in Port Sudan in early 2022. This office provides assistance to pro-democracy actors in the east, including youth groups, active resistance committees, and professionals, strengthening their linkages with pro-democracy actors in the center of the country.

Countering Violent Extremism

Burkina Faso (2018-2022) Growing violence and insecurity in Burkina Faso disrupted the country's socio-economic systems, produced millions of internally displaced people, and destabilized communities. OTI launched a program to mitigate the impact of these disruptions by targeting strategic communities in the northern and eastern parts of the country to find locally-led solutions that addressed the most pressing sources of instability. The program supported local leaders' ability to respond to their communities' needs and fostered economic opportunities by training women and youth in transferable income-generating activities. OTI also revitalized traditional conflict resolution mechanisms, encouraged equitable resource-sharing, and supported the delivery of critical services, including the provision of water, medical care, and civil records to displaced populations. These efforts helped strengthen and support key population centers to withstand, prevent, and counter the influence of violent extremist organizations.

Mozambique (2019-2022) Beginning in 2017, Islamic State-Mozambique attacks in northern Mozambique displaced hundreds of thousands of people. OTI launched a program to partner with local government, community leaders, and civil society organizations in northern Mozambique to address the rising insecurity, and counter the threat of violent extremism (VE). The program enabled vulnerable youth to more effectively resist VE influence and increased engagement between communities and the government on community grievances that can lead to radicalization. OTI did this in a variety of ways, including through support to and services for internally displaced persons as well as skills training for targeted groups to counter vulnerability to recruitment and influence by extremists.

Addressing Regional Issues

Central America (CARI) (2021-Present) OTI's program supports local partners in El Salvador, Guatemala, and Honduras to increase community resilience in the face of significant poverty, violence, poor governance, corruption, and climate change, all of which contribute to irregular migration. The program develops and tests new approaches to strengthen the systems, social networks, behaviors, and perceptions that foster a sense of rootedness and hope for the future in communities with high out-migration rates. For example, gender-based violence (GBV) is one of the many drivers of irregular migration of women from the region. In Honduras, OTI trained local women who work with survivors of GBV to offer moral support and guidance to other women on their legal rights and the support services they can access.

Coastal West Africa (CWA) (2021-Present) Through a regional programming approach, OTI supports local stakeholders across Benin, Ghana, and Togo to withstand the increasing pressures of violent extremist organizations by

addressing drivers of instability and conflict dynamics that serve as entry points for these groups. OTI's interventions complement other U.S. efforts in the region to advance the Strategy to Prevent Conflict and Promote Stability by providing short-term, targeted programming that increases community resilience and strengthens the capacity of local actors to effectively prevent violent extremist growth. In the northern regions of Ghana, Benin, and Togo this includes engaging across a broad spectrum of society, including women, youth, and members of various ethnic and religious groups, to recognize, report, and resist violent extremist messaging and recruitment strategies.

Supporting Stabilization

Niger (2014-Present) Niger's strategic location and longstanding security relationship with the United States make it a key ally in disrupting terrorist threats in the Sahel. Over the last two years, the region experienced a sharp increase in violent extremist activity, with significant destabilizing effects in neighboring Mali, Burkina Faso, and Nigeria. From 2014 to 2020, OTI worked with communities in the Lake Chad Basin and Liptako Gourma regions to counter violent extremist threats. In 2021, OTI pivoted to focus on identifying emerging threats and bolstering stability in the critical Dosso corridor, as well as working with the new USAID/Niger Mission to strengthen conflict-responsive programming.

Libya (2011-Present) OTI leverages its unique national footprint and relationships with a network of civil society organizations, municipal partners, and national government institutions in Libya to strengthen the conditions necessary for a revived political transition. The program aims to maintain stability in strategic areas by equipping governing authorities with the tools needed to address community grievances that threaten the political transition, primarily through improving basic service delivery. Furthermore, in areas that are susceptible to high levels of militia recruitment and control, the program is working with civil society to reduce the influence of armed groups in their communities. OTI also partners with local civil society organizations to both create opportunities for political dialogue and engagement, and to foster national reconciliation and unity—for example, through debates where parliamentary candidates respond to questions from the public, and through workshops with youth from across Libya to increase cross-regional interaction, improve perceptions, and reduce polarization.

Iraq (2018-Present) OTI fosters stability by improving conditions in areas liberated from ISIS, and partnering with civil society organizations and local government entities to restore essential public services, expand livelihoods, and address community grievances. This includes rehabilitating critical infrastructure—from roads, water systems, and electrical networks, to parks and civic spaces; rebuilding marketplaces to reinvigorate local businesses; equipping schools to improve access to education; and building the capacity of municipalities to manage public services such as trash and waste collection. Additionally, OTI works with online media platforms, local authorities, and community-based groups to counter disinformation and divisive rhetoric by fostering positive interactions among diverse groups and strengthening moderate and inclusive alternative sources for news and information.

Responsible, Timely Disengagements/Exits

Haiti (2021-2022) Following the assassination of President Jovenel Moïse on July 7, 2021, USAID and the NSC requested OTI conduct an assessment to identify emerging opportunities to support immediate, Haitian-led political stabilization and reform. In September 2021, OTI launched the Haitian Inclusive Political Process Initiative, a short-term program intended to increase public engagement and confidence in Haiti's democratic and political transition processes through partnerships with local media and civil society. However, after political deadlock, a deteriorating security environment, indefinitely delayed constitutional reform, and stalled election efforts, OTI, in consultation with Embassy Port au Prince, concluded that the window of opportunity for impactful OTI programming no longer existed, ending the program in March 2022.

Malaysia (2019-2022) In the 2018 general elections, Malaysians called for increased transparency and accountability and demonstrated that electoral forces could remove a corrupt government. OTI built on this momentum by working with reform-minded actors in government and civil society to advance institutional, democratic change and increase public engagement on issues of anti-corruption, transparency, accountability, and freedom of expression. Over three years, the program supported initiatives to increase the technical capacity of government reformers, increase collaboration between the government and civil society, and increase civil society's outreach to supportive constituencies. To encourage sustainability of the program's efforts, OTI organized learning, training, and networking events for civil society partners so they can continue to advocate effectively for democratic reform.