



Functional Bureau Strategy

OVERSEAS BUILDINGS OPERATIONS

FOR PUBLIC RELEASE

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1. Executive Statement and Mission Statement

The Bureau of Overseas Buildings Operations (OBO) provides the U.S. diplomatic and consular missions overseas with safe, secure, functional, and resilient facilities that represent the U.S. government to the host nation and support the Department's achievement of U.S. foreign policy abroad. As the single real property manager, OBO directs the worldwide building, maintenance, leasing, acquisition, and disposal programs for the U.S. Department of State. The Department's workforce is serving around the world in unpredictable environments and faces rapidly changing security risks, political and civil unrest, evolving climate threats, and malign influence. The Secure Embassy Construction and Counterterrorism Act (SECCA) of 2022 provides OBO with flexibility to modify how it approaches risk management in the delivery of appropriate facilities and empowers it to respond to evolving national security priorities. Protecting the overseas physical infrastructure from 21st century threats is inextricably linked to the overall success of national security priorities and foreign policy objectives.

The overseas diplomatic real estate portfolio managed by OBO comprises over 25,000 properties valued at \$73.7 billion, spanning 289 locations and directly supporting more than 91,000 personnel from approximately 30 U.S. government agencies operating overseas under chief of mission (COM) authority. Property types include embassy and consulate office buildings, multi-use compounds, warehouses, and other support facilities, as well as housing for U.S. staff. Buildings range from historic structures adapted for diplomatic use, to purpose-built modern structures and leased offices, while residences may be single family houses, apartments in urban high-rises, or suburban diplomatic compounds.

Planning, designing, and executing overseas diplomatic projects bring uncommon risks and challenges including rapidly changing priorities, meeting host country regulations and predicting local threats, whether they are political, environmental, or physical. Similar challenges exist in maintaining facilities that vary widely in age, physical condition, and generational technology. To fulfill its mission and serve the global U.S. diplomatic community, OBO developed its FY 2022-2026 strategic goals and objectives through the lens of three guiding principles:

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- Security: Enhance the security, safety, and functionality of overseas facilities and residences through standardizing design and construction management processes.
- Resiliency: Provide and maintain industry-leading, resilient facilities through employing a full life-cycle facility management approach.
- Stewardship: Promote continuous investment in OBO's workforce and technology.

OBO's FY 2022-2026 Functional Bureau Strategy (FBS) includes four strategic goals and 11 objectives that guide bureau priorities through FY 2026.

- Strategic Goal 1: Enhance the security, safety, functionality, and resilience of facilities and residences through the design and construction program.
- Strategic Goal 2: Improve the resilience and maximize the lifespan of our facilities through adaptive and sustainable asset management programs.
- Management Goal 3: Strengthen and equip a diverse, inclusive, resilient, and dynamic workforce to meet 21st-century physical infrastructure challenges.
- Management Goal 4: Position the workforce to manage challenges through process refinement and risk mitigation strategies that inform decision-making.

OBO's strategy aligns with the FY 2022-2026 Department of State and United States Agency for International Development (USAID) Joint Strategic Plan (JSP), specifically Objective 4.3:

"Protect our personnel, information, and physical infrastructure from 21st century threats."

Also, this strategy incorporates and aligns with the Bureau's priorities outlined under the Bureau Director's four (4) collective responsibilities:

- Customer Service: Supporting and managing the expectations of OBO employees and personnel serving abroad;
- Business Process Improvement: Effectively and efficiently define, execute and manage the bureau's business processes;
- Total Cost of Ownership: Considering all diplomatic operational decisions through the lens of the total life-cycle cost; and
- Proactive Risk Management: Collective risk knowledge and management.

With the ongoing commitment of Congress, the Department, and our interagency partners, OBO is committed to supporting our nation's diplomatic corps in achieving U.S. foreign policy by implementing the Secure Embassy Construction and Counterterrorism Act (SECCA) 2022 in a manner that will increase OBO's ability to rapidly deliver results for all stakeholders.

OBO's commitment to safety and security requires the Bureau to examine enterprise risk. To that end, OBO will incorporate Enterprise Risk Management (ERM) considerations, specifically in the areas of Climate Security and Resilience (CS&R), Deferred Maintenance and Repair (DM&R), and strategic staffing.

OBO will continue to deliver on its mission to provide secure, safe, functional, and resilient facilities that are symbols of American culture and values and serve as visible reminders of America's influence and global diplomatic presence.

Mission: To provide safe, secure, functional, and resilient facilities that represent the U.S. government to the host nation and support the Department's achievement of U.S. foreign policy objectives abroad.

Vision: Construct, maintain, and manage facilities that represent American values and balance the best in American architecture, design, engineering, technology, sustainability, art, culture, and construction execution.

2. Bureau Strategic Framework

Bureau Goal 1: Enhance the security, safety, functionality, and resilience of facilities and residences through the design and construction program.

- **Bureau Objective 1.1:** Optimize business operations to enhance resilience of the design and construction programs to meet current modernization demands and future industry challenges.
- **Bureau Objective 1.2:** Build and implement a Climate Security & Resilience (CS&R) program to ensure missions are more resilient and secure against current and projected natural hazards.
- **Bureau Objective 1.3:** Improve the physical conditions, safety, and security of the diplomatic housing portfolio.

Bureau Goal 2: Improve the resilience and maximize the lifespan of our facilities through adaptive and sustainable asset management programs.

- **Bureau Objective 2.1:** Implement a standardized condition assessment and inspection process to build a complete and consistent real property data set.
- **Bureau Objective 2.2:** Develop a plan to address the deferred maintenance and repair backlog, specifically identifying the funding and time frames needed to reduce it.
- **Bureau Objective 2.3:** Standardize prioritization processes across established capital improvement programs to increase transparency and efficiency.

Bureau Cross Cutting Management Goal 3: Strengthen and equip a diverse, inclusive, resilient, and dynamic workforce to meet 21st century physical infrastructure challenges.

- **Bureau Objective 3.1:** Improve OBO's workforce through enhanced recruitment, development, and talent retention while promoting a diverse, equitable, inclusive, and accessible workforce and workplace.
- **Bureau Objective 3.2:** Modernize OBO's enterprise applications to provide worldwide users with leading-edge industry capabilities.
- **Bureau Objective 3.3:** Improve the Data Management and Analytics platform and technologies to enable data driven decision-making.

Bureau Cross Cutting Management Goal 4: Position the workforce to manage challenges through process refinement and risk mitigation strategies that inform decision-making.

- **Bureau Objective 4.1:** Enable strategic portfolio management through integrated processes, technologies, and data.
- **Bureau Objective 4.2:** Establish OBO's risk management governance framework by adapting the Department's enterprise risk management framework and principles to the Bureau's mission and structure.

3. Bureau Goals and Objectives

Bureau Goal 1: Enhance the security, safety, functionality, and resilience of facilities and residences through the design and construction program.

- **Bureau Goal 1 Description:** OBO leads the Department's capital investment program related to planning and delivery of the Department's overseas facilities. The Department operates in unpredictable environments and is facing rapidly changing security risks, political and civil unrest, global pandemics, and evolving natural hazards threats exacerbated by climate change. Physical attacks conducted by adversaries against U.S. embassies, consulates, and facilities abroad continue to threaten our people and properties. The Department's unique worldwide presence requires the ability to respond to rapidly changing situations and evolving threats in real time. To be effective in the years ahead, OBO must modernize its program to optimize performance and continuously improve critical project delivery drivers. The Bureau must also improve its ability to assess the exposure and vulnerability of the global portfolio to natural hazards and adapt to corresponding risks while at the same time leveraging multi-attribute decision analysis tools to improve occupant safety, security, and well-being, as well as overall staff satisfaction with residential facilities overseas.

Bureau Objective 1.1: Optimize business operations to enhance resilience of the design and construction programs to meet current modernization demands and future industry challenges.

- **Bureau Objective 1.1 Justification and Linkages:** OBO acknowledges the accelerated demand of operational readiness through the advancement of the building program. To strengthen delivery of secure and high-performing diplomatic facilities in variable and evolving conditions, OBO prioritizes the adoption of emerging processes, systems, and operations through multidisciplinary improvement efforts synchronized across the bureau. Continued pursuit of improved design and construction techniques, with alignment to industry standards and the utilization of best practices, remains increasingly critical in OBO's responsibility to provide a resilient infrastructure. These continued design and construction advancements will also help OBO decrease errors and improve the quality of our facilities. This objective supports JSP Objective 4.3: "Protect our personnel, information, and infrastructure from 21st century threats."
- **Bureau Objective 1.1 Risk Considerations:** There are three major risks associated with this objective. First, if OBO does not successfully optimize business operations, then OBO will fall behind industry standard methods, negatively impacting its ability to deliver effective projects and retain staff. Second, if OBO does not collect, maintain, and use building information in a data-driven way across the Department, then its capability to reliably assess and forecast for the future state of its facilities will be reduced. And third, if OBO is not able to continuously authorize and implement the use of emerging technologies in a timely manner, then its systems will be put at risk of 21st-century threats.

Bureau Objective 1.2: Build a Climate Security & Resilience (CS&R) program to implement functional climate adaptation so that missions are more resilient.

- **Bureau Objective 1.2 Justification and Linkages:** Natural hazards, including those projected to increase in frequency and severity due to climate change, pose a threat to the Department’s global portfolio. The typical means and methods of planning, designing, constructing, and managing a global portfolio around historical knowledge of hazard exposure is becoming increasingly obsolete. By proactively identifying and communicating natural hazard risks (current and future) and working with key stakeholders to act on the data in mitigating the risks, the Climate Security and Resilience (CS&R) program is charged with facilitating adaptation measures throughout OBO and the Department in accordance with the Department’s Climate Adaptation and Resilience Plan (as referenced in the FY 2022-2026 JSP). The CS&R program is also a key aspect of OBO’s enterprise risk management (ERM) approach. This objective links to JSP Objective 1.2: “Secure ambitious climate mitigation and adaptation outcomes, including supporting effective Paris Agreement implementation” and JSP Objective 4.3: “Protect our personnel, information, and infrastructure from 21st century threats.”
- **Bureau Objective 1.2 Risk Considerations:** Lack of appropriate resources to acquire, understand, and apply natural hazard information inclusive of climate change projections, where appropriate, may jeopardize diplomatic missions’ ability to anticipate, prepare for, and adapt to natural hazards and withstand, respond to, and recover rapidly from natural hazard disruptions. If OBO does not receive the initial staffing levels and program funding requested in its resource requests, OBO will not be able to build the required climate adaptation capacity to further support continued program responsiveness to the risk.

Bureau Objective 1.3: Improve the physical conditions, safety, and security of the diplomatic housing portfolio.

- **Bureau Objective 1.3 Justification and Linkages:** The Department’s diplomatic corps serving overseas is frequently called upon to serve in some of the most demanding locations and to face a wide variety of risks and threats not readily experienced in the United States. While a career in the Foreign Service demands acceptance of certain risks, OBO’s ability to deliver appropriate housing that is safe, secure, and functional serves to mitigate the stresses of overseas service and improve the quality of life for our diplomats abroad. With a focus on safety, security, and physical conditions as well as perceived quality of life, OBO’s real property asset management and major leasing programs carry out these efforts through various acquisition programs, including:
 - Staff Housing Opportunity Purchases (SHOP): Bulk housing purchases, identified through a portfolio analytics and research process.
 - Build-to-Lease and Option-to-Lease: Leasing option opportunities in locations where the local housing market does not meet acceptable standards and seismic, fire and life safety, and security requirements.
 - Representational/Functional Purchases: All properties other than staff housing, which may include new construction and improvements. Also identified through a portfolio analytics and research process.
 - Adaptable-Accessible Housing Acquisition Program: Purchasing one adaptable-accessible housing unit at each post.
 - Joint Ventures: Transactions where the U.S. government contributes underutilized or unutilized property to a joint-venture developer-partner in exchange for a portion of to-be-built residential units.

OBO will work to identify where the needs are greatest and prioritize improvements in those locations. This objective supports JSP Objective 4.3: “Protect our personnel, information, and infrastructure from 21st century threats.”

- **Bureau Objective 1.3 Risk Considerations:** There are two major risks associated with this objective. First, if OBO does not receive appropriate funding, then OBO will fail to make progress on a prioritization system for housing projects, negatively impacting the quality of life of the diplomatic corps. Second, if OBO does not collect and maintain residential facilities deficiencies in a data-driven way, then its capability to reliably assess and forecast for the future state of its diplomatic housing will be reduced.

Bureau Goal 2: Improve the resilience and maximize the lifespan of our facilities through adaptive and sustainable asset management programs.

- **Bureau Goal 2 Description:** Operating facilities in developing economies and in harsh environments prone to natural disasters and climate changes, along with maintaining a widely varied physical and aging infrastructure present formidable challenges and risks. To protect and preserve our worldwide assets and ensure our facilities continue to adapt to complex operational challenges, OBO is committed to reducing the Department's current maintenance and repair backlog. Through a full lifecycle approach to managing the Department's global facility portfolio, OBO will reduce emergency repairs and extend the life of critical building equipment, improve facilities condition data collection, and increase facility management oversight. Efforts under this goal also will continue to integrate facility management planning resources and project planning from inception to end of lifecycle, ensure functional readiness of overseas facilities and infrastructure, and increase facility manager capabilities and capacity worldwide.

Bureau Objective 2.1: Implement a standardized condition assessment and inspection process to build a complete and consistent real property data set.

- **Bureau Objective 2.1 Justification and Linkages:** OBO uses a parametric age-based model to determine the Facility Condition Index (FCI) of its properties and to determine the deferred maintenance and repair backlog. Posts perform an Annual Facility Condition Survey (AFCS) to update the maintenance data informing FCI scoring. Current AFCS data varies in completeness and quality. The lack of a standardized inspection methodology allowed posts to proscribe a wide variety of inspection practices which skewed previous condition assessment input. The lack of a mandatory inspection policy for all facilities exposes gaps in the portfolio condition information essential to prioritizing maintenance funding where it is needed. Internal research indicates that improving the collection and veracity of maintenance data from the field will support prioritization efforts to reduce the cost of facility maintenance and generate significant cost savings over the estimated useful life of our properties. This objective supports JSP Objective 4.3: “Protect our personnel, information, and infrastructure from 21st century threats.”
- **Bureau Objective 2.1 Risk Considerations:** One risk to implementing a standard inspection methodology is the lack of sufficient technical staff to inspect all facilities annually at some posts. Increased staff effectiveness, specifically in accurate assessment of actual conditions, can lower the total maintenance costs of a facility thus, training of facility managers and locally employed (LE) staff will be crucial to ensuring accurate data collection.

Bureau Objective 2.2: Identify the funding and time frames required to address the deferred maintenance and repair backlog.

- **Bureau Objective 2.2 Justification and Linkages:** At least 60 percent of a building's total lifecycle cost stems from operations and maintenance. Deferring maintenance and repair can lead to higher costs in the long-term and pose risks to agencies' missions. The existing prioritization method for maintenance and repair projects does not always correctly prioritize the mission critical projects. Implementing documented mission dependency calculations into prioritization schemes will ensure mission continuity by prioritizing critical projects. OBO will be able to strengthen and mature its sustainment, restoration, and modernization programs to address the deferred maintenance backlog. This objective supports JSP Objective 4.3: "Protect our personnel, information, and infrastructure from 21st century threats."
- **Bureau Objective 2.2 Risk Considerations:** One of the risks to achieving this objective is the quality and transfer of data across disparate software systems. The lack of system interoperability threatens the timeliness and accuracy of decision making for project prioritization and funding due to inconsistent and incomplete data sets.

Bureau Objective 2.3: Standardize prioritization processes across established capital improvement programs to increase transparency and efficiency.

- **Bureau Objective 2.3 Justification and Linkages:** OBO is focused on delivering high-quality capital projects completed in the most efficient and effective manner possible. To that end, the Bureau will standardize its capital improvement prioritization processes to counter existing inconsistencies and inefficiencies and provide Bureau leadership with a comprehensive understanding of how programs allocate resources. OBO will develop a corporate business process and standardize verification of project requirements to deconflict priorities among various OBO programs and improve overall project delivery.

This objective supports the Customer Service, Business Process Improvement and Total Cost of Ownership areas of focus within the Bureau's collective responsibility priorities. Also, this objective links to JSP objective 4.3: "Protect our personnel, information, and infrastructure from 21st century threats."

- **Bureau Objective 2.3 Risk Considerations:** If OBO does not standardize its prioritization processes, projects may not be carried out in the most efficient manner possible. This inefficiency may lead to overlaps between projects, creating resource allocation inefficiencies and ineffective procedures.

4. Bureau Cross-Cutting Management Goals and Objectives

Bureau Cross-Cutting Management Goal 3: Strengthen and equip a diverse, inclusive, resilient, and dynamic workforce to meet 21st century physical infrastructure challenges.

- **Bureau Cross-Cutting Management Goal 3 Description:** As OBO reinvests in the Department's physical infrastructure to meet 21st century threats, the Bureau must also reinvest in its workforce and technology. OBO remains committed to modernizing its workforce and information management infrastructure to continue to provide safe, secure, functional, and resilient facilities abroad. OBO has actively established partnerships with the National Organization of Minority Architects (NOMA) and prioritized recruiting engagements with minority firms and professional member organizations in the technical industry to drive interest and promote career opportunities. OBO will recruit and retain specialized and high-performing professionals prepared to take on the challenges of managing a diverse and global diplomatic asset portfolio by optimizing recruitment and retention strategies that will strengthen diversity, equity, inclusion, and accessibility. OBO will improve retention through customized professional development activities and enhanced employee engagement. Additionally, OBO is committed to improving data management and analytics. The Bureau will develop and employ technology to better inform management decision-making. OBO is working towards streamlining Bureau software applications with innovative cloud enterprise application. The Bureau will also more clearly define and improve its processes to be more effective and efficient in carrying out OBO's mission.

Bureau Cross-Cutting Management Objective 3.1: Improve OBO's workforce through enhanced recruitment, development, and talent retention while promoting a diverse, equitable, inclusive, and accessible workforce and workplace.

- **Bureau Cross-Cutting Management Objective 3.1 Justification and Linkages:** The Bureau will focus on recruiting highly skilled and specialized personnel and on decreasing the number of employees leaving OBO to pursue alternative employment opportunities. OBO will focus on developing a data driven methods from prospect attraction through candidate hire. To improve retention, OBO will increase accessibility to training and professional development opportunities by creating policies and processes that are fair and equitable. Innovative technologies and accessible data will be used to strengthen a diverse, inclusive, resilient, dynamic and world-class workforce by implementing strategies focused on retention, training, and development. This management objective supports the Customer Service, Business Process improvement and Total Cost of Ownership areas of focus within the Bureau's collective responsibility priorities. It also supports JSP Objectives 4.1: "Build and equip a diverse, inclusive, resilient, and dynamic workforce" and 4.3: "Protect our personnel, information, and physical infrastructure from 21st century threats," as well as Executive Order 13985 on Racial Equity and Support for Underserved Communities.
- **Bureau Cross-Cutting Management Objective 3.1 Risk Considerations:** OBO competes with industry leaders to recruit and retain talent, meaning OBO must find ways to continue to attract the best possible talent in a crowded space. To assist in mitigating recruitment and retention risks, OBO will develop a recruitment marketing strategy to attract diverse and competitive talent and work to improve vacancy time to fill. In addition, retention assessments will be conducted to determine key reasons for non-retiring employee attrition which will inform training and professional development program initiatives for employees. OBO will also continue to develop its training programs to ensure that all OBO employees can take advantage of skill building opportunities.

Bureau Cross-Cutting Management Objective 3.2: Modernize OBO's enterprise applications to provide worldwide users with leading-edge industry capabilities.

- **Bureau Cross-Cutting Management Objective 3.2 Justification and Linkages:**
Modernizing OBO's enterprise applications is heavily reliant on the Department's technology guidance and policies; however, the greatest challenge is maintaining the highest security posture while considering integrating leading industry solutions. Aligning with the Department's mission to adopt and maintain state-of-the-art technologies, through this objective, OBO will work with bureau programs to analyze legacy systems, and thoroughly research best-in-class solutions to provide users with a modern, secure, cloud-based enterprise solution. This management objective supports the Customer Service, Business Process improvement and Total Cost of Ownership areas of focus within the Bureau's collective responsibility priorities. This objective also supports JSP Objectives 4.2: "Modernize IT and leverage data to inform decision-making and support mission delivery" and 4.3: "Protect our personnel, information, and physical infrastructure from 21st century threats."
- **Bureau Cross-Cutting Management Objective 3.2 Risk Considerations:** In OBO's effort to consider leading edge technologies, along with rapidly changing security mandates, current funding allocations pose a risk to achieving this objective within the timeframe of this strategy. OBO's operations and maintenance (O&M) expenses will increase too dramatically for our legacy custom-developed systems to meet growing security, interoperability, and mission-driven feature requirements. OBO is aggressively performing Analysis of Alternatives efforts addressing each key legacy system to see where the bureau can quickly incorporate new functionality versus continuing to maintain legacy solutions.

Bureau Cross-Cutting Management Objective 3.3: Improve the Data Management and Analytics platform and technologies to enable data-driven decision-making.

- **Bureau Cross-Cutting Management Objective 3.3 Justification and Linkages:** OBO has made great strides in the previous strategy to establish a data management and analytics framework. The Bureau will continue to refine and enhance its data management efforts through strengthening a data governance strategy that incorporates effective stewardship, policies, and process controls. OBO will optimize and enhance mission-driven data management applications to enable improved ease of access to data, data creation, collection, storage, and standardization for better collaboration. This management objective supports the Customer Service, Business Process improvement and Total Cost of Ownership focuses within the Bureau's collective responsibility priorities. It also supports the Department's goal of creating a culture of data-driven decision-making. This Objective supports JSP Objectives 4.2: "Modernize IT and leverage data to inform decision-making and support mission delivery" and 4.3: "Protect our personnel, information, and physical infrastructure from 21st century threats."
- **Bureau Cross-Cutting Management Objective 3.3 Risk Considerations:** Not achieving this objective will hamper OBO's ability to make timely and informed decisions on project prioritization. OBO will mitigate the risk of not achieving this objective by leveraging existing department data and analytics platforms wherever available and building basic analytics capabilities and requirements into new information technology (IT) systems.

Bureau Cross-Cutting Management Goal 4: Position the workforce to manage challenges through process refinement and risk mitigation strategies that inform decision-making.

- **Bureau Cross-Cutting Management Goal 4 Description:** As the Department of State communicates and pushes its modernization agenda and risk policy cultural shift, the Bureau needs to have a plan to improve its internal business process efficiency and implement a risk management governance structure, to better support mission delivery and manage risk holistically. OBO has established a Business Process Improvement (BPI) working group to identify necessary areas of improvement through initial data collection. OBO plans to standardize the identified processes to reduce redundancy and increase collaboration across the Bureau. OBO will establish a risk management governance structure in accordance with the Department's framework and principles to accept and manage risk to better advance U.S. foreign policy objectives and prioritize Bureau resources. Efforts within this goal aim to leverage technology and data to better enhance decision-making and risk management at the appropriate accountability levels across the Bureau.

Bureau Cross-Cutting Management Objective 4.1: Enable strategic portfolio management through integrated processes, technologies, and data.

- **Bureau Cross-Cutting Management Objective 4.1 Justification and Linkages:** As 21st century physical infrastructure challenges increase, and technology and data needs rapidly shift, OBO will undertake a BPI initiative to document business processes, identify improvement opportunities, and prioritize continuous improvement pursuits to make mission and management decisions more effectively. To achieve this aim, OBO will standardize an approach to capture and maintain business process data and information across the bureau. Utilizing industry best practices, including agile methodologies, lean construction, and human centered design, OBO will increase strategic alignment across the Bureau, enable staff to improve the way they work and excel at delivering customer service through an integrated ecosystem of people, processes, technology, and data. This objective also supports the Department's Modernization Agenda; the Customer Service and Business Process improvement focuses within the Bureau's collective responsibility priorities; and JSP Objectives 4.1: "Build and equip a diverse, inclusive, resilient, and dynamic workforce" and 4.3: "Protect our personnel, information, and physical infrastructure from 21st century threats."
- **Bureau Cross-Cutting Management Objective 4.1 Risk Considerations:** The BPI initiative is reliant on subject matter expertise, clear communication, and leadership buy-in if all OBO processes are to be captured and analyzed through the effort. Additionally, the high complexity and quantity of OBO's processes require BPI team members to maintain a diverse set of skills and effectively prioritize the most impactful processes for analysis. To mitigate these risks, OBO will establish a team of relevant business process subject matter experts to strategically plan for the systematic implementation of continuous improvement across the bureau and deploy Process Improvement Office Representatives to ensure process advancements, outreach and employee engagement occur at every level of the organization. OBO will also identify the most impactful processes and prioritize those for documentation.

Bureau Cross-Cutting Management Objective 4.2: Establish OBO's risk management governance framework by adapting the Department's enterprise risk management framework and principles to the Bureau's mission and structure. Establish an OBO risk management governance framework.

- **Bureau Cross-Cutting Management Objective 4.2 Justification and Linkages:** The Department of State has updated its strategic goals and policies regarding enterprise risk management (ERM) to address risk proactively, rather than be risk averse. Risk management is already built into existing OBO procedures across many offices. OBO will connect and expand on these initiatives to create an enterprise risk management framework that improves the overall strategic portfolio management across the Bureau. This objective supports the Proactive Risk Management collective responsibility as it aims to manage enterprise risk at the Bureau level. In addition, a risk management governance framework directly supports Goal 4 of the Joint Strategic Plan to encourage a culture of managing risk rather than avoiding it.
- **Bureau Cross-Cutting Management Objective 4.2 Risk Considerations:** There are two primary risks to achieving this objective. First, the objectivity and independence of the steering committee, which will prioritize implementation of OBO's risk management governance structure, will be critical as OBO establishes this new effort. To maintain the committee's independence, OBO will develop a charter that clearly outlines the role of committee members and stakeholders. Additionally, stakeholders across OBO may have varying risk tolerance levels and varied understandings of what enterprise risk management means to the Bureau. By developing a communication and training plan, the committee can articulate what ERM means to OBO and how managers can enact it.