Annual Report
2018
Board of Trustees
As of December 31, 2018

Chairman E. Benjamin Nelson
Senator for Nebraska (2001-2013)

Dr. Carla Hayden
Librarian of Congress

Hon. Steve Daines
Chairman, Senate Appropriations
Subcommittee on Legislative Branch

Hon. Tim Ryan
Chairman, House Appropriations
Subcommittee on Legislative Branch

Hon. Martin Heinrich
United States Senate

Hon. David Price
United States House of Representatives

Hon. Jeff Fortenberry
United States House of Representatives

Hon. James F. Collins
Carnegie Endowment for International Peace

***

Ms. Jane Sargus
Executive Director, Open World Leadership Center
Message from the Executive Director

The Open World Leadership Center conducts a one-of-a-kind program in the U.S. legislative branch that has hosted more than 29,000 emerging leaders from Russia, Ukraine and other post-Soviet states since 1999. By 2020, Open World will have hosted its 20,000th Russian delegate. As one of the support agencies of Congress, Open World takes its role seriously and strives daily to be a model agency worthy of the Legislative Branch. To that end, we operate on a fully transparent, cost-effective, and efficient basis. We keep our overhead rate at around 7% and seek more cost sharing opportunities with our partners in Open World countries. Open World’s young leaders stay in private homes in an American community equivalent to their own. They come to discuss topical issues of mutual interest and to experience firsthand the functioning of our democratic institutions and market economy. The Open World program nurtures civic and political environments where civil society develops not only from the top down, but also from the ground up and the periphery in. Each year, 10-15 new clubs from organizations such as Friendship Force, Rotary, Sister City or others join the Open World network. Because of this network, these future leaders form positive views of the United States and come to recognize the value of good relations. The Open World program promotes a knowledge-based democracy, one that educates the Open World participant and allows your constituents to engage personally in strengthening civil society. The Open World program continues to dig deeper and wider into American communities and to provide these communities with first-hand opportunities to showcase American values and best practices. Whether you are a delegate, alum, host family, or grantee, I encourage you to keep in touch with us via our website and social media. Thank you for supporting Open World.

Sincerely,

Jane Sargus
Executive Director
Program Objectives

The Open World Leadership Center is committed to a strategy designed to strengthen our work in support of Congress and to cement our legislative identity. To that end, the Center adopted four goals that are both measurable and attainable.

Goals

- Ensure that the Center is a resource, an asset, and an investment for Congress: Under this goal, the Center specifically addresses Congressional interests and requests. In addition, delegations of legislators at the national and local levels comprise a substantial portion of the total number of participants. Finally, Members of Congress and their staff receive first-hand actionable information of interest during face to face meetings with rising leaders from these countries.

- Enhance the reach of the Center to strategically important countries: Via enabling legislation and with the approval of the Board of Trustees, the Center is able to respond quickly to Congressional requests to engage emerging leaders of strategically important countries.

- Operate as a model, cost-effective, responsive agency: The Center is keenly aware of the importance of being an effective and efficient fiscal steward. In that capacity, interagency agreements, low overhead and responsible grant making are hallmarks of the Center’s high impact, low cost operations.

- Intensify the Center’s outreach to U.S. missions abroad, to grantees, and to other stakeholders: The Center has begun the implementation of a communications strategy as well as increased efforts to secure private funding for alumni programming.
Measures of Success

Open World continues to focus its programming on a geographically and professionally broad cross-section of emerging leaders who might not otherwise have the opportunity to visit the United States:

- Delegates have come from every political region of Russia and Ukraine.
- More than 10,800 federal, regional, and local government officials have participated, including 391 members of parliament and 2,013 judges.
- In 2018 the average age of Open World delegates was 32.
- 92 percent of delegates are first-time visitors to the United States.
- 51 percent of delegates are women.
- Since 2012, approximately 40% of all Open World delegates are age 30 and under.
- The average cost per participant of the Open World program is $8,800-9,200, depending on the country, compared to approximately $19,000 per person for a similar executive branch program.

Interest in the Open World Program remains robust within American hosting communities. The demand for hosting Open World delegations is more than triple the supply of available slots due to funding limitations. Delegates are hosted by a large and dedicated group of American citizens who live in state capitals, other large cities, small towns, and rural communities throughout the United States.
Participating Countries

Armenia
Azerbaijan
Belarus
Estonia
Georgia
Kazakhstan
Kosovo
Kyrgyzstan
Moldova
Mongolia
Peru
Russia
Serbia
Tajikistan
Turkmenistan
Ukraine
Uzbekistan
Staff
(as of November 30, 2019)

Executive Director
Jane Sargus

Deputy Executive Director
Maura Shelden

Program Managers
Lewis Madanick, Matt Tucker, Alexa King

Program Assistants
John P. Johanson and Ryland Penta

Alumni Outreach Assistant
Christina Filipovich

Office Manager
Grace Barnhill

Country Director for the Russian Federation
Alexander Khilkov
Calendar Year 2018 Highlights

In 2018, the Open World Leadership Center hosted a total of 964 delegates from 18 countries in more than 118 American host communities in 48 states. In a climate of uncertainty in the international arena, Open World continues to serve as a resource of unvarnished information for Members of Congress and their constituencies throughout the United States. Our three signature 10-day exchanges – Members of Parliament, Judicial Rule of Law, and Civic Programs – have resulted in the creation of a vital network of more than 28,000 emerging leaders that have had first-hand, peer-to-peer exposure to the United States. With support from the Department of State/USAID, the Center hopes to bring nearly 1,000 emerging leaders to communities throughout the United States in 2019. Country highlights from 2018 follow the chart below.

Participation by Country:

<table>
<thead>
<tr>
<th>Country</th>
<th>All Years through 12/31/2018</th>
<th>2018 Completed</th>
<th>2019 Scheduled</th>
<th>Fiscal 2020 Projected</th>
</tr>
</thead>
<tbody>
<tr>
<td>Armenia</td>
<td>133</td>
<td>26</td>
<td>24</td>
<td>6</td>
</tr>
<tr>
<td>Azerbaijan</td>
<td>310</td>
<td>26</td>
<td>24</td>
<td>12</td>
</tr>
<tr>
<td>Belarus</td>
<td>36</td>
<td>12</td>
<td>18</td>
<td>12</td>
</tr>
<tr>
<td>Egypt</td>
<td>12</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Estonia</td>
<td>24</td>
<td>4</td>
<td>6</td>
<td>4</td>
</tr>
<tr>
<td>Georgia</td>
<td>692</td>
<td>57</td>
<td>43</td>
<td>24</td>
</tr>
<tr>
<td>Kazakhstan</td>
<td>504</td>
<td>33</td>
<td>30</td>
<td>18</td>
</tr>
<tr>
<td>Kosovo</td>
<td>146</td>
<td>12</td>
<td>18</td>
<td>12</td>
</tr>
<tr>
<td>Kyrgyzstan</td>
<td>502</td>
<td>21</td>
<td>24</td>
<td>18</td>
</tr>
<tr>
<td>Lithuania</td>
<td>104</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Macedonia</td>
<td>new</td>
<td>0</td>
<td>12</td>
<td>0</td>
</tr>
<tr>
<td>Moldova</td>
<td>469</td>
<td>27</td>
<td>30</td>
<td>6</td>
</tr>
<tr>
<td>Mongolia</td>
<td>102</td>
<td>15</td>
<td>24</td>
<td>12</td>
</tr>
<tr>
<td>Russia</td>
<td>19,793</td>
<td>320</td>
<td>312</td>
<td>216</td>
</tr>
<tr>
<td>Serbia</td>
<td>484</td>
<td>28</td>
<td>48</td>
<td>24</td>
</tr>
<tr>
<td>Tajikistan</td>
<td>519</td>
<td>20</td>
<td>18</td>
<td>18</td>
</tr>
<tr>
<td>Turkey</td>
<td>97</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Turkmenistan</td>
<td>196</td>
<td>0</td>
<td>0</td>
<td>6</td>
</tr>
<tr>
<td>Ukraine</td>
<td>3,716</td>
<td>322</td>
<td>314</td>
<td>306</td>
</tr>
<tr>
<td>Uzbekistan</td>
<td>159</td>
<td>31</td>
<td>30</td>
<td>6</td>
</tr>
<tr>
<td>Other programs</td>
<td>49</td>
<td>10</td>
<td>24</td>
<td>26</td>
</tr>
<tr>
<td></td>
<td>28,047</td>
<td>964</td>
<td>999</td>
<td>726</td>
</tr>
</tbody>
</table>

1 Other programs include the Rumsfeld Foundation Fellows from most Open World countries; House Democracy Partnership delegations; and other special delegations formed as a result of significant costsharing.

2 This number is the most that can be hosted with appropriated funds only (including recovered funds, revenue, and other offsets). The number will grow if USAID funds are transferred later this year.

Countries in italics are inactive.
Highlights from Ukraine

From 2003 to 2018, Open World hosted 3,716 Ukrainian emerging leaders. Open World’s objective in Ukraine is to further democratic and free-market processes by providing a new generation of Ukrainian leaders with the vision, skills, and tools needed to develop their country at this critical juncture in its history and while it faces Russian aggression in its South and East. The program is aimed at furthering anti-corruption efforts, assisting in the decentralization process, promoting the rule of law, improving transparency in the public and private sectors, and providing a secure safety net to a suffering population.

Over the past two years, Open World has hosted 20 leading Members of Ukraine’s Verkhovna Rada for practical programs in Washington, D.C. and elsewhere. For example, a group of Members of Parliament who participated in July 2018 program in the Kansas City Metro Area and Washington, D.C. wrote a letter exclaiming that the program, “provided us with this outstanding opportunity to gain new professional and intercultural experience and establish connections with the members of the U.S. Congress.” The delegation also stressed the importance of the Open World program in matters of building bridges and establishing peer-to-peer partnerships in different areas and strengthening the unity between the United States and Ukraine.

Open World’s November 2018 Parliamentary delegation exemplified how useful these visits can be. Coming on the heels of the Azov Sea seizure by the Russian Navy of Ukrainian Navy vessels and the vote then taken on limited Martial Law, an Open World group of MPs found heightened interest among the Senators and House Members with whom they met. One participant noted that he “was impressed with the commitment and interest American politicians demonstrated to Ukraine. I personally consider the Open World program as one of the best programs I ever participated in.”

Due to Ukraine’s strategic significance, Open World regularly consults with House and Senate Ukraine Caucus members and works closely with the leadership of the U.S. Embassy in Kyiv to design programming that is responsive to the needs of that war-ravaged country. In 2019 Open World will focus on programming on Decentralization/Regional Government, Legislative Processes, Health System and Education Reforms, Rule of Law, Media/Investigative Journalism, Minority/IDP Issues, Anti-
Corruption, Energy, and Social Safety Net Issues. All themes are aimed at strengthening democratic institutions and promoting good governance. Areas that Open World has had successful programming and that serve as strong topics for upcoming programs are: development strategies for the “forgotten” east (near the zones of conflict); IDP resettlement; significant reforms in health and education (in part, due to our strength in these ministries); media strategies to counter false information; support of partnerships; and decentralization issues. Open World also has a critical mass of leading Members of Parliament that will be able to discuss the ramifications of the 2019 Presidential/Verkhovna Rada (Parliamentary) and local elections’ cycle.
Russia

From 1999 to 2018, Open World hosted 19,793 young Russian leaders. In calendar year 2018, the Center hosted 320 Russian participants in 53 exchanges. Delegates came from 53 of Russia’s 83 regions, included a wide range of ethnic groups, and were hosted in 30 host communities in 24 U.S. states. Women made up 61% of the delegates.

Despite obstacles such as the current low point in U.S.-Russia relations and the drawdown of U.S. Mission staff in Russia, Open World has managed to maintain robust programming in Russia that covers a broad spectrum of themes and reaches into all regions of Russia. Open World alumni still show a willingness to meet their American counterparts in Russia, despite the risk that this may have for them. American diplomats often reach out to the Center for contacts in cities that they are visiting because they know that Open World alumni are willing to meet and to be objective and forward thinking.

Open World is one of the few remaining U.S. exchange programs in Russia, and the only one operating with such engaged alumni and partners throughout the country. The Center’s objectives are to have participants return to Russia with a more positive view of America, to add to their professional skills and contacts through direct interaction with their peers, and to counter the Russian information war by providing an objective view of the American people and our traditions and beliefs. Open World’s work is critical to the U.S. Mission in Russia because we are apolitical and highly professional; we look for common ground, best practices and successful partnerships to build or foster; and the Mission is provided with a network of Russians throughout that enormous country who are receptive to the
American experience. Recently a Russian journalist, who works for a mainstream government-funded news organization, commented that, after visiting the U.S. Agency for Global Media (formerly the Broadcasting Board of Governors) and discussing programs such as Voice of America, his previous opinion had completely changed. This journalist viewed VOA as purely American government propaganda, but walked away with a much clearer understanding of the mission, its independence, and the journalism standards that VOA upholds.

Open World has worked as a driving force to cement many strong Russian-American partnerships through sister Rotary Clubs, formal sister city arrangements, less-formal sister city and sister state arrangements, and those based on shared goals (like those between burn treatment specialists, zoo professionals, nursing programs, and protection of forests). On an annual basis, Open World works to strengthen at least ten such Russian-American partnerships. Working closely with the International Department of the Perm City Administration and the City Duma (several being Open World alumni, including the former Mayor) we have brought strong groups in the past years to grow the sister city relationship with Louisville, Kentucky, focusing on journalism and governance in the past couple of years. It is such support among government leaders in Volgograd, several being Open World alumni, that we can report that the Volgograd-Cleveland partnership is also robust and expanding, when it was about to lapse just a couple of years ago. At this time, it is imperative that we maintain contact with Russian society and continue to fight disinformation and false narratives about American interests. In 2019 we will welcome our 20,000th Russian participant on the program, which gives us an enormous alumni network across all 83 regions of the Russian Federation. When the Ambassador or other mission officers travel to the regions, it is often Open World alumni in key local government and private sector positions that meet and discuss current issues and developments both locally and regionally.
2018 National Grantees

The Archangel Committee (Portland, ME)
Council of International Programs USA (Chagrin Falls, OH)
FHI 360 (Durham, NC)
Friendship Force International (Atlanta, GA)
Georgia to Georgia Foundation (Atlanta, GA)
International Focus Inc. (Raleigh, NC)
Linkages of Rochester Inc. (Rochester, NY)
Maryland Sister State Committee of Sister States of Maryland Inc. (Annapolis, MD)
Rotary International (Evanston, IL)
Supporters of Civil Society in Russia (St. Louis, MO)
U.S.-Ukraine Foundation (Washington, DC)
2018 Local Host Organizations

Alabama
Birmingham Sister Cities Commission
Global Ties Alabama

Alaska
Homer-Kachemak Bay Rotary Club

Arizona
Empower International
Kingman Route 66 Rotary Club
Lake Havasu Rotary Club
People to People

Arkansas
Global Ties Arkansas

California
Concord Rotary Club
International Visitors Council of Los Angeles
Modesto Sister States
Rotary Club of Santa Barbara North and Cinco de Mayo
Santa Clara/Moscow Sister County Commission

Colorado
Boulder-Dushanbe Sister Cities
Friendship Force of Denver
Pagosa Springs Rotary Club
Parker Rotary Club

Connecticut
Devon Rotary Club

Florida
GlobalJax
Friendship Force of Orlando
Seminole County South Rotary Club

Georgia
Friendship Force of Atlanta
Georgia to Georgia Foundation

Idaho
Boise Sunshine Rotary Club

Illinois
Chicago Sister Cities International
Council of International Programs Chicago
Springfield Commission on International Visitors
Supporters of Civil Society in Russia
WorldChicago

Indiana
Lafayette Rotary Club

Iowa
Council Bluffs Sister Cities Association
Friendship Force of Des Moines

Kansas
West Wichita Rotary Club
Kentucky
World Affairs Council of Kentucky and Southern Indiana

New Mexico
Global One to One
Santa Fe Council on International Relations

Louisiana
Metairie Rotary Club

New York
Grand Island Rotary Club
International Center of the Capital Region
International Institute of Buffalo
Linkages of Rochester
Mercy College
Rochester Global Connections

Maine
The Archangel Committee

Maryland
Maryland Leningrad Sister State Commission

Michigan
Colleagues International
Global Ties Detroit

Minnesota
White Bear Lake Rotary Club

Missouri
Supporters of Civil Society in Russia
World Affairs Council of St. Louis

Montana
WorldMontana

Mississippi
University of Mississippi

Nebraska
Friendship Force of Lincoln
University of Nebraska Medical Center

New Jersey
Rider University

New Mexico
Global One to One
Santa Fe Council on International Relations

New York
Grand Island Rotary Club
International Center of the Capital Region
International Institute of Buffalo
Linkages of Rochester
Mercy College
Rochester Global Connections

Nevada
Elko Desert Sunrise Rotary Club
Friendship Force of Reno-Tahoe
Northern Nevada International Center

North Carolina
Friendship Force of Western North Carolina
International Focus
League of Women Voters of Henderson County
North Carolina/Moldova Bilateral Partnership

Ohio
Council of International Programs USA
Cincinnati-Kharkiv Sister City Partnership
Global Ties Akron
Friendship Force of Dayton
International Visitors Center of Columbus

Oklahoma
Tulsa Global Alliance
Oregon
Grants Pass Sister City Committee
Umpqua Community College

Pennsylvania
Citizen Diplomacy International
GlobalPittsburgh
Northampton Community College

South Carolina
The Palmetto Club

South Dakota
Dacotah Territory International Visitor Program

Tennessee
Friendship Force of Memphis
Sister City Support Organization of Blount County

Texas
Friendship Force of Austin
Friends of Ukraine
Mid-Cities Pacesetters Rotary Club

Vermont
Vermont Council on World Affairs

Virginia
Norfolk Sister Cities Association
Virginia Commonwealth University

Washington
Columbia Center Rotary Club
Community College of Spokane
World Affairs Council of Seattle

West Virginia
International Understanding

Wisconsin
American Association of University Women
Friendship Force of Greater Milwaukee
Fox Valley Technical College
Oconomowoc Rotary Club
Stevens Point-Rostov Veliky Sister City Project

Wyoming
Friendship Force of Cheyenne
Open World Financial Information

In fiscal year 2018, the Open World Leadership Center received $5.6 million in appropriated funds, $1.9 million in interagency transfers and $105 thousand in direct private donations. In calendar 2018, the accumulated value of cost-sharing with the Open World community of grantees, local host organizations, and individual local hosts totaled an estimated $2.048 million. Open World Leadership Center submitted a complete set of financial statements for fiscal year 2018 to the independent public accounting firm of Kearney and Company for a full audit. Kearney and Company issued an unmodified (clean) audit opinion on the financial statements. With the 2018 audit, the Center has received twelve clean opinions since the first year of audits. The Financial Statements document (with notes) and Kearny and Company's Independent Auditor's Report are available in full on the Open World website at www.openworld.gov.
Open World Financial Information
(Continued)

<table>
<thead>
<tr>
<th>BALANCE SHEETS - As of September 30, 2018 and 2017</th>
<th>FY 2018</th>
<th>FY 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Entity Assets:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Intragovernmental Assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fund Balance with Treasury (Note 2)</td>
<td>$ 244,613</td>
<td>$ 107,376</td>
</tr>
<tr>
<td>Investments (Note 3)</td>
<td>3,275,253</td>
<td>1,945,680</td>
</tr>
<tr>
<td>Total Intragovernmental</td>
<td>3,519,866</td>
<td>2,053,056</td>
</tr>
<tr>
<td>Prepayments (Note 4)</td>
<td>8,746</td>
<td>42,626</td>
</tr>
<tr>
<td>Other Accounts Receivable, Net (Note 5)</td>
<td>0</td>
<td>149</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>3,528,612</td>
<td>2,095,831</td>
</tr>
<tr>
<td><strong>LIABILITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Intragovernmental Liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts Payable and Accrued Payroll &amp; Benefits</td>
<td>6,924</td>
<td>8,070</td>
</tr>
<tr>
<td>Total Intragovernmental</td>
<td>6,924</td>
<td>8,070</td>
</tr>
<tr>
<td>Accounts Payable and Accrued Payroll &amp; Benefits</td>
<td>566,483</td>
<td>433,478</td>
</tr>
<tr>
<td>Unfunded Annual and Compensatory Leave</td>
<td>53,139</td>
<td>63,849</td>
</tr>
<tr>
<td><strong>Total Liabilities (Note 6)</strong></td>
<td>$ 626,546</td>
<td>$ 505,397</td>
</tr>
<tr>
<td><strong>NET POSITION</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cumulative Results of Operations</td>
<td>$ 2,902,066</td>
<td>$ 1,590,434</td>
</tr>
<tr>
<td>Total Net Position</td>
<td>2,902,066</td>
<td>1,590,434</td>
</tr>
<tr>
<td>Total Liabilities and Net Position</td>
<td>$ 3,528,612</td>
<td>$ 2,095,831</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of these financial statements.
Open World Financial Information
(Continued)

Note 1 Investments, Nets
Funds that are not needed to finance current activities are invested in interest-bearing obligations of the United States. The Center has directed the Library to invest funds derived from contributions in Treasury securities. Due to the short-term nature of the investments, the cost of investments in conjunction with accrued interest approximates their fair market values. Investments outstanding were $3,275,253 and $1,945,680 for fiscal years 2018 and 2017. Average annual investment rates were 2.1% and 1.9% in fiscal years 2018 and 2017.

Note 2 Prepayments
The Center awards grants to approximately 12-16 organizations with exchange-program expertise that are competitively selected for the purpose of hosting the foreign delegates. In fiscal years 2018 and 2017, $8,746 and $42,626 had been paid to but not yet used by these organizations to carry out their services.

Note 5 Other Accounts Receivable
Other Accounts Receivable consisted of a payroll billing in the amount of $149 for fiscal 2017. The receivable was collected and there were no outstanding receivables at the end of fiscal 2018.

Note 6 - Liabilities Not Covered by Budgetary Resources

<table>
<thead>
<tr>
<th></th>
<th>FY 2018</th>
<th>FY 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Face Value</td>
<td>$ 3,262,000</td>
<td>$ 1,936,000</td>
</tr>
<tr>
<td>Interest Receivable</td>
<td>13,253</td>
<td>9,680</td>
</tr>
<tr>
<td>Investments, Net</td>
<td>$ 3,275,253</td>
<td>$ 1,945,680</td>
</tr>
</tbody>
</table>

Liabilities not covered by budgetary resources include accrued unfunded annual leave and benefits. Liabilities covered by budgetary resources include accounts payable and accrued funded payroll and benefits.