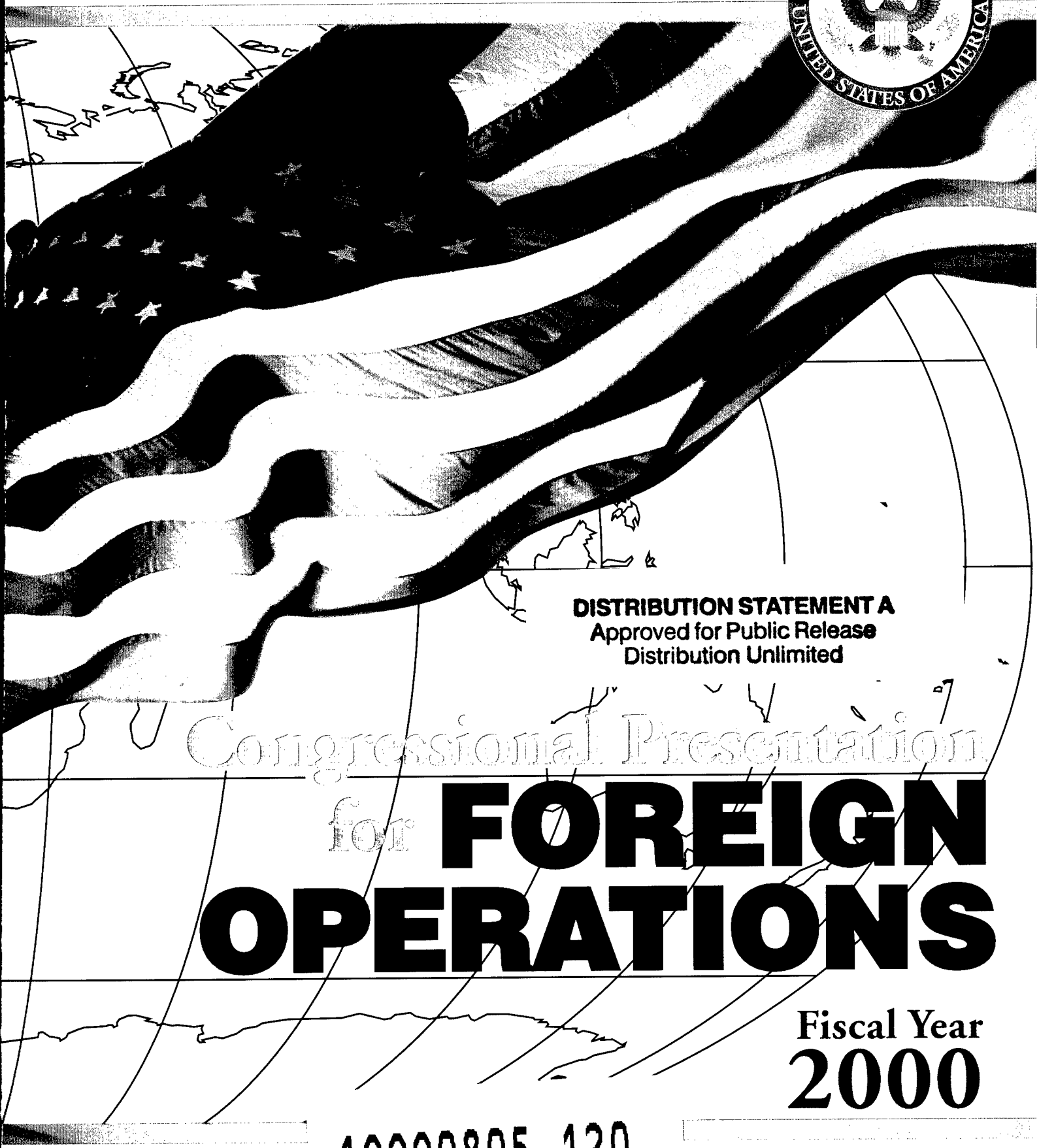
The Secretary of State



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Congressional Presentation

for

FOREIGN OPERATIONS

Fiscal Year
2000

19990805 120

TABLE OF CONTENTS

Congressional Presentation for Foreign Operations
Fiscal Year 2000

I. INTRODUCTION ..... **pages**

Statement by the Secretary of State ..... i-v

Congressional Presentation Document Summary vi

Table: International Affairs Budget Request by Appropriations Account xv
Explanatory Notes: Table by Appropriations Account xviii
Table: International Affairs Budget Request by Strategic Goal xxi
Table: International Affairs Budget Request by Strategic Goal and Region xxii
Explanatory Notes: Table by Strategic Goal xxviii

II. REQUEST BY REGION AND STRATEGIC GOAL

Africa
Assistant Secretary's Overview 1
Summary Tables 10
Regional Program Plan 13
Country and Regional Programs 62

East Asia and the Pacific
Assistant Secretary's Overview 246
Summary Tables 252
Regional Program Plan 255
Country and Regional Programs 295

Europe
Assistant Secretary's Overview 338
Summary Tables 344
Regional Program Plan 347
Country and Regional Programs 401

DTIC QUALITY INSPECTED 4

Near East
Assistant Secretary's Overview 472
Summary Tables 478
Regional Program Plan 480
Country and Regional Programs 538

New Independent States
Assistant Secretary's Overview 591
Summary Tables 596
Regional Program Plan 598
Country and Regional Programs 644

South Asia
Assistant Secretary's Overview 701
Summary Tables 707
Regional Program Plan 709
Country and Regional Programs 758

Western Hemisphere
Assistant Secretary's Overview 792
Summary Tables 797
Regional Program Plan 801
Country and Regional Programs 848

III. REQUEST BY APPROPRIATION AND STRATEGIC GOAL

Multilateral Assistance
Multilateral Development Banks 948
Debt Reduction Programs 985
Treasury Technical Assistance 991
IFI Advisory Commission 993
International Organizations and Programs 994

Bilateral Assistance: USAID Programs
Overview 1054
Development Assistance 1060
Development Fund for Africa 1062
Child Survival and Diseases Programs Fund 1063
International Disaster Assistance 1065
Credit Programs 1068
Operating Expenses/Office of the Inspector General 1072

Other Bilateral Assistance
Freedom Support Act Assistance for the New Independent States (NIS) 1073
Support for Eastern European Democracy (SEED) 1077

International Security Assistance
Voluntary Peacekeeping Operations 1082
Economic Support Fund 1086
International Military Education and Training 1101
Foreign Military Financing 1111
Non-Proliferation, Antiterrorism, Demining and Related Programs 1120

Export and Investment Assistance
Export-Import Bank of the United States 1140
Trade and Development Agency 1142
Overseas Private Investment Corporation 1145

Other Assistance
Peace Corps 1149
Inter-American Foundation 1152
African Development Foundation 1157
Migration and Refugee Assistance 1159
International Narcotics and Law Enforcement 1219

IV. SUPPORTING INFORMATION

Arms Control Considerations 1249
Estimating Foreign Military Sales 1250
Table: FMS and Construction Sales 1251

Foreign Military Sales Administrative Costs 1254
Table: Foreign Military Sales Administrative Costs 1256

Overseas Military Program Management 1257
Table: Overseas Military Program Management - Costs 1259
Table: Overseas Military Program Management - Personnel Strengths 1262

Excess Defense Articles (EDA) 1264
Table: Sales of Defense Articles Under Foreign Military Sales Provisions 1265
Table: Grants of Defense Articles Under the Foreign Assistance Act 1266

Leased Defense Articles 1267
Table: Leases Under the Arms Export Control Act 1268

Stockpiling of Defense Articles for Foreign Countries 1269
Table: Value of Annual Ceilings for Stockpiling 1271

Countries and International Organizations Eligible for Purchasing Defense Articles and Services 1272

Commercial Exports Licensed or Approved Under the Arms Export Control Act 1278
End Use Monitoring Programs 1280
Table: Commercial Exports Licensed or Approved Under the Arms Export Control Act 1282

Table: Funding 1286

Table: Legislative History of Authorizations and Appropriations 1291

Table: All Spigots 1303

Glossary 1336

Index 1342

I. INTRODUCTION

Statement by the Secretary of State
Madeleine K. Albright

The end of the Cold War has created an historic opportunity to shape a better world. At the dawn of a new century, our own nation is respected and at peace. Our alliances are vigorous, our economy is strong. From Asia to Central Europe to Africa to the nearly complete community of democracies that exists within our own hemisphere -- American institutions and ideals are a model for those who live or struggle to be free. History will record that one of our finest legacies is to have brought freedom to so many who yearned for it. And it will record that we have done this while making life better for Americans.

But our era is also characterized by serious new challenges. The proliferation of nuclear, biological, and chemical weapons has become more urgent with the rise of rogue states and the steady march of technology. Economic integration has raised living standards but also generated concerns about fairness and vulnerabilities to rapid change. As populations increase in less developed regions of the world, we face growing pressure from illegal immigration. Relentless industrialization threatens global warming and irreparable destruction of the biosphere on which we all depend. Crime, drugs, and terrorism have gone global, threatening Americans at home from headquarters abroad. Wretched conditions in distant lands incubate new diseases that can be transmitted across oceans with the speed of a commercial airline flight.

In today's world, foreign and domestic policy are no longer separable. We Americans want to enjoy security, prosperity, and freedom. But we will not have those blessings unless we are able to help other nations come closer together around basic principles of democracy and law, open markets and a commitment to peace. The obstacles to that goal are organizational as well as conceptual. This budget reflects the Administration's strategy for countering both. It contains the traditional presentation by account, but it is also built around seven strategic goals that cut across accounts. Taken as a whole, this document provides a blueprint for advancing American interests and values around the world.

The President's budget for FY 2000 requests $21.311 billion for international affairs. This includes a core figure of $19.893 billion for our basic international programs, as well as: $304 million for security upgrades; $500 million to implement the Middle East peace agreement in the Wye Memorandum; and $614 million for past-due payments to Multilateral Development Banks and international organizations, such as the UN.

This budget represents a 6.6 percent increase over our basic budget of last year. It is a responsible plan for doing America's business in the world, but even so it falls short of all we would like to do. In inflation-adjusted dollars, the request of $19.893 billion amounts to only half of what we invested in American leadership as recently as 1985. In Fiscal Year 1998, we broke the long decline in funding to protect American interests abroad. The very modest increase proposed for FY 2000 is essential to respond to challenges and opportunities that directly affect the lives of our citizens.

The Security of the American People

The budget proposes almost $9 billion in programs to safeguard the security of the American people, the first of our seven supreme national interests. These programs are force multipliers for our armed forces. They strengthen our friends and our alliances, enhance our military reach and promote peace and stability around the globe. They help secure access to Gulf oil, promote Arab-Israeli peace, and contain Saddam Hussein. They help ensure that nuclear weapons and materials in the former Soviet Union do not fall into the wrong hands. They help promote controls on weapons of mass destruction, disarmament in troubled regions, international peacekeeping, and economic support to prevent or resolve conflicts that could endanger U.S. interests or require the deployment of U.S. troops.

Approximately 60 percent of national security funding supports Middle East peace, largely in the Economic Support Fund (ESF) and Foreign Military Financing (FMF) accounts. Another ten percent supports multilateral and regional national security programs, primarily through the UN and other international organizations. Freedom Support Act funding comprises most of the five percent of national security funding that we spend in Russia and the other New Independent States. Peacekeeping funds, multilateral and bilateral, provide most of the three percent we spend in Europe.

The Prosperity of the American People

One-fourth of the international affairs budget proposes to foster the prosperity of the American people. This goal has taken on a higher priority for the foreign affairs community in the wake of the Cold War. Open trade is now more possible and more important than ever before. One third of U.S. economic growth in recent years has come from exports. This budget provides significant increases for the Export-Import Bank (EXIM), the Overseas Private Investment Corporation (OPIC), and the Trade and Development Agency (TDA), which form the foundation of the President's Export Initiative announced in January. It also contains an important pilot program to help our smaller embassies support U.S. businesspeople in countries where other U.S. trade agencies are not represented. This modest program will add to the vigorous effort our embassies already make to open markets and boost U.S. business abroad.

The budget also contains funding to promote economic development in areas that may provide new export opportunities and greater diplomatic cooperation in the future. The Asian financial crisis, which is harming key American export industries, underscores the relationship between prosperity abroad and our own prosperity at home. We must help developing countries build the basic institutions to grow, including the institutional capacity to handle capital flows effectively.

The bulk of funding in the prosperity area -- approximately 85 percent -- is dedicated to the long-term development agenda in accounts, such as Development Assistance (DA), the Multilateral Development Banks (MDBs), the PL480 food assistance program, the Freedom Support Act (FSA), the UN Development Program, and the Peace Corps. This funding includes important initiatives for Africa that follow up on the President's visit

last year. The remaining 15 percent of funding in this category supports institutions, such as the Export-Import Bank, OPIC, TDA, and embassy operations that provide direct services to U.S. exporters.

American Citizens and U.S. Borders

Of the approximately $500 million allocated to this interest, State Department operating funds and fee collections represent about $365 million that directly serve the needs of Americans traveling abroad. The Department issues almost seven million passports each year and assists over two million Americans in foreign countries annually. It helps our citizens communicate with home when they are in difficulty. This funding also supports the Department's visa operations abroad, which are the front line in America's struggle against illegal immigration. Even as we hail the end of the Cold War and the rise of global commerce, we must recognize that both have added enormously to our consular workload. The upward trend shows no sign of abating.

Law Enforcement

About $500 million is proposed to sustain programs and operations to combat the triple pestilence of transnational terrorism, international crime, and illegal drug smuggling. As the tragic bombing of our embassies in Kenya and Tanzania last year signals, some international terrorists have targeted Americans. This is especially dangerous because of the access terrorists now have to powerful explosives and other sophisticated technologies. Our anti-terrorism program funds account for 14 percent of the total and support police and other training in countries where terrorist groups pose a significant threat to Americans. In addition, the Administration is requesting $3 billion over five years in advance appropriations (FY 2001-2006) to construct replacement facilities at our most vulnerable posts.

About 20 percent of our law enforcement funding is devoted to combatting international crime through strengthening foreign judicial systems, training foreign police, enhancing operational cooperation to break up international crime syndicates, facilitating the extradition of criminals who prey on Americans, and rooting out offshore havens for dirty money. The bulk of our funding, approximately 66 percent, funds programs to combat the production and traffic of illegal drugs that end up in the U.S. These funds support drug law enforcement training and institution building, narcotics interdiction and crop substitution projects. The lion's share of anti-drug funding targets activities in Latin America, which inflict serious damage on Americans.

Democracy and Human Rights

The $900 million of funding we propose in this area serves both our ideals and our interests. It has always been in our interests to promote democratic principles and to help, where we could, those suffering under cruel and tyrannical governments abroad. When we help others committed to democracy and human rights, we reinforce principles that are fundamental to the success of our own society. In addition, promoting

democracy helps foster like-minded governments that work with us constructively on international problems. Moreover, democracy contributes to stability and thereby tends to reduce crime, illegal immigration, terrorism, and other problems that touch Americans directly. Largely concentrated in the DA, ESF, and MDB accounts, our programs promote civil society, democratic and judicial institution-building, war crimes tribunals, and education and training.

Humanitarian Response

The humanitarian relief programs in the budget comprise over $2.5 billion and provide relief to victims of disaster, civil strife, and other life- and health-threatening emergencies. They help rebuild after crisis. They feed, house, and resettle refugees. They signal the fundamental goodness and generosity of the American people to the world. Our assistance is heavily concentrated on Africa, where we must address immediate crises, even as we strive to help local leaders bring their continent more fully into the world economy. The DA, PL480, FSA, SEED, refugee assistance, and debt relief accounts provide the bulk of funding for our humanitarian activities around the world.

Environment, Population, and Health (Global Issues)

The budget proposes $1.7 billion in programs to safeguard the world environment, respond to the steady rise in world population, and halt the spread of disease across national boundaries. This dimension of U.S. foreign policy has also acquired greater prominence with the end of the Cold War and deserves our urgent attention. U.S. programs combat these problems directly and indirectly by promoting education, child survival, family planning, pollution control, natural-resource management, ecologically sound food production, safe energy development, and basic health and disease control services.

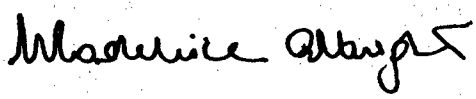
The UN, other international organizations, and the MDBs -- especially the Global Environmental Facility -- play a leading role in protecting the healthfulness of the planet. U.S. bilateral funding for global issues is concentrated in the DA, FSA, and Peace Corps accounts. In addition, bilateral U.S. economic development activities have important collateral benefits for meeting global challenges as well. Approximately 47 percent of U.S. funds expended on global issues address the environment; 16 percent address population issues; and 37 percent address health problems.

Conclusion

In sum, this budget promotes the international interests of the American people and maintains U.S. leadership in the world. It contains several new and important initiatives, notably the Wye River Middle East peace initiative, the President's export initiative, the beginning of a five-year plan to contain weapons technology in the NIS, programs to help stabilize the Balkans, and programs to move Africa toward the global mainstream. It also

makes headway in solving nagging but important issues, such as paying our past-due bills to the UN and the MDBs.

Finally, this budget will help us keep the superb diplomatic representation our interests demand and our people expect. Over the past decade, the State Department workload has grown substantially. We operate more embassies, process more visas, receive more visitors, and report to Congress and the public on more issues than ever before -- yet the number of State Department employees has gone down. Professional demands, hardship conditions, and terrorist threats have increased. We must make the investments in security and diplomatic readiness that are needed to keep our nation informed, prepared, and able to respond to challenges that affect our interests everywhere, every day.



February 1999

INTRODUCTION

FISCAL YEAR 2000 BUDGET REQUEST

Function 150, the International Affairs category of the federal budget, includes funding for the programs and activities of four cabinet departments, seven independent agencies, three foundations, and numerous other international organizations.[1/] Appropriations for Function 150 derive from four separate Appropriations Subcommittees of the U.S. Congress with jurisdiction over International Affairs programs and accounts.

The *FY 2000 Congressional Presentation for Foreign Operations (CP)* consists of interagency-developed regional plans and associated resource justifications for the fiscal year 2000 as presented to Congress by President Clinton with the Federal Budget on February 1, 1999. It comprises accounts presented in appropriations legislation of the Subcommittees on: Foreign Operations; Commerce, Justice, State and Judiciary; Agriculture and Rural Development; and Labor-Health and Human Services.

In FY 1999, the Administration requested a Function 150 budget necessary to maintain international affairs programs and activities that support America's national interests. The FY 1999 base budget request of $19.648 billion was about $1 billion more than the FY 1998 enacted level.[2/] For FY 1999, Congress appropriated $18.662 million in base programs, and provided additional appropriations of $1.014 billion for arrears payments to international organizations and financial institutions,[3/] as well as supplemental appropriations in the amount of $1.899 billion for emergency security requirements in the aftermath of the 1998 embassy bombings and for anti-narcotics activities.[4/] Including supplemental appropriations, total enacted FY 1999 appropriations were $21.556 billion.

For FY 2000, the Administration proposes a total Function 150 budget request of $21.311 billion, just over one percent of the total federal fiscal budget. Included in the Function 150 total is $19.906 billion for base programs, $1.244 billion more than enacted in FY 1999. The FY 2000 Function 150 request also includes $614 million in arrears payments;[5/] $304 million for continuing security upgrades;[6/] and $500 million in supplemental appropriations for implementation of the Wye Plantation Memorandum.[7/]

This budget proposes a rational approach for meeting new policy demands; preventing compromises to U.S. citizens' security; and providing generous, rapid humanitarian relief to victims of extraordinary natural disasters and civil strife. The FY 2000 budget for international affairs proposes to ensure strong diplomatic leadership and implementation of a broad array of bilateral and multilateral assistance programs in support of American interests.

The FY 2000 budget proposes to strengthen America's diplomatic readiness and provide an installment in capital investment to repair infrastructure, upgrade information systems, and develop human resources. Also included in this budget is a $3 billion advance appropriation request to continue long-range embassy security construction and upgrades.

[1/] These include
Department of State (State)
Department of Treasury (Treasury)
Department of Defense, Defense Security Cooperation Agency (DSCA)
Department of Agriculture (USDA)
Agency for International Development (USAID)
Export-Import Bank (Ex-Im)
International Trade Commission (ITC)
Overseas Private Investment Corporation (OPIC)
Peace Corps
Trade and Development Agency (TDA)
U.S. Institute of Peace (USIP)
African Development Foundation (ADF)
The Asia Foundation (TAF)
Inter-American Foundation (IAF)

[2/] Added to the FY 1999 base budget request of $19.648 billion was $538.952 million in arrears owed to Multilateral Development Banks (MDBs) to which the U.S. has membership. Including arrears, the total FY 1999 budget request was $20.15 billion.

[3/] Of the $1.014 billion enacted in FY 1999 for arrears, $539 million was for MDBs and $475 million was for the United Nations (UN) and other international organizations.

[4/] Of the $1.898 billion FY 1999 supplemental appropriations, $1.428 billion was for security upgrades, $46.2 million for reconstruction and relief to victims of the 1998 embassy terrorist attacks; $20 million for anti-terrorism assistance programs; $50 million for child survival programs; $75 million was for Y2K system compliance; $46 million for New Independent States programs; and $233 million for anti-narcotics programs.

[5/] The $614 million requested for arrears in the FY 2000 budget is comprised of $168 million for the MDBs and $446 million for the UN and other international organizations.

[6/] The $304 million requested for the on-going cost of the FY 1999 security supplemental is comprised of: $254 million for on-going security-related operations, and $50 million for design and site acquisition for new embassies and other recurring security costs related to the Foreign Buildings program. Simultaneous with the budget submission to Congress, there will be a $3 billion request for an advance FY 2001 supplemental appropriation for security construction requirements.

[7/] The FY 2000 budget request for Function 150 includes an advance supplemental request for implementation of the Wye Plantation Memorandum totaling $1.9 billion. Of this amount, $900 million is requested for FY 1999, $500 million is requested as part of the FY 2000 budget, and the remaining $500 million is requested for FY 2001.

CONGRESSIONAL PRESENTATION DOCUMENT SUMMARY

BACKGROUND

In September, 1997 the Secretary of State transmitted the first *International Affairs Strategic Plan* to Congress. The Plan defines the international affairs mission, national interests, and strategic goals of U.S. government in the post Cold War era. It is consistent with the requirements specified in the Government Performance and Results Act (GPRA).

The Plan has become the basis for the Function 150 budget presentation. The *Congressional Presentation for Foreign Operations* (CP) outlines for each region strategies for achieving goals, linking them to specific objectives and indicators of performance, and assigning budget requests to the goals where applicable.

The CP is the by product of a year long comprehensive strategic planning process, developed through interagency cooperation and a commitment to build a shared vision of U.S. foreign policy for the 21st Century. The CP is intended to reform past organizing principles and the presentation format of the Function 150 budget that may be limited either by account classifications or appropriations jurisdiction. Accordingly, the CP attempts to capture as many international affairs resource accounts as possible – across Executive Departments and agencies, and Congressional Committees of jurisdiction – and display them in a comprehensive document guided by the *International Affairs Strategic Plan*. Function 150 resources are incorporated into displays by region and country, while cross-referenced and justified according to the international affairs strategic goals in the Plan.

This CP builds on the methodology begun in the FY 1999 CP with several improvements. Narrative sections are tailored to include performance information, and budget tables show more detail through diverse displays. Resource data is derived from a newly developed *Global Resource Database*. The utility of the database is not solely for compiling Function 150 resource requests; rather, it will enable thorough trend analyses, tracking and comparison of budget requests and outcomes, and the exercise of a reliable tool for determining the level of resources required to support stated objectives. This CP and the new database were designed on the assumption that the best measure of effective resource utilization will evolve through a comprehensive presentation of all U.S. government international affairs resources.

EXPLANATION OF PRESENTATION

The FY 2000 CP provides justification for Function 150 programs and activities in two distinct displays in Chapters II and III which follow. Chapter II of the CP contains regional plans based on the strategic goals outlined in the *International Affairs Strategic Plan* and cross-references these to appropriations accounts. Chapter III of the CP describes the Function 150 budget request by appropriation and explains each account relative to strategic goals.

The FY 2000 Function 150 budget presentation has been refined in several distinct ways. In FY 1999, Function 150 resources at the regional level were presented by strategic goal for the first time. The FY 2000 presentation takes a further step in displaying the Function 150 budget by strategic goal by using mission-by-mission policy and resources planning documents, called the Mission Performance Plans (MPP), as the basis for country papers in the CP. For the first time, the FY 2000 CP includes country tables that present greater detail on strategic goals "cross-walked" to appropriations accounts with accompanying narrative justification.

These country presentations provide the first composite of a Function 150 budget request that has been formulated through a deliberative policy and resource review process. This process began at the interagency country team level (through the MPP process), and has been brought to conclusion with the approval by the Secretary of State of each regional plan. Integrating planning and budgeting in this manner is intended to reform past reliance on "top-down" budgeting.

Chapter II provides a compilation of Regional Plans presented by each regional Assistant Secretary of State. They begin with a Statement by the Assistant Secretary, who, as chair of an international affairs interagency regional planning team, coordinating the policy and resources presentation for FY 2000. Following this is a Function 150 Resources table displayed by strategic goal and appropriations account.

After the regional table is the Regional Plan which describes the programs and activities to be undertaken in the region during 1999 and 2000 according to U.S. national interests, strategic goals, and specific objectives. This narrative tracks the preceding regional Function 150 Resource table, cross-referencing each strategic goal.

Country tables and papers are appended to their respective Regional Plan. Country presentations are provided only for those countries that have associated Function 150 program resources in the FY 2000 budget request. Both the tables and narrative justification for each country are similar in format to the Regional Plans, with cross-references of data between strategic goals and accounts that "roll up" to totals in the regional tables.

Due to the limited availability of some account distributions at the regional or global levels on a prospective basis, the strategic goal tables are not exhaustive in presenting funding from all Function 150 sources.[1/] Although the FY 2000 budget cycle has afforded significant enhancements in collecting more accurate data from a broader range of resources, not all accounts are prospectively allocated by region or country, and thus may not be recorded as such in advance of appropriations.

CHAPTER I: SUMMARY TABLES [1/]

The Introduction includes two summary budget tables. Both comprise the FY 2000 budget request presented by President Clinton to the Congress on February 1, 1999.

The first summary table presents the FY 2000 Function 150 Budget by Appropriations Account. It provides a three-year comparative view of budget authority for the fiscal years 1998 to 2000, followed by explanatory notes.

The second summary table displays the FY 2000 Function 150 Budget by Strategic Goal. It "roll ups" the regional resource tables in Chapter II, plus displays several global accounts (that could not be allocated by region or country by strategic goal). This table is consistent with the strategic goals in the *International Affairs Strategic Plan*.

CHAPTER II: REGIONAL PROGRAM PLANS AND COUNTRY PAPERS

The Regional Program Plans in Chapter II of the CP were prepared by interagency teams led by the Regional Assistant Secretaries of the Department of State. The interagency teams included policy and program experts from various Function 150 agencies, including: the U.S. Agency for International Development (USAID), the Peace Corps, Export-Import Bank (Ex-IM), the Overseas Private Investment Corporation (OPIC), the Trade Development Agency (TDA), the Department of Agriculture, the Department of Defense, the Department of State, and the Department of Treasury. For purposes of the FY 2000 budget, contributions from the former agencies, U.S. Information Agency (USIA) and the Arms Control and Disarmament Agency (ACDA), are incorporated as part of the Department of State programs.

The Table of Contents reference the Regional Plans in Chapter II. The regions include: Africa; East Asia and the Pacific; Europe; the Near East; the New Independent States; South Asia; and the Western Hemisphere.

Chapter II incorporates the following regional jurisdictions:

Africa -- Angola, Benin, Botswana, Burkina Faso, Cameroon, Cape Verde, Central African Republic, Chad, Comoros, Congo, Cote d'Ivoire, Democratic Republic of Congo, Djibouti, Eritrea, Ethiopia, Gabon, Gambia, Ghana, Guinea, Guinea-Bissau, Kenya, Lesotho, Liberia, Madagascar, Malawi, Mali, Mauritania, Mozambique, Namibia, Nigeria, Niger, Rwanda, Sao Tome & Principe, Senegal, Seychelles, Sierra Leone, Somalia, South Africa, Swaziland, Tanzania, Togo, Uganda, Zambia, Zimbabwe

East Asia and the Pacific -- Cambodia, Fiji Islands, Indonesia, Laos, Malaysia, Mongolia, Papua New Guinea, Philippines, Samoa, Solomon Islands, Thailand, Tonga, Vanuatu

Europe -- Albania, Bosnia & Herzegovina, Bulgaria, Croatia, Czech Republic, Estonia, Greece, Hungary, Ireland/Northern Ireland, Latvia, Lithuania, Macedonia (former Republic of), Malta, Poland, Portugal, Romania, Slovakia, Slovenia, Turkey, Yugoslavia (former Republic of)

Near East – Algeria, Bahrain, Egypt, Israel, Jordan, Lebanon, Morocco, Oman, Tunisia, Yemen

New Independent States – Armenia, Azerbaijan, Belarus, Georgia, Kazakstan, Kyrgyzstan, Moldova, Russia, Tajikistan, Turkmenistan, Ukraine, Uzbekistan

South Asia – Afghanistan, Bangladesh, India, Maldives, Nepal, Pakistan, Sri Lanka

Western Hemisphere – Argentina, Bahamas, Belize, Bolivia, Brazil, Chile, Colombia, Costa Rica, Cuba, Dominican Republic, the Eastern Caribbean, Ecuador, El Salvador, Guatemala, Guyana, Haiti, Honduras, Jamaica, Mexico, Nicaragua, Panama, Paraguay, Peru, Suriname, Trinidad & Tobago, Uruguay, Venezuela

CHAPTER III: JUSTIFICATION BY APPROPRIATIONS ACCOUNT

As in the past, the CP presents appropriations account-by-account justifications for the FY 2000 budget request. The description of the programs and activities funded through these accounts is presented in a format which correlates to the national interests and strategic goals outlined in the *International Affairs Strategic Plan.*

CHAPTER IV: SUPPORTING INFORMATION

Historical tables and other supporting informative data on the expenditure of Foreign Assistance Act funds is provided in Chapter IV. At the conclusion of the CP are the worldwide region and country "all spigots" funding tables for FY 1998, FY 1999, and FY 2000.

[1/] The Summary Table "International Affairs Budget Request by Strategic Goal" displays $15.897 billion of the $21.311 billion Function 150 budget according to strategic goal. The $5.413 billion remaining amount is not displayed by strategic goal in the FY 2000 presentation, because allocations either were not available in advance, could not be desegregated by goal, or although attributable to country and region, served multiple goals simultaneously.

[2/] The International Affairs Mission Statement and Strategic Goals, as presented in the *International Affairs Strategic Plan*, along with support goals of diplomatic activities, public diplomacy, and diplomatic readiness follow.

INTERNATIONAL AFFAIRS MISSION STATEMENT

The purpose of United States international leadership is to create a more secure, prosperous, and democratic world for the benefit of the American people. In an increasingly interdependent and rapidly changing world, international events affect every American. Successful U.S. leadership is essential for security at home, better jobs and a higher standard of living, a healthier environment, and safe travel and conduct of business abroad.

Under the direction of the President and the Secretary of State, the United States conducts relations with foreign governments, international organizations, and others to pursue U.S. national interests and promote American values. The international affairs goals of the United States:

- Protect vital interests, secure peace, deter aggression, prevent and defuse crises, halt the proliferation of weapons of mass destruction, and advance arms control and disarmament.
- Expand exports, open markets, maintain global growth and stability, and promote economic development.
- Protect American citizens abroad, manage the entry of visitors and immigrants, and safeguard the borders of the United States.
- Combat international terrorism, crime, and narcotics trafficking.
- Support the establishment and consolidation of democracies, and uphold human rights.
- Provide humanitarian assistance to victims of crisis and disaster.
- Improve the global environment, stabilize world population, and protect human health.

To advance the interests of the nation and the American people, the U.S. Government requires a strong international presence, highly qualified, motivated, and diverse people serving at home and abroad, extensive communication with publics both foreign and domestic, and the political, military, and economic means to carry out the nation's foreign policies.

INTERNATIONAL AFFAIRS STRATEGIC GOALS

- **REGIONAL STABILITY:** Strengthen the security of the United States and prevent instabilities from threatening the vital and important interests of the United States and its allies.
- **WEAPONS OF MASS DESTRUCTION:** Reduce the threat to the United States and its allies from weapons of mass destruction (WMD).
- **OPEN MARKETS:** Open world markets to increase trade and free the flow of goods, services, and capital.
- **U.S. EXPORTS:** Expand U.S. exports to $1.2 trillion early in the 21st Century.
- **GLOBAL GROWTH AND STABILITY:** Increase global economic growth and stability.
- **ECONOMIC DEVELOPMENT:** Promote broad-based growth in developing and transitional economies to raise standards of living and lessen disparities of wealth within and among countries.
- **AMERICAN CITIZENS:** Protect the safety and security of American citizens who travel and live abroad.
- **TRAVEL AND MIGRATION:** Manage fairly and effectively the entry of immigrants and foreign visitors into the United States.
- **INTERNATIONAL CRIME:** Minimize the impact of international crime on the United States and its citizens.
- **ILLEGAL DRUGS:** Reduce the entry of illegal drugs into the United States.
- **COUNTERTERRORISM:** Reduce the number and impact of international terrorist attacks, especially on the United States and its citizens.
- **DEMOCRACY AND HUMAN RIGHTS:** Open political systems and societies to democratic practices, the rule of law, good governance, and respect for human rights.
- **HUMANITARIAN ASSISTANCE:** Provide humanitarian assistance to victims of crisis and disaster.
- **ENVIRONMENT:** Secure a sustainable global environment, and protect the United States and its citizens from the effects of international environmental degradation.
- **POPULATION:** Stabilize world population.
- **HEALTH:** Protect human health and reduce the spread of infectious diseases.

SUPPORTING GOALS:

- Diplomatic Activities
- Public Diplomacy
- Diplomatic Readiness

  Human Resources
  Information Resources
  Infrastructure and Operations

International Affairs Budget Request by Appropriation Account

(BA $ thousands)

Account	FY 1998 Actual	FY 1999 Estimate	FY 2000 Request
GRAND TOTAL, INTERNATIONAL AFFAIRS	**$19,069,672**	**$22,456,382**	**$21,311,444**
FOREIGN OPERATIONS	**13,212,593**	**13,842,001**	**14,100,731**
MULTILATERAL ASSISTANCE	**1,780,440**	**1,802,764**	**1,816,031**
MULTILATERAL DEVELOPMENT BANKS	1,458,940	1,476,264	1,394,531
IDB - Inter-American Development Bank (Ordinary Capital)	25,611	25,611	25,611
IDB - Inter-American Development Bank (FSO)	20,835	21,152	-
IDA - International Development Association	1,034,504	800,000	803,430
ASIA DB - Asian Development Bank	13,211	13,222	13,728
Asian Development Fund	150,000	210,000	177,017
IBRD - Global Environment Facility (GEF)	47,500	192,500	143,333
Africa Development Bank	-	-	5,100
African Development Fund	45,000	128,000	127,033
EBRD - European Bank for Reconstruction and Development	35,779	35,779	35,779
EAI/MIF - Enterprise for the Americas Multilateral Investment Fund	30,000	50,000	28,500
MIGA - Multilateral Investment Guarantee Agency	-	-	10,000
Inter-American Investment Corporation	-	-	25,000
NADB - North American Development Bank	56,500	-	-
MDB Arrears	[359,754]	[538,952]	[168,383]
IFI Advisory Commission	-	-	1,500
Treasury Technical Assistance	-	1,500	7,000
Debt Reduction Programs	27,000	33,000	120,000
IO&P - International Organizations and Programs	294,500	292,000	293,000
AGENCY FOR INTERNATIONAL DEVELOPMENT	**2,433,890**	**2,520,900**	**2,611,000**
Sustainable Development Programs	1,724,634	1,789,000	1,848,000
DA - Development Assistance	1,174,634	1,194,000	780,440
CS - Child Survival and Diseases	550,000	595,000	555,000
Development Fund for Africa	-	-	512,560
Urban and Environment Credit Program - Subsidy	3,000	1,500	3,000
Urban and Environment Credit Program - Admin	6,053	5,000	5,000
Micro and Small Enterprise Development - Subsidy	1,500	1,500	1,500
Micro and Small Enterprise Development - Admin	500	500	500
Development Credit Authority	[-]	[8,000]	[15,000]
USAID Operating Expenses	478,858	492,650	507,739
Operating Expenses - Inspector General USAID	29,047	30,750	25,261
OFDA - International Disaster Assistance	190,298	200,000	220,000

Account	FY 1998 Actual	FY 1999 Estimate	FY 2000 Request
OTHER BILATERAL ASSISTANCE	**1,256,016**	**1,277,000**	**1,425,000**
FSA - Freedom Support Act - Assistance for the NIS	770,798	847,000	1,032,000
SEED - Support for Eastern Europe and Democracy	485,218	430,000	393,000
INTERNATIONAL SECURITY ASSISTANCE	**6,041,168**	**6,127,331**	**6,232,000**
PKO - Peacekeeping Operations	77,500	76,500	130,000
ESF - Economic Support Fund	2,419,600	2,432,831	2,389,000
IMET - International Military Education and Training	50,000	50,000	52,000
Foreign Military Financing (FMF) - Grant/Admin	3,348,728	3,330,000	3,430,000
FMF-L; Foreign Military Financing - Loan	12,340	20,000	-
NADR - Nonproliferation, Anti-terrorism, Demining and Related Programs	133,000	218,000	231,000
EXPORT & INVESTMENT ASSISTANCE	**561,114**	**726,000**	**725,000**
OPIC - Overseas Private Investment Corporation	-198,000	-117,000	-204,000
OPIC - Administrative Expenses	32,000	34,600	35,000
OPIC - Net Offsetting Collections	-290,000	-201,600	-263,000
OPIC - Credit Funding	60,000	50,000	24,000
TDA - Trade and Development Agency	41,500	44,000	48,000
Export-Import Bank	717,614	799,000	881,000
EXIM - Export-Import Bank - Loan Program Account	683,000	765,000	839,000
EXIM - Export-Import Bank - Administrative Expenses	48,614	50,000	57,000
EXIM - Export-Import Bank - Direct Loans, Negative Subsidies	-14,000	-16,000	-15,000
OTHER ASSISTANCE	**1,191,965**	**1,436,006**	**1,291,700**
IAF - Inter-American Foundation	22,000	20,000	22,300
African Development Foundation	14,000	11,137	14,400
MRA - Migration and Refugee Assistance	650,384	640,000	660,000
ERMA - U.S. Emergency Refugee and Migration Assistance	50,000	30,000	30,000
INC - International Narcotics and Crime	230,000	493,600	295,000
Peace Corps	225,581	241,269	270,000
SDAF - Special Defense Acquisition Fund	**-52,000**	**-48,000**	**-**
WYE MEMORANDUM - MIDDLE EAST PEACE PROCESS			
FY 1999 Supplemental & Advanced Appropriations	**-**	**900,000**	**500,000**
ESF - Economic Support Fund - Wye	-	200,000	150,000
FMF - Foreign Military Financing - Grant - Wye	-	700,000	350,000
FMF - Foreign Military Financing - Rescission for Wye	**-**	**-18,000**	**-**

Account	FY 1998 Actual	FY 1999 Estimate	FY 2000 Request
COMMERCE, JUSTICE, STATE, AND RELATED AGENCIES	**4,978,919**	**6,858,221**	**5,910,713**
DEPARTMENT OF STATE	**4,504,733**	**6,413,716**	**5,408,321**
State Programs	2,584,692	3,427,885	2,927,772
Diplomatic and Consular Programs (D&CP)	1,646,801	1,644,300	2,583,772
Salaries & Expenses (S&E)	353,905	354,187	-
D&CP "H" Worldwide Security Upgrades	-	785,700	254,000
Capital Investment Fund	86,000	137,890	90,000
Technology Fund (USIA)	5,050	9,062	-
Arms Control Disarmament Agency (ACDA)	42,716	41,500	-
International Information Programs (USIA IIP)	450,220	455,246	-
Security and Maintenance of US Missions	397,943	1,030,561	483,683
Security and Maintenance of US Missions (SMUSM)	397,943	403,561	434,066
"H" Worldwide Security Upgrades	-	627,000	49,617
Capital Projects - Advance Appropriations	[-]	[-]	[3,000,000]
Other Administration of Foreign Affairs	258,026	272,895	289,683
Education and Cultural Exchange Programs (USIA ECE)	197,731	200,500	210,329
Representation Allowances	4,200	4,350	5,850
Protection of Foreign Missions and Officials	7,900	8,100	9,490
Emergencies in the Diplomatic and Consular Service	5,356	15,500	17,000
American Institute in Taiwan	14,000	14,750	15,760
Office of the Inspector General	27,495	28,495	30,054
Repatriation Loans Program Account	1,344	1,200	1,200
International Organizations	1,211,515	1,628,000	1,644,308
CIPA - Contributions for International Peacekeeping Activities	210,632	231,000	235,000
CIO - Contributions to International Organizations	888,883	922,000	963,308
CIO/CIPA - UN Arrearage Payments	100,000	475,000	446,000
ICC - International Conferences and Contingencies	12,000	-	-
International Commissions (non function 150)	[43,992]	[45,732]	[52,043]
Related Appropriations	52,557	54,375	62,875
The Asia Foundation	8,000	8,250	15,000
East-West Center	12,000	12,500	12,500
North-South Center	1,500	1,750	2,500
National Endowment for Democracy	30,000	31,000	32,000
Eisenhower Exchange Fellowship Program Trust Fund	570	525	525
IASP - Israeli Arab Scholarship Program	487	350	350
BROADCASTING BOARD OF GOVERNORS (BBG)	**431,510**	**397,705**	**452,590**
International Broadcasting Operations	388,644	384,460	431,722
Broadcasting Capital Improvements	42,866	13,245	20,868

Account	FY 1998 Actual	FY 1999 Estimate	FY 2000 Request
OTHER PROGRAMS	**42,676**	**46,800**	**49,802**
Commission for the Preservation of America's Heritage	250	265	265
Foreign Claims Settlement Commission	1,226	1,227	1,175
Holocaust Assets Commission	-	813	1,162
International Trade Commission	41,200	44,495	47,200
DEPARTMENT OF AGRICULTURE	**867,000**	**862,000**	**787,000**
PL 480 - Title II; Program Account	837,000	837,000	787,000
PL 480 - Title III; Non-Credit Activity	30,000	25,000	-
LABOR, HHS, EDUCATION	**11,160**	**12,160**	**13,000**
USIP - United States Institute for Peace	11,160	12,160	13,000

FY 2000 INTERNATIONAL AFFAIRS BUDGET
EXPLANATORY NOTES TO TABLE BY APPROPRIATIONS

1. Included in the FY 1999 and FY 2000 columns for the Multilateral Development Banks are respectively $538.952 million and $168.383 million in arrears payments.

2. Contributions to the UN Children's Fund (UNICEF) appear in the International Organizations & Program account (IO&P).

3. Funding transferred out of the Freedom Support Act (NIS) and Support for Eastern European Democracy (SEED) to other accounts in FY 1998 are included in the NIS and SEED totals and not in the estimates and requests of the receiving accounts.

4. The Voluntary Peacekeeping Operation (PKO) account does not reflect transfers to the account made pursuant to Section 632 of the Foreign Assistance Act.

5. The FY 1998 column of the Contributions to International Organizations account (CIO) reflects the transfer of $12 million to the International Conferences and Contingencies account for the Comprehensive Test Ban Treaty Organization.

6. The FY 2000 request proposes the final tranche of arrears payments to the UN and other international organizations in the amount of $446 million. This payment would complete the $1.021 billion total arrears package approved in the Balanced Budget Act of 1997.

7. The Nonproliferation, Anti-terrorism, Demining and Related Programs (NADR) account was expanded in FY 1999 to include funds for the Comprehensive Test Ban Treaty (CTBT) Preparatory Commission (PrepCom). In FY 2000, the NADR account request

is comprised of the following: the Nonproliferation Disarmament Fund; Export Control Assistance; International Atomic Energy Agency (IAEA) Voluntary Contributions; CTBT PrepCom; Korean Energy Development Organization (KEDO); Anti-terrorism and Counter-Terrorism Assistance; and Humanitarian Demining.

8. Virtually all assistance commitments made by President Clinton during his March, 1998 visit to Africa were funded in FY 1998 and FY 1999. The only exceptions now included in the FY 2000 budget are: $5 million in ESF for the Great Lakes Initiative, and $5 million for the Africa Food Security Initiative. In addition, a portion of the $35 million debt reduction commitment is being met in the FY 2000 request.

9. The FY 2000 State Programs budget request reflects the Reorganization Plan and Report submitted pursuant to Section 1601 of the Foreign Affairs Reform and Restructuring Act of 1998, as contained in Public Law 105-277. Under this reorganization plan, with the exception of amounts for functions of the United States Information Agency (USIA) related to International Broadcasting which are transferred to the Broadcasting Board of Governors, operations previously funded by appropriations made to the Arms Control and Disarmament Agency and the USIA will now be funded by appropriations made to the Department of State. Accordingly, the FY 2000 State Programs budget request incorporates, with the Diplomatic and Consular Programs appropriation, the appropriations formerly made for ACDA Salaries and Expenses (S&E) appropriation and USIA's International Information Programs (IIP) and Technology Fund appropriations (less the transfers discussed below). In this regard, resource tables include FY 1998 and FY 1999 amounts for these ACDA and USIA accounts. In addition, the summary resource table displays IIP amounts transferred to other appropriations including International Broadcasting Operations ($33.236 million), Educational and Cultural Exchanges ($1.246 million), Security and Maintenance of U.S. Missions ($16.883 million), and Representation Allowances ($1.4 million).

10. The FY 2000 budget also merges the State Department Salaries and Expenses (S&E) appropriation with the Diplomatic and Consular Programs appropriation. This merger of the appropriations into one Diplomatic and Consular Programs appropriation with clear program and bureau demarcations for arms control, nonproliferation, and international information programs and exchanges will greatly facilitate the efficient and effective reorganization and merger of USIA, ACDA and State employees, organizations, and functions into existing Department bureaus and offices.

11. The FY 1999 estimate reflects the following FY 1999 Emergency Supplemental Appropriations:

- Child Survival (for children affected by the global AIDS epidemic) $50 million;
- USAID Operating Expenses (security upgrades) $2.5 million;
- Freedom Support Act – Assistance to the NIS $46 million;
- Economic Support Funds (assistance to the local victims of the East African bombings) $46.231 million;
- Nonproliferation, Anti-terrorism, Demining and Related Programs (enhanced anti-terrorism programs) $20 million;

- Peace Corps (security upgrades) $1.27 million;
- International Narcotics and Crime (to combat international drug trafficking) $232.6 million;
- State Programs (worldwide security upgrades) $785.7 million;
- Security and Maintenance of Buildings Abroad (overseas capital security upgrades) $627 million;
- Emergencies in the Diplomatic and Consular Service (emergency costs associated with the bombings in East Africa) $10 million;
- State Department Office of the Inspector General (security oversight requirements) $1 million;
- Year 2000 Computer Compliance (additional funding to ensure that agency information systems are year 2000 compliant) $77.29 million as follows:

    ◊ State Capital Investment Fund ($57.89 million)
    ◊ USIA Technology Fund ($7.06 million)
    ◊ USAID Operating Expenses ($10.2 million)
    ◊ Overseas Private Investment Corporation ($2 million)
    ◊ Africa Development Foundation ($0.137 million)

12. The Administration is requesting $3 billion for an advance appropriation (FY 2001-FY 2005) in the Security and Maintenance of U.S. Missions account for the construction costs of relocating embassies at high security-risk locations.

International Affairs Budget Request by Strategic Goal

(BA $ thousands)

	FY 1998 Actual	FY 1999 Actual	FY 2000 Request
TOTAL FUNCTION 150	$19,069,672	$22,456,383	$21,311,445
TOTAL, STRATEGIC GOAL BY REGION & GLOBAL PROGRAMS	14,575,890	16,084,350	15,897,694
Regional Stability	4,889,988	5,670,134	5,365,164
Weapons of Mass Destruction	652,190	710,513	882,004
Open Markets	416,874	446,229	394,248
U.S. Exports	806,229	972,049	997,355
Global Economic Growth	4,920	72,350	77,250
Economic Development	4,051,433	3,733,264	3,642,876
International Crime	59,900	50,405	81,994
Illegal Drugs	211,580	470,915	267,575
Counter-Terrorism	24,000	46,000	48,175
Democracy	580,063	622,917	709,410
Humanitarian Assistance	1,549,108	1,754,602	1,751,740
Environment	560,053	750,820	829,132
Population	237,545	204,432	260,266
Health	532,007	579,722	590,505
OTHER INTERNATIONAL AFFAIRS PROGRAMS	4,493,783	6,372,033	5,413,751
American Citizens	106,413	78,029	82,499
Travel and Immigration	81,744	81,111	87,480
Diplomatic Activities	1,816,381	1,852,453	2,211,188
Public Diplomacy	1,079,651	1,053,349	881,096
Diplomatic Readiness & Other	1,364,238	3,233,891	2,117,520

International Affairs Budget Request by Strategic Goal

(BA $ thousands)

	FY 1998 Actual	FY 1999 Estimate	FY 2000 Request
TOTAL FUNCTION 150	**$19,069,672**	**$22,456,383**	**$21,311,445**
TOTAL, STRATEGIC GOAL BY REGION & GLOBAL PROGRAMS	**14,575,890**	**16,084,350**	**15,897,694**
Regional Stability	**4,889,988**	**5,670,134**	**5,365,164**
Africa	83,373	61,340	108,680
East Asia & Pacific	6,019	5,525	9,850
New Independent States	51,564	46,040	94,500
Europe	340,470	322,534	325,891
Near East	3,984,672	4,813,300	4,344,517
South Asia	810	1,390	1,460
Western Hemisphere	100,236	89,776	118,370
Non-Regional / Global	322,844	330,229	361,896
PKO - Peacekeeping Operations	4,950	-	-
ESF - Economic Support Fund	1,070	14,700	-
IMET - International Military Education and Training	580	385	400
FMF-G; Foreign Military Financing - Grant	7,000	20,090	5,000
FMF-A; Foreign Military Financing - Administration	29,021	29,910	31,300
SDAF - Special Defense Acquisition Fund	-52,000	-48,000	-
FMF - Foreign Military Financing - Rescission for Wye	-	-18,000	-
Arms Control Disarmament Agency (ACDA) (FY99 Only)	42,716	41,500	-
CIO - Contributions to International Organizations	278,347	277,484	312,196
USIP - United States Institute for Peace	11,160	12,160	13,000
Weapons of Mass Destruction	**652,190**	**710,513**	**882,004**
East Asia & Pacific	46,536	35,016	55,000
New Independent States	19,622	37,897	193,465
Europe	679	903	5,314
Near East	450,030	465,245	480,301
Non-Regional / Global	135,323	171,452	147,924
ESF - Economic Support Fund	4,000	-	-
NADR - NDF - Nonproliferation and Disarmament Fund	15,000	15,000	15,000
NADR - IAEA Voluntary Contribution	36,000	40,000	43,000
NADR - CTBT Preparatory Commission	-	28,900	20,000
NADR - Other	-	18,100	-
CIO - Contributions to International Organizations	80,323	69,452	69,924

Regions by Strategic Goal	FY 1998 Actual	FY 1999 Estimate	FY 2000 Request
Open Markets	**416,874**	**446,229**	**394,248**
Africa	-	30,000	21,400
East Asia & Pacific	5,240	4,503	8,300
New Independent States	26,954	13,000	14,000
Europe	54,892	63,149	61,925
Near East	150,000	145,000	103,600
Non-Regional / Global	179,788	190,577	185,023
CIO - Contributions to International Organizations	179,788	190,577	185,023
U.S. Exports	**806,229**	**972,049**	**997,355**
Africa	3,590	3,928	6,573
East Asia & Pacific	9,333	9,638	10,608
New Independent States	29,448	19,885	20,802
Europe	8,256	8,565	9,427
Near East	178,774	186,032	196,904
Western Hemisphere	10,051	10,686	11,764
Non-Regional / Global	566,777	733,315	741,277
MIGA - Multilateral Investment Guarantee Agency	-	-	10,000
OPIC - Administrative Expenses	32,000	34,600	35,000
OPIC - Net Offsetting Collections	-290,000	-201,600	-263,000
OPIC - Credit Funding	60,000	50,000	24,000
TDA - Trade and Development Agency	5,963	6,820	7,077
EXIM - Export-Import Bank - Loan Program Account	683,000	765,000	839,000
EXIM - Export-Import Bank - Administrative Expenses	48,614	50,000	57,000
EXIM - Export-Import Bank - Direct Loans, Negative Subsidies	-14,000	-16,000	-15,000
International Trade Commission	41,200	44,495	47,200
Global Economic Growth	**4,920**	**72,350**	**77,250**
East Asia & Pacific	3,690	49,250	45,750
New Independent States	1,230	21,600	23,000
Non-Regional / Global	-	1,500	8,500
IFI Advisory Commission	-	-	1,500
Treasury Technical Assistance	-	1,500	7,000
Economic Development	**4,051,433**	**3,733,264**	**3,642,876**
Africa	868,782	754,009	611,599
East Asia & Pacific	233,852	307,104	316,762
New Independent States	255,652	261,500	279,000
Europe	232,441	183,848	179,716

Regions by Strategic Goal	FY 1998 Actual	FY 1999 Estimate	FY 2000 Request
Near East	405,884	427,872	396,366
South Asia	18,564	13,014	27,939
Western Hemisphere	366,692	362,031	332,181
Non-Regional / Global	1,669,566	1,423,886	1,499,313
IDA - International Development Association	1,034,504	800,000	803,430
Debt Reduction Programs	27,000	-	70,000
IO&P - International Organizations and Programs	208,100	213,800	188,300
DA - Development Assistance	368,715	377,236	405,322
Micro and Small Enterprise Development - Subsidy	1,500	1,500	1,500
Micro and Small Enterprise Development - Admin	500	500	500
USAID Operating Expenses - Inspector General	29,047	30,750	25,261
ESF - Economic Support Fund	-	-	5,000
PL 480 - Title III; Non-Credit Activity	200	100	-
International Crime	**59,900**	**50,405**	**81,994**
Africa	-	-	3,000
New Independent States	22,450	26,705	31,100
Europe	22,450	3,700	17,894
Non-Regional / Global	15,000	20,000	30,000
INC - International Narcotics and Crime	15,000	20,000	30,000
Illegal Drugs	**211,580**	**470,915**	**267,575**
Africa	-	-	175
East Asia & Pacific	5,500	6,400	7,000
New Independent States	1,580	2,315	2,400
Europe	500	500	500
South Asia	1,500	2,200	2,500
Western Hemisphere	179,700	430,500	219,200
Non-Regional / Global	22,800	29,000	35,800
INC - International Narcotics and Crime	22,800	29,000	35,800
Counter-Terrorism	**24,000**	**46,000**	**48,175**
Africa	5,816	11,638	12,175
East Asia & Pacific	2,263	2,199	2,400
New Independent States	-	6,000	6,200
Europe	3,332	1,694	3,000
Near East	8,874	8,766	7,000
South Asia	-	-	800
Western Hemisphere	1,995	5,403	2,400

Regions by Strategic Goal	FY 1998 Actual	FY 1999 Estimate	FY 2000 Request
Non-Regional / Global	1,720	10,300	14,200
NADR - Anti-terrorism assistance	1,720	10,300	4,200
NADR - Counter-terrorism	-	-	10,000
Democracy	**580,063**	**622,917**	**709,410**
Africa	82,825	106,430	106,050
East Asia & Pacific	30,255	15,177	42,506
New Independent States	194,740	214,190	218,000
Europe	89,190	95,401	96,581
Near East	22,238	17,950	32,450
South Asia	6,914	5,910	14,490
Western Hemisphere	95,937	88,232	112,706
Non-Regional / Global	57,965	79,628	86,627
IO&P - International Organizations and Programs	2,400	4,500	4,500
ESF - Economic Support Fund	11,820	19,000	21,000
CIO - Contributions to International Organizations	13,745	25,128	29,127
National Endowment for Democracy	30,000	31,000	32,000
Humanitarian Assistance	**1,549,108**	**1,754,602**	**1,751,740**
Africa	155,222	201,261	160,050
East Asia & Pacific	148,534	43,635	29,819
New Independent States	100,496	104,730	79,100
Europe	315,681	291,626	213,411
Near East	175,391	170,830	164,167
South Asia	168,729	164,332	136,042
Western Hemisphere	15,600	15,800	19,800
Non-Regional / Global	469,454	762,388	949,351
DA - Development Assistance	69,058	66,273	69,433
OFDA/OTI - International Disaster Assistance	190,298	200,000	220,000
NADR - Demining	1,766	6,710	7,750
MRA - Migration and Refugee Assistance	178,332	189,060	210,600
ERMA - U.S. Emergency Refugee and Migration Assistance	30,000	5,000	30,000
Holocaust Assets Commission	-	813	1,162
PL 480 - Title II; Program Account	-	294,532	410,406
Environment	**560,053**	**750,820**	**829,132**
Africa	62,935	71,215	100,625
East Asia & Pacific	41,122	20,835	29,122
New Independent States	74,189	81,610	79,500
Europe	16,256	8,707	11,586

Regions by Strategic Goal	FY 1998 Actual	FY 1999 Estimate	FY 2000 Request
Near East	165,040	211,510	221,495
South Asia	17,500	14,050	26,700
Western Hemisphere	65,792	67,556	66,608
Non-Regional / Global	117,219	275,337	293,496
GEF - Global Environment Facility	47,500	192,500	143,333
Debt Reduction Programs	-	-	50,000
IO&P - International Organizations and Programs	49,500	64,200	65,700
Urban and Environment Credit Program - Subsidy	3,000	1,500	3,000
Urban and Environment Credit Program - Admin	6,053	5,000	5,000
ESF - Economic Support Fund	-	-	15,000
CIO - Contributions to International Organizations	11,166	12,137	11,463
Population	**237,545**	**204,432**	**260,266**
Africa	69,600	59,413	73,200
East Asia & Pacific	7,661	6,054	5,275
New Independent States	1,640	1,865	1,950
Europe	3,380	2,125	2,433
Near East	17,670	24,900	34,500
South Asia	49,481	48,074	52,300
Western Hemisphere	63,113	62,001	65,608
Non-Regional / Global	25,000	-	25,000
IO&P - International Organizations and Programs	25,000	-	25,000
Health	**532,007**	**579,722**	**590,505**
Africa	126,716	138,841	164,443
East Asia & Pacific	14,508	10,511	15,028
New Independent States	32,917	44,875	46,050
Near East	28,810	24,000	36,700
South Asia	54,452	43,250	47,864
Western Hemisphere	165,992	208,063	170,240
Non-Regional / Global	108,612	110,182	110,180
CIO - Contributions to International Organizations	108,612	110,182	110,180
OTHER INTERNATIONAL AFFAIRS PROGRAMS *	**4,493,783**	**6,372,033**	**5,413,751**
American Citizens	**106,413**	**78,029**	**82,499**
D&CP - Diplomatic and Consular Programs	99,713	61,329	64,299
Emergencies in the Diplomatic and Consular Service	5,356	15,500	17,000
Repatriation Loans Program Account	1,344	1,200	1,200

Regions by Strategic Goal	FY 1998 Actual	FY 1999 Estimate	FY 2000 Request
Travel and Immigration	**81,744**	**81,111**	**87,480**
D&CP - Diplomatic and Consular Programs	81,744	81,111	87,480
Diplomatic Activities	**1,816,381**	**1,852,453**	**2,211,188**
D&CP - Diplomatic and Consular Programs	1,429,914	1,464,444	2,175,284
IIP - International Information Programs (USIA) (FY 2000)	867	977	-
Representation Allowances	4,200	4,350	5,850
Salaries & Expenses (FY99 Only)	353,905	354,187	-
State - Office of the Inspector General	27,495	28,495	30,054
Public Diplomacy	**1,079,651**	**1,053,349**	**881,096**
Broadcasting Capital Improvements	42,866	13,245	20,868
D&CP - Diplomatic and Consular Programs	-	-	217,302
ECE - Education and Cultural Exchange Programs (USIA)	197,731	200,500	210,329
Eisenhower Exchange Fellowship Program Trust Fund	570	525	525
IASP - Israeli Arab Scholarship Program	487	350	350
IIP - International Information Programs (USIA) (FY99 Only)	449,353	454,269	-
International Broadcasting Operations	388,644	384,460	431,722
Diplomatic Readiness & Other	**1,364,238**	**3,233,891**	**2,117,520**
American Institute in Taiwan	14,000	14,750	15,760
Capital Investment Fund	86,000	137,890	90,000
CIO/CIPA - UN Arrearage Payments	100,000	475,000	446,000
Commission for the Preservation of America's Heritage	250	265	265
D&CP - Diplomatic and Consular Programs	35,430	37,416	39,407
D&CP Worldwide Security Upgrades "H"	-	785,700	254,000
Foreign Claims Settlement Commission	1,226	1,227	1,175
ICC - International Conferences and Contingencies	12,000	-	-
Peace Corps	225,581	241,269	270,000
Protection of Foreign Missions and Officials	7,900	8,100	9,490
SMUSM - Security and Maintenance of US Missions Account	397,943	403,562	434,067
SMUSM Worldwide Security Upgrades Account "H"	-	627,000	49,617
Technology Fund (USIA) (FY99 Only)	5,050	9,062	-
USAID Operating Expenses	478,858	492,65	507,739

FY 2000 INTERNATIONAL AFFAIRS BUDGET
EXPLANATORY NOTES TO TABLE BY STRATEGIC GOALS

1. Forty-five percent of Function 150 funding is displayed by strategic goal at either the country or regional levels. With a few exceptions, these are the heart of U.S. bilateral assistance programs. This grouping includes also accounts supporting bilateral or multilateral activities generally attributable to a single region, such as in the case of African Development Bank. For these accounts, their total funding is included under the region. If only a portion of the funding from an account could be attributed to a single region, only that portion is listed under that region and the remainder appears under Non-regional/Global programs. Details on the activities funded by this group of accounts can be found in the regional summary tables, regional plans, country and initiative papers in Chapter II. A general description of these accounts can also be found in the appropriations account justification Chapter III. Accounts in this grouping are:

- African Development Bank
- African Development Fund
- African Development Foundation
- Anti-terrorism Assistance - NADR
- Asian Development Fund
- Contributions to International Organizations
- Contributions to International Peacekeeping Activities
- Demining - NADR
- Development Assistance
- Enterprise for the Americas/MIF
- Economic Support Fund
- Economic Support Fund – Wye
- Export Control Assistance - NADR
- Foreign Military Financing
- FREEDOM Support Act
- Inter-American Foundation
- Inter-American Development Bank
- International Military Education and Training
- International Narcotics and Crime
- Inter-American Investment Corp
- International Trade Commission
- Korean Energy Development Organization - NADR
- Migration and Refugee Assistance
- North America Development Bank
- PL-480 Title II
- PL-480 Title III
- Support for Eastern European Democracy
- Trade and Development Agency
- Foreign Military Financing – Wye

2. The second grouping of accounts, composing 30 percent of the FY 2000 Function 150 request, is displayed by strategic goal but are classified as *"non-regional"* because insufficient information is available to allocate their funds to a specific country or region. The reason for this can vary. Some accounts are provided to managers outside the U.S. Government for final allocation, such as in the case of the International Development Association. Others are demand-driven, as in the case of EXIM Bank. This group also includes accounts that have significant activity in two or more regions that could not be segregated with precision. Details of each of these accounts can be found in the appropriation account justification papers in Chapter III. The following accounts are in this group:

- Arms Control and Disarmament Agency (until FY 1999)
- Counter-terrorism – NADR
- CTBT Preparatory Commission - NADR
- Debt Reduction Programs
- Export-Import Bank
- Global Environment Facility
- Holocaust Assets Commission
- IAEA Voluntary Contribution - NADR
- International Financial Institution Advisory Commission
- International Development Association
- International Organizations and Programs
- International Trade Commission

- Micro and Small Enterprise Development
- Multilateral Investment Guarantee Agency
- National Endowment for Democracy
- Nonproliferation and Disarmament Fund - NADR
- Overseas Private Investment Corporation
- Treasury Technical Assistance
- United States Institute for Peace
- Urban and Environmental Credit Program
- USAID Operating Expenses
- USAID Operating Expenses – Inspector General

3. Funding for American Citizens Support and Travel and Migration are placed in the *"Other International Affairs Program"* category because insufficient data is available for these categories by country or region. Details of the following accounts can be found in the *"U.S. Department of State FY 2000 Congressional Presentation Document"*:

- Diplomatic and Consular Programs
- Emergencies in the Diplomatic and Consular Service
- Repatriation Loans

4. Operating expenses in U.S. embassies contribute to all the strategic goals, however a discrete display was unavailable for publication. These accounts are grouped under the heading "Diplomatic Activities." The total for Diplomatic and Consular Programs is shown on each country page. Detailed justification for these accounts can be found in the "U.S. Department of State FY 2000 Congressional Presentation Document". They are:

- Diplomatic and Consular Programs
- International Information Programs (beginning in FY 2000)
- Representation Allowances
- Salaries and Expenses(through FY1999)
- State Office of the Inspector General

5. Certain accounts that serve several strategic goals are grouped under *"Public Diplomacy."* They require a common methodology for attribution to goals. Where possible these accounts are included on the country tables to provide a fuller understanding of their support role at post. Details of the Educational and Cultural Exchange and International Information Programs also can be found in the last pages of each Regional Plan. Accounts classified as *"Public Diplomacy"* are:

- Broadcasting Capital Improvements
- D&CP (FY 2000)
- Educational and Cultural Exchanges
- International Information Programs (through FY 1999)
- International Broadcasting Operations
- Israeli Arab Scholarship Programs
- Eisenhower Exchange Fellowships

6. *"Diplomatic Readiness and Other"* includes global accounts that do not have identified strategic goals. State support programs, USAID operating costs and other support functions are classified in this group. While country funding levels for Peace Corps are included on the country pages, no agreed methodology was available for attributing their contribution to individual strategic goals.

7. Programs may serve multiple strategic goals. Funds for these programs are attributed to the predominant goal to avoid double counting. In assigning the predominant goal,

guidance from posts, bureaus and responsible agencies was determinate. In the absence of such guidance, the following principles guided the distribution of funds to strategic goals:

- Multilateral Development Banks (MDBs) generally were attributed to the Economic Development Goal, with the exception of Global Environment Facility. The MDBs with significant activities in two or more regions were assigned to global categories. These were the Global Environment Facility (GEF), European Bank for Reconstruction and Development, IDA, MIGA. The remaining regional MDBs were assigned to their respective regions.

- Contributions to International Organizations (CIO) and International Organizations and Programs (IO&P) are generally non-regional/global. The goals to which these contributions apply are: Democracy/Human Rights, Regional Stability, Global Issues and Economic Development.

- The Emergency Refugee and Migration Assistance (ERMA) Fund and the International Disaster Assistance (IDA) account are classified according to Humanitarian Assistance, but could not be prospectively attributed to regions or countries.

- OPIC and EXIM are assigned to U.S. Export Promotion.

- PKO and CIPA are assigned to Regional Stability

- Function 150 accounts for which all of the account is classified according to a single strategic goal and also allocated to region and/or country are:

- NADR: Demining -- Humanitarian Assistance.

- NADR: Export Controls and KEDO – Weapons of Mass Destruction

- NADR: ATA and Counter-terrorism – Counter-terrorism

- Trade and Development Agency – U.S. Export Promotion

II. REQUEST BY REGION AND STRATEGIC GOAL

AFRICA

Bureau of African Affairs
Statement by Assistant Secretary Susan E. Rice

Introduction

As the 21st Century approaches, the United States is working to develop a new partnership with sub-Saharan Africa founded on mutual interest and mutual respect. We seek to help establish stable, democratic, economically dynamic African countries with which we can trade, in which we can invest profitably and with which we can work to advance U.S. interests globally. We are pursuing two overarching policy goals in Africa to which I have devoted intensified attention since becoming Assistant Secretary of State for African Affairs. These policy goals are: 1) integrating Africa into the global economy by promoting economic development, democracy and respect for human rights, and conflict resolution, and 2) defending the United States against transnational security threats emanating from Africa – principally state-sponsored terrorism, international crime, drug trafficking, weapons proliferation, environmental degradation and disease. These two overarching national interests and the strategic goals which support them correspond closely to the 16 strategic goals contained in the International Affairs Strategic Plan.

We must remedy the long neglect of anti-terrorism policy in sub-Saharan Africa. The terrorist bombings of our embassies in Nairobi and Dar es Salaam on August 7, 1998, vividly demonstrated that our national interest in fighting terrorism is clearly at stake in Africa. The United States has numerous other vital national interests in Africa as well, and any cursory examination of the world map reveals Africa's strategic importance. The Cape controls sea traffic between the Atlantic and Indian Oceans. The Horn is a potential choke point for traffic flows between the Suez Canal/Red Sea and the Indian Ocean. Add to this security mix the new "oil coast" extending from Nigeria to Angola -- from which the U.S. will soon receive upward of one-fifth of its petroleum and the 700-million-member emerging consumer market in Africa -- and the sub-Sahara's importance to the economic health and national security of the U.S. is evident.

New Initiatives

In support of our national interests, President Clinton launched his Partnership for Economic Growth and Opportunity in Africa in June 1997, followed by the announcement of five major new initiatives during his historic March 1998 11-day, six nation trip to Africa. These initiatives are in the areas of education (the Education for Development and Democracy Initiative), justice and the rule of law (The Great Lakes Justice Initiative), civil aviation safety and security the Safe Skies for Africa, democracy promotion (Radio Democracy for Africa) and conflict resolution (the planned Center for Security Studies in Africa, modeled after the Marshall Center in Germany). The Secretary's travel in Africa, along with the President's trip to the region, demonstrated to the American people that, amid post-Cold War reform and turmoil, there is emerging in

Africa a new generation of citizens committed to a new future and progress in the 21st century. In support of their efforts, the President has pledged to work with Congress to pass the Africa Growth and Opportunity Act and to return U.S. development and economic assistance to Africa to historic high levels of over $800 million.

Diplomatic Readiness

Moving forward with this ambitious plan of engagement and partnership requires adequate representation as well as safe and secure working environments. AF is already struggling with too few positions and a seriously deteriorating infrastructure that substantially impede our ability to keep up with our current agenda. Over the years, the Department reprogrammed positions and funding to meet high priority needs. During this time, AF lost 70 positions - almost exclusively overseas. Given the ambitious Presidential and Departmental agenda for this bureau, we must now re-staff a portion of this loss to build a platform that can support this historic and vibrant plan.

Our people work in the most challenging hardship posts in the world. Many AF posts are without basic infrastructure needs: potable water, electricity, and a sturdy habitat. The majority of our posts are physically insecure and suffer from a lack of reliable and efficient communications, education facilities for our dependent children, medical care, and appropriate housing. Many of our office buildings – hurriedly obtained in the sixties during our rush to open posts – are too small and in seriously degraded condition. We are moving forward to build new chanceries in Abuja, Kampala, and Luanda. However, in addition to damages sustained in Kenya and Tanzania, we have sustained substantial damages to our facilities Sierra Leone, Guinea-Bissau and Brazzaville, which will require further commitments and funding. We must also – as a matter of highest priority – fortify and relocate vulnerable embassies and other U.S. Government facilities in Africa.

Guaranteeing diplomatic readiness for the U.S. Government in Africa is costly. The intensive policy program that the President and the Department have defined for this bureau requires additional resources, especially in our operational account.

I. Integrating Africa into the Global Economy

As the world's last major potential emerging market, Africa will become increasingly important to overall U.S. economic prosperity in the 21st century. Economic reform across Africa has fostered impressive new economic growth: 5.6 percent in 1996 and 4.5 percent for 1997, despite global repercussions from the financial crisis in Asia which brought the rate down to considerably less than 4 percent in 1998. Although U.S.-African trade growth slowed in 1997, it has largely kept pace with U.S. global trade in recent years. U.S. exports to Africa totaled nearly $6.2 billion in 1997 and exceed U.S. exports to all of the former Soviet Union combined by more than 20 percent. Twenty percent of U.S. crude oil imports come from sub-Saharan Africa, providing an important source of petroleum outside of the Middle East. At the end of 1997, U.S. direct investment in sub-Saharan Africa, predominantly in petroleum and mining, totaled $7.1

billion. In recent years, return-on-investment in Africa has exceeded 22 percent, well above the world average, and the $2.3 billion U.S. investment in South Africa alone exceeds the book value of U.S. investments in other major emerging markets such as Turkey and India.

Economic Growth

To promote U.S. economic prosperity through Africa's integration into the global economy, the United States will pursue the three strategic goals of: 1) opening African markets, 2) increasing U.S. exports to Africa, and 3) boosting broad-based growth in Africa. Our intermediate objective is, by the year 2002, to increase the United States' average market share in Africa to ten percent from the current seven percent and to increase U.S. direct investment in Africa to $10 billion from the current $7.1 billion. The United States will press for the opening of markets by working to expand the accession of greater numbers of African states to the WTO and by advocating the elimination of barriers to trade and investment. The President's Partnership for Economic Growth and Opportunity is our primary program vehicle for attaining these economic goals. The Administration is working with Congress to secure passage of the Africa Growth and Opportunity Act. The Act will advance broad-based growth and African integration into the global economy by enhancing African access to U.S. markets.

In FY 1999, the Africa Bureau was allocated $63 million for the President's Partnership for Economic Growth and Opportunity ($30 million in Development Assistance and $33 million in Debt Relief), and we seek an additional $30 million in Development Assistance and $2 million in ESF in FY 2000. We will also seek to sustain the upward trend in U.S. exports to Africa through support from OPIC, EXIM and TDA. Close to $300 million was allocated in FY 1999 for bilateral and multilateral development programs which focus on agriculture, economic development and education, and which will contribute to broad-based economic growth on the continent. We are requesting close to $337 million in FY 2000 DA and CSD and over $100 million in FY 2000 PL 480 for these programs, which will be complemented by two Presidential Initiatives: 1) the Safe Skies for Africa Initiative, for which we seek $2 million of ESF in FY 2000 and which will strengthen Africa's transportation infrastructure; and 2) the Education for Development and Democracy Initiative to provide technology and build human capacity by improving the quality of African education, for which $66 million was requested in FY 1999 (in addition to approximately $53 million in education programs funded by various U.S. agencies) and for which we seek $30 million in DA and $15 million in ESF in FY 2000 to sustain implementation. The Education Initiative will help strengthen the foundation for other U.S. policy objectives, including economic growth and democracy.

Democracy

The United States pursues the strategic goal of promoting democracy in Africa, not only for its own sake as a reflection of American values, but also in support of U.S. economic and political interests in Africa. Accountable democratic governance and the rule of law

will advance U.S. economic interests by reducing corruption and economic risks, thereby creating an environment conducive to U.S. trade and investment. U.S. security and humanitarian interests are served by this strategic goal as well. Over the long term, democratic participation and inclusiveness will foster stability as previously excluded groups, including women, gain avenues to political participation and can peacefully compete for power. Peaceful competition for power and the ability to participate in governance will reduce the humanitarian costs of conflict to the U.S. and other donors as well as to Africa, and allow for the consolidation of Africa's own economic progress. Stable democratic governments in Africa are also important because these governments are prone to be more reliable partners with which the United States can work to promote collective interests and values, such as stemming refugee flows, fighting weapons proliferation, and combating transnational threats such as terrorism, drug trafficking, trafficking in women and children, and international crime.

Africa's accession to the world community of democracies is well underway. Half of sub-Saharan Africa's 48 states have a democratic form of governance, and over 20 more have allowed political rights and freedoms which will boost the demand for further reform. However, dramatic post-Cold War progress has slowed to incremental change. Fragile democratic governments in Burundi, Niger, Congo (Brazzaville) and Sierra Leone have been toppled by military coups. While the pace of political reform is shaped by history and other circumstances unique to each country, the United States must continue to apply vigorously universal democratic principles and human rights standards when measuring progress, noting that African citizens demand no less.

To advance the strategic goal of democracy, U.S. diplomacy, assistance programs, and occasionally "aid conditionality" will serve to encourage progress in countries that have yet to make a credible transition to democracy, such as the Democratic Republic of the Congo. In these countries, U.S. efforts focus on assuring respect for basic human rights, including the rights of women, encouraging development of an independent civil society able to channel demands for reform, and promoting a free press. We also pursue electoral reforms, such as creation of independent electoral commissions and the repeal of old security laws, in order to provide "political space" for dissenting political views. Elections are only a first step, however. The United States will continue working to consolidate emerging democracies by promoting the implementation of just laws, government institutions and practices that uphold accountable, transparent and inclusive governance. To bolster accountability and transparency in emerging democracies, the U.S. will continue to assist civil society groups, the independent media and development of a democratic culture through civic education.

Bilateral and regional U.S. democracy programs, for which we allocated over $80 million overall in FY 1999, include USAID programs and the Africa Regional Democracy Fund. We are requesting approximately $72 million in FY 2000 DA for democracy and governance projects and $9 million in FY 2000 ESF for the Africa Regional Democracy Fund, in addition to exchange and information programs that will help foster democratic development. These programs are coordinated with those of other donors and are managed by the State Department and USAID. They will be augmented

by Education for Development and Democracy Initiative activities which support the development of democracy and policy networks and civic education, and by International Military Education and Training (IMET) programs ($8.1 million was allocated in FY 1999 and $8.4 million is requested in FY 2000), which build military-to-military partnerships and promote a professional military subordinate to civilian rule and respectful of human rights.

For FY 2000, the Bureau also requests $28 million in Economic Support funds (ESF) to create a new "Countries in Transition Fund." Africa, as experience shows, is often unpredictable. It was impossible to foresee at the outset of FY 1998 that General Abacha would die or at the outset of FY 1997 that Mobutu's rule would not survive the fiscal year. Changes occur unexpectedly and must be met with timely and appropriate responses. The purpose of this fund is to enable the United States to respond flexibly and quickly when situations arise where timely funding of a peace or democracy program can make an important difference in a country's progress toward democratization. For instance, when Liberia was preparing for elections not long ago, there was an opportunity to disarm and demobilize a large number of warring militiamen, if funds could be found to finance a program of weapons surrender and repatriation. Unfortunately, resources were not available and fighting resumed, delaying the peace that eventually led to Liberia's transition to an elected civilian government. We need to assist the transition in Nigeria. The Countries in Transition Fund would give the United States the flexibility of response demanded within short windows of opportunity. In addition, to support transitions more directly, we are seeking new reporting officer positions in Nigeria, Angola, and the DROC.

Finally, the Great Lakes Justice Initiative, for which we were allocated $25 million in FY 1999, aims to help bring an end to the cycle of violence in Central Africa through strengthening justice and human rights institutions in cooperation with civil society. For FY 2000 we are requesting an additional $10 million in ESF for the Great Lakes Justice Initiative. We will also establish an African Center for Security Studies (ACSS) in order to foster development of African initiatives to professionalize the role of the military and enhance conflict resolution and crisis prevention capability. Funding for the ACSS will come from the Department of Defense budget. Finally, to mitigate the devastating human and economic costs of conflict, the United States will continue to provide humanitarian assistance at the level of about $260 million directly and through the UNHCR and humanitarian NGOs. Our Food Security Initiative, to which $45 million in FY 2000 DA will be devoted, along with PL 480 II emergency funds, will also assist in promoting stability in the region.

Conflict Resolution

Democratic governance and sustained economic development cannot thrive in an environment plagued by recurring armed conflict. Helping Africa resolve its many conflicts is key to promoting U.S. economic and political interests in the region. The United States has been instrumental, and relatively successful, in helping resolve African conflicts. From Mozambique to Burundi, and from Liberia to Angola, the U.S. has been

a key facilitator as Africa seeks to resolve its conflicts. We will continue to pursue the strategic goal of regional stability in support of U.S. economic interests and as essential to upholding American political and humanitarian values. In support of regional stability, we will continue to pursue conflict resolution and consolidation of peace in the Great Lakes region, Angola, Sierra Leone, Sudan, and the Horn of Africa.

Other U.S. programs in support of regional stability are aimed at building peacekeeping and conflict resolution capacity and at demobilizing African militaries and paramilitaries and integrating ex-combatants back into civil society. We are building cooperative relationships with African militaries through joint exercises and conflict resolution training under the Africa Crisis Response Initiative, for which we were allocated $20 million in FY 1999 and for which we again seek $15 million in FY 2000 PKO and $5 million in FY 2000 FMF. We will also continue diplomatic and program support for further development of new OAU (for which we request $2 million ESF in FY 2000), IGAD, ECOWAS and SADC conflict management components, and we will work to reduce illegal weapons trade through the West African Small Arms Moratorium. While the ACRI, OAU and other initiatives prepare Africans to participate in peacekeeping and conflict resolution efforts, Africa Regional Peacekeeping funds, requested at a level of $13 million in FY 2000, support African forces as they actually participate in sub-regional, regional and UN peacekeeping operations, promoting continued stability in countries emerging from conflict.

II. Defending the United States Against Transnational Threats

Protecting the United States and its citizens from transnational security threats – including terrorism, drug trafficking, weapons proliferation, international crime, environmental degradation and disease – that emanate from Africa is manifestly in our national security interest. Countering these threats also serves our national interests in law enforcement and protecting American citizens, and helps build an environment where economies can grow and develop.

Terrorism

The terrorist bombings of our embassies in Nairobi and Dar es Salaam shattered the conventional wisdom in many quarters that terrorism was not a major concern in Africa. Of the $21 million allocated in 1998 for anti-terrorist training programs worldwide, none was spent in sub-Saharan Africa. Building on this year's emergency supplemental budget request of $20 million to fight terrorism in Africa, we are working to raise the level of NADR ATAP assistance to sustain vigorous anti-terrorism training programs for police forces, customs and immigration officers and civil aviation authorities in sub-Saharan Africa.

Libya and Sudan are the only two nations in Africa that openly harbor and support international terrorist organizations. We will seek to minimize their political and economic influence on the continent. We will also work to contain the ability of terrorist

groups to operate in areas of Africa that have no strong central government authority, such as Somalia or eastern Congo. For FY 1999 we were allocated $5 million in FY 1999 FMF for the East Africa Regional Assistance Fund which supports front-line states fighting Sudan-based incursions and are requesting an additional $5 million in FY 2000. Support for the international sanctions regime against Libya is eroding in Africa, and the United States needs to redouble efforts to isolate the Tripoli regime.

Narcotics and Crime

Thirty percent of all heroin intercepted by U.S. Customs at stateside ports of entry is traceable to African, primarily Nigerian, drug smuggling organizations. U.S. citizens are victimized to the tune of $100 million annually by advance fee fraud schemes run by Nigerian organized crime groups. Together with bank fraud, insurance fraud, and entitlement fraud, organized crime groups in Africa cost American citizens and American companies over one billion dollars annually. Our major tool in fighting these threats is training and technical assistance to police and judiciaries. The International Criminal Investigative Training Assistance Program (ICITAP) has been very successful in training a police cadre in three countries: Liberia, Rwanda and South Africa. We wish to expand ICITAP programs to other states in transition, such as Sierra Leone and Liberia. Funding for these types of programs in Africa must be sufficient to meet the crime and drug challenge emanating from Africa. The Bureau seeks to focus greater priority on Africa and will explore the establishment of an International Law Enforcement Academy (ILEA) in Africa similar to the regional schools run by the FBI and DEA in Hungary, Panama and Thailand. We also need to collect better crime- and drug-related intelligence and help our African partner countries develop an effective multilateral anti-crime strategy which will include modernizing legal codes, signing criminal extradition treaties, and establishing international cooperation and information sharing agreements.

We want to significantly increase spending on counter-narcotic and crime programs in FY 2000. We are requesting funds to inaugurate an International Law Enforcement Academy in Africa that would train a police cadre from throughout the continent in a cost-effective manner, and $3 million in FY 2000 ESF for specialized ICITAP programs. We are also pressing for special anti-crime assistance to South Africa, Nigeria, Kenya, Cote d'Ivoire, Mozambique, Senegal, Tanzania and Cape Verde. To counter the drug trade, we are pressing for programs in Nigeria, South Africa, Kenya and several other states that serve as transshipment points. Approximately $2 million out of the $12 million FY 2000 U.S. contribution for the UN anti-narcotics program will benefit Africa.

Disease

Poverty, overcrowding, ignorance, inadequate sanitation facilities and periodic natural and man-made disasters combine to make Africa a hotbed for the spread of infectious diseases ranging from malaria and HIV/AIDS to Ebola and River Blindness. Modern transportation systems that make it possible to travel to any city in the world within 24 hours also mean that disease can spread to any corner of the globe in any equally short period of time. The United States fights disease in Africa through a diverse array of

programs. The U.S. funds over 20 percent of the highly regarded UNAIDS program in Africa. The U.S. Army and NIH's Centers for Disease Control have epidemic monitoring and control programs in place in Africa. The United States also supports education for the eradication of the harmful health practice of female genital mutilation (FGM). This practice is carried out in over half the countries in Africa and USAID funds many grassroots projects and surveys to help eradicate FGM. Total U.S. spending on health-related services, including disease control and eradication programs in Africa, will total close to $178 million dollars in FY 1999. We are requesting $164 million in CSD funds for health programs in Africa in FY 2000.

Environment and Population

The Africa Bureau supports initiatives of the OES Bureau in Africa, especially those related to climate change, biosafety, deforestation, and emerging and infectious diseases. In particular, the environmental issues of greatest concern in Africa are the Nile Basin, desertification, sustainable agriculture, and biodiversity/wildlife protection. U.S. and African economic and security interests will also be served by promoting strategic global goals such as reducing population growth rates, which have held at an average of 2.4 percent in recent years; promoting improvements in health services and protecting and conserving the environment. These so-called "global issues" will be increasingly critical to the economic fortunes and quality of life for Africans, Americans and the rest of the world community.

U.S. program assistance for these global issues is provided principally through USAID bilateral and regional programs, for which we are requesting $99 million in FY 2000 DA for environmental programs and $73 million in FY 2000 DA for population programs. These USAID programs include family planning projects in 15 sub-Saharan countries, child survival and disease prevention projects and programs which prevent deforestation, desertification, the loss of wildlife habitats, and climate change. To increase the effectiveness of these programs, the United States will continue to advocate the importance of global issues with African partners, working through multinational fora such as UNFPA, UNICEF and UNAID, to which the United States contributes population growth reduction support, the UN Convention to Combat Desertification and the Convention on International Trade in Endangered Species. We will also work to implement joint credits between U.S. and African partners abiding by the Kyoto Protocol's "Clean Development Mechanism," and will coordinate with other donors and encourage greater multilateral support in these areas.

III. Universal Representation and Diplomatic Readiness

A continued near universal U.S. presence in African countries is critical to our ability to represent and advance U.S. interests there. Given the President's recent visit, commitments made and friendships forged, we are now projecting even greater demands on U.S. diplomacy in Africa. Partnership in trade and economic growth, education initiatives, political engagement and conflict prevention have all vastly increased over the past year and this trend will continue. We seek to open new branch offices in the

economic center of Lubumbashi, Congo, and the emerging petroleum center of Malabo, Equatorial Guinea.

A core function remains provision of efficient and prompt consular assistance to American citizens residing or traveling abroad. To bolster our ability to provide this service, the bureau requests for FY 2000 new consular officer positions for Freetown and Addis Ababa and four new consular assistant positions – two in Pretoria and one each in Asmara and Kampala.

Maintaining a diplomatic presence presents unique challenges in the African context, with many of our posts staffed at only a bare minimum and located in countries where communication and other infrastructure are lacking. To support USG interests it is critical that our posts are adequately staffed, information management programs are in place for efficient, often life-saving communications, and all USG agencies work together through International Cooperative Administrative Support Services (ICASS).

Guaranteeing diplomatic readiness for the USG in Africa is exceptionally expensive because of political instability and the lack of local infrastructures. As a result, we must aggressively deploy monies to counter the deterioration of infrastructure and thus assure that those who serve in Africa do so in safe environments. Generators, water delivery trucks, INMARSATs, building maintenance – although not headline-makers – are the essential life support systems which must be maintained in order to carry out diplomacy in Africa.

AFRICA
FUNCTION 150 RESOURCES
($ in thousands)

Appropriations Accounts by Strategic Goal	Actual FY 1998	Estimate FY 1999	Request FY 2000
Regional Stability	**83,373**	**61,340**	**108,680**
ESF	-	-	10,000
FMF-G	12,000	5,000	5,000
IMET	8,014	8,140	8,480
PKO	17,130	19,000	28,000
CIPA	46,229	29,200	57,200
Open Markets	**-**	**30,000**	**21,400**
DA	-	30,000	17,000
ESF	-	-	4,400
U.S. Exports	**3,590**	**3,928**	**6,573**
ESF	-	-	2,250
TDA	3,590	3,928	4,323
Economic Development	**868,782**	**754,009**	**611,599**
DA	369,749	348,416	319,910
ESF	5,250	12,000	15,000
Title II	418,623	209,556	134,381
Title III	19,800	14,900	-
AF DB	-	-	5,100
AF Dev. Foundation	10,360	8,137	10,175
AF DF	45,000	128,000	127,033
Debt Reduction	-	33,000	-
International Crime	**-**	**-**	**3,000**
ESF	-	-	3,000
Illegal Drugs	**-**	**-**	**175**
ESF	-	-	175
Counter-Terrorism	**5,816**	**11,638**	**12,175**
ESF	-	-	175
FMF-G	5,000	5,000	5,000
NADR-ATA	816	6,638	7,000
Democracy	**82,825**	**106,430**	**106,050**
DA	72,150	64,480	71,550
ESF	8,000	40,000	32,000
AF Dev. Foundation	2,675	1,950	2,500

Appropriations Accounts by Strategic Goal Cont.	Actual FY 1998	Estimate FY 1999	Request FY 2000
Humanitarian Assistance	**155,222**	**201,261**	**160,050**
ESF	13,000	46,231	6,000
NADR-Demining	8,856	8,125	9,250
Title II	2,609	11,355	-
MRA	130,757	135,550	144,800
Environment	**62,935**	**71,215**	**100,625**
DA	61,970	70,165	98,900
AF Dev. Foundation	965	1,050	1,725
Population	**69,600**	**59,413**	**73,200**
DA	69,600	59,413	73,200
Health	**126,716**	**138,841**	**164,443**
DA	126,716	138,841	164,443
Total	***1,458,859***	***1,438,075***	***1,367,970***

Appropriations Accounts	Actual FY 1998	Estimate FY 1999	Request FY 2000
AF DB	-	-	5,100
AF Dev. Foundation	14,000	11,137	14,400
AF DF	45,000	128,000	127,033
CIPA	46,229	29,200	57,200
DA	700,185	711,315	745,003
Debt Reduction	-	33,000	-
ESF	26,250	98,231	73,000
FMF	17,000	10,000	10,000
IMET	8,014	8,140	8,480
MRA	130,757	135,550	144,800
NADR	9,672	14,763	16,250
PKO	17,130	19,000	28,000
TDA	3,590	3,928	4,323
Title II	421,232	220,911	134,381
Title III	19,800	14,900	-
Total	***1,458,859***	***1,438,075***	***1,367,970***
Other Accounts			
D&CP	142,565	144,174	182,726
ECE	17,901	19,421	20,063
IIP	28,358	28,701	-
Peace Corps	52,622	54,582	56,007
Total	***241,446***	***246,878***	***258,796***
AFRICA			
FUNCTION 150 RESOURCES GRAND TOTAL	***1,700,305***	***1,684,953***	***1,626,766***

AF: FY 2000 REGIONAL PLAN

STRATEGIC GOAL: Regional Stability (RS)

REGIONAL GOAL: African regional and sub-regional structures capable of preventing and responding to crises and conflict.

NATIONAL INTEREST: National Security: Conflict and instability pose the greatest immediate threat to U.S. economic and political interests in sub-Saharan Africa, and to Africa's own economic and political progress. U.S. taxpayers contribute millions each year to assist refugees and internally displaced persons in Africa. Conflict also creates a demand for arms and a proliferation of conventional weapons that invariably spill over to adjoining areas, further compounding the instability and suffering. Failure to aggressively address regional stability in Africa places the programs that support other U.S. strategic goals at risk, increasing the cost and challenge of implementing them.

STRATEGY:

The U.S. will continue to work closely with other donors, the United Nations (DPKO), the Organization of African Unity (OAU), and sub-regional organizations to develop and strengthen African capacities to prevent regional crises and respond to regional conflicts.

The African Crisis Response Initiative (ACRI) is helping to build a rapidly deployable African peacekeeping capability. Our current partners include Senegal, Uganda, Malawi, Mali, Ghana, and Benin. Also planning to participate are Cote d'Ivoire and Ethiopia. Others have expressed an interest in ACRI and will be considered for inclusion later in the program. Continued funding for ACRI will support follow-on training for the original battalions, initial training for additional battalions from original contributors and new participants, and training at the brigade level for some participants. Maintaining peacekeeping skills among the ACRI participants, and encouraging broad-based peacekeeping cooperation throughout Africa is a critical challenge facing us in FY 2000 as we pass the half-way mark of our five year ACRI program. We are seeking $15 million in FY 2000 PKO and $5 million in FY 2000 FMF to continue the ACRI program. (An additional $5 million in East Africa Regional FMF is accounted for under the TE: Terrorism goal paper.)

Our Africa Regional Peacekeeping program will enable support for African participation in multinational peacekeeping exercises, helping to maintain skills and provide training for the integration of ACRI battalions and brigade headquarters into increasingly complex peacekeeping scenarios. Participation in multinational exercises will impart skills related to deployment, integrated planning, command and control, logistics, and support requirements for multinational peacekeeping operations. We are requesting $13 million in FY 2000 PKO to support African peacekeeping operations and conflict resolution in situations such as Eritrea/Ethiopia, Liberia, Sierra Leone, Guinea-Bissau,

Burundi, and the Democratic Republic of the Congo, and to enable U.S. support for post-conflict initiatives.

The United States will expand informal African and donor coordination mechanisms to facilitate information exchange and encourage additional African and donor participation in peacekeeping and humanitarian assistance. In FY 2000, we are requesting $2 million in ESF to support the Organization of American Unity's (OAU) Conflict Management Center, negotiations support, sub-regional early warning cells, and other conflict management initiatives. We will continue to encourage regional organizations in Africa to provide the leadership and structure necessary to accept responsibility for peacekeeping operations and conflict resolution in their areas and to employ trained peacekeeping units in times of crisis. We are engaging the OAU, the Intergovernmental Authority on Development (IGAD), the Southern African Development Community (SADC), the Economic Community of West African States (ECOWAS), and the East Africa Cooperation (EAC) as organizations to develop the capacity to mediate, intervene, manage, and resolve conflicts. Our efforts to encourage complementary unilateral peacekeeping initiatives by the French, British, and Danes will continue; as will efforts to integrate French, Belgian, and Portuguese participation into selected aspects of the ACRI initiative at the request of host countries.

Training will remain key to shaping the missions and capabilities of African militaries. Department of Defense (DoD) establishment of an African Center for Security Studies (ACSS) will contribute to regional peace and security by engaging African civilian and military leaders in dialogue on defense policy, democracy, and respect for rule of law, and by establishing partnerships within and among African states, the U.S., and European countries. Our International Military Education and Training (IMET) program, for which we seek $8.48 million in FY 2000, continues to return professionally trained military personnel with a strong sense of U.S. democratic values to their countries.

OBJECTIVES:

1. Better African peacekeeping operations and skills, conflict prevention and resolution capability, and regional stability initiatives. In support of this objective we are requesting Africa Regional PKO for discretionary response to peacekeeping operations and post-conflict initiatives.
   FY 2000 TARGET: Better peacekeeping and conflict resolution capabilities in each sub-region; successful peacekeeping in Ethiopia/Eritrea and DROC; a stable and secure Rwanda.

2. Existing ACRI participants strengthened and exhibited a wider range of skills due to follow-on training. Increased numbers of African countries participating in ACRI and battalions/brigade headquarters contributed by each. We have requested PKO and FMF for ACRI training and equipment in support of this objective.
   FY 2000 TARGET: Two battalions complete initial training (8 total); 11 sessions of follow on training complete; one brigade completes initial training and a follow-on training session.

3. Increased professionalization of African militaries through participation in U.S. IMET programs. IMET training also contributes to the DE and HA strategic goals through courses in civil-military relations, human rights, and crisis response.
   FY 2000 TARGET: Estimated 1158 IMET students trained with $8.48 M.

4. Sub-regional conflict resolution capabilities strengthened within IGAD, SADC, ECOWAS, EAC, and the UN Standing Advisory Committee on Security Questions in Central Africa to develop sub-regional conflict resolution capabilities. We will do this through diplomatic engagement and informal consultations and with Africa Regional PKO in regional peacekeeping exercises.
   FY 2000 TARGET: Three major sub-regional multinational peacekeeping exercises; sub-regional intervention/mediation in any new or continuing conflict in Africa.

5. Stronger OAU capacity for conflict prevention, management, and resolution. We are requesting ESF in FY 2000 for the OAU to help accomplish this objective.
   FY 2000 TARGET: Mediation in any new or continuing conflicts in Africa; complete establishment of sub-regional early warning cells.

6. Increased foreign participation in enhancing African peacekeeping capabilities. We will do this through diplomatic engagement and informal consultations.
   FY 2000 TARGET: French sponsored multinational peacekeeping exercises in Central Africa; French and Belgian participation in ACRI training; Danish support of peacekeeping training at Zimbabwe Staff College; U.K.
   sponsorship of peacekeeping course in Ghana; French sustainment of peacekeeping training center in Cote d'Ivoire and peacekeeping equipment depot in Senegal; French establishment of peacekeeping equipment depot in Gabon; increase in prior year levels of international participation and support for peacekeeping training in Africa.

ASSUMPTIONS:

- Africans will take an increasingly active leadership role in resolving threats to regional stability, an issue that has been largely handled by non-Africans.

INDICATORS:

- Measurable decrease in the threat to American citizens and diplomats in Africa from regional instability.
- Multilateral peacekeeping exercises and operations in SADC, ECOWAS, and EAC.
- OAU Conflict Management Center support for activities of sub-regional institutions and individual countries.
- Institutionalization of conflict resolution structures in sub-regional institutions and OAU.
- Number of African battalions and brigade headquarters completing initial ACRI training and follow-on training.
- Non-African peacekeeping participation, contributions, training, and exercises in Africa.
- Establishment of the African Center of Security Studies.
  Number of U.S. trained IMET students completing training.
- Number of informal peacekeeping and conflict resolution coordination meetings external to Africa, and number of countries represented in these meetings.
- Donor coordination efforts in practical aspects of conflict prevention, management, and resolution efforts aimed at enhancing African capabilities.

AF: FY 2000 REGIONAL PLAN

STRATEGIC GOAL: Open Markets (OM)

REGIONAL GOAL: Africa's integration into the global economy through the free flow of goods, services, and capital.

NATIONAL INTEREST: Economic Prosperity: Africa, a region of vast mineral wealth and natural resources, will be increasingly important to U.S. economic prosperity. Close to 20 percent of the U.S. oil supply resides on the continent, and investments in other sectors are growing. U.S. – African relations are developing in a positive direction, and United States can be in a position to reap the benefits of profitable investment in Africa during the decades to come, if we intensify our engagement in the region now towards the goal of opening markets.

STRATEGY:

The U.S. will support the opening of markets by working to enforce African obligations under the WTO and by advocating, and providing assistance toward, the elimination of barriers to trade and investment through the Partnership for Economic Growth and Opportunity. The Partnership, for which $30 million in DA and $2 million in ESF is sought for FY 2000, provides incentives for African countries to improve the region's investment climate, liberalize its financial systems, reduce trade barriers and privatize inefficient state-owned enterprises. We also seek $1 million in ESF for Specialized Technical Assistance to Regional Organizations, such as the Southern Africa Development Community (SADC) and the East Africa Committee (EAC), which promote regional economic integration.

In keeping with the Partnership, there are already two OPIC investment funds with an aggregate committed capital of $145 million. In addition, work is underway to establish an infrastructure development fund totaling $500 million. Partnership activities will be complemented by the Safe Skies for Africa Initiative, for which $2 million in FY 2000 ESF has been requested to increase the number of U.S.-Africa transportation links by improving aviation safety oversight and airport security and promoting the use of modern navigational aids.

The United States will also promote market reform through active diplomacy, including official visits, the Minister/Cabinet-level Economic Cooperation Forum, other high-level meetings, USAID free market assistance projects, engagement with the IMF, World Bank, and African Development Bank, and implementation of follow-on agreements to the WTO, especially in services and telecommunications. International and bilateral discussions will continue towards promoting a level field for U.S. trade and investment by combating corruption and supporting international standards for labor conditions and the environment.

OBJECTIVES:

1. Greater liberalization and privatization in sub-Saharan Africa through dialogue between Africa's strongest reformers and the United States at the first Cabinet/Minister-level Economic Cooperation Forum, a Presidential Summit and other high-level meetings. In support of this objective, we are requesting DA, ESF and ECE exchange and information programs in FY 2000 to provide technical and program assistance with open market policies.
   FY 2000 TARGET: The first annual Economic Cooperation Forum yields measurable results.

2. Regional economic integration of countries within the Southern African Development Community (SADC), the East African Cooperation (EAC), the Common Market of East and Southern Africa (COMESA), and the West Africa Economic Monetary Union (WAEMU) fostered by U.S. engagement. We are seeking ESF for technical assistance to African regional organizations in support of this objective.
   FY 2000 TARGET: Steps, with U.S. consultation, towards formal integration within two regional groupings.

3. An African anti-corruption convention designed by Africans in concert with the USG, other donors, Transparency International and the Global Coalition on Africa.
   FY 2000 TARGET: Africans complete an anti-corruption convention with core signatories.

4. Increased U.S.-African transportation links and a better African transportation infrastructure through the Safe Skies Initiative. To support this objective, we are requesting ESF to implement the Safe Skies for Africa Initiative.
   FY 2000 TARGET: Upgraded safety oversight, navigational aids and security procedures at 8 African airports.

5. Bilateral investment and tax treaties with African countries that are willing to meet our standards and compliance rules.
   FY 2000 TARGET: Three additional bilateral investment and tax treaties with African countries.

ASSUMPTIONS:

- Continued progress on conflict resolution and democratization in Africa.
- Major U.S. trading partners share the commitment to strengthen multilateral and regional trade initiatives.
- USAID and the IFIS have the resources necessary to support liberalization and anti-corruption programs.
- African countries have an interest in obtaining incentives in Level 2 of the Partnership.

INDICATORS:

- Number of state-owned enterprises in sub-Saharan Africa.
- Number of liberalized financial systems in Africa.
- Percentage of increased trade within regional groupings.
- Number of African airports meeting safety regulations.
- Number of African countries adopting an anti-corruption convention.
- Number of cases reported in which U.S. trade and investment are hampered by corruption.
- Number of Bilateral Investment and Tax treaties under consideration or in force.
- Growth in U.S. exports to Africa.

AF: FY 2000 REGIONAL PLAN

STRATEGIC GOAL: Exports (EX)

REGIONAL GOAL: Promote a business climate in the United States and in sub-Saharan Africa which is conducive to increased U.S. goods and services exports to Africa.

NATIONAL INTEREST: Economic Prosperity: As the last emerging market, Africa will be increasingly important to U.S. economic prosperity. As demonstrated in South Africa, U.S. engagement now on behalf of U.S. exports in the short-term will position us for greater gain in the African marketplace over the decades to come as reforming African economies recover and grow.

STRATEGY:

As a complement to the goal of opening African markets, the United States will strive to increase U.S. exports of goods and services to Africa, both in absolute terms and as a share of the African market. The United States promotes trade to African countries through Embassy and USG outreach, trade missions, and technical assistance. We have offered increasing assistance to potential U.S. investors in Africa, from which expanded export opportunities should follow. OPIC provides loan guarantees and the Export-Import Bank provides export and project financing to U.S. investors in Africa. The Trade and Development Agency (TDA) funds feasibility studies and reverse trade missions, especially in infrastructure development. The Commerce Department provides updated assessments of market opportunities. The Multilateral Investment Guarantee Agency (MIGA) and the International Finance Corporation (IFC), both arms of the World Bank group, play important roles in promoting private sector activity. USAID's trade and investment initiatives will assist in restructuring telecommunications sectors in Southern Africa and Uganda.

OBJECTIVES:

1. Increased U.S. exports due to trade incentives embodied in the Partnership for Economic Growth and Opportunity and African Growth and Opportunity Act (AGOA).
   FY 2000 TARGET: Hold at least two seminars in Africa broadcasting mutual benefits of GSP program and AGOA provisions.

2. Export opportunities in Africa promoted more effectively through the Department of Commerce Trade Information Center, USIA programs, and expanded access to Embassies through the Internet. In FY 2000, we are requesting ECE exchange and information programs to promote U.S. exports to Africa.
   FY 2000 TARGET: Fifteen Embassies with web-sites, ten linked to DOC Trade Information Center.

3. Expand Embassy Gold Key services.
   FY 2000 TARGET: Fifteen Embassies providing Gold Key services.

4. Develop training program with the Corporate Council on Africa to promote awareness of business interests among State economic officers en route to posts and desk officers at the Department.
   FY 2000 TARGET: Establish annual training program for all new economic officers and desk officers in AF bureau.

ASSUMPTIONS:

- Adequate funding for Embassy commercial operations and USAID programs.
- The U.S. dollar, relative to the currencies of both African and major trading partner nations, will not significantly appreciate and harm U.S. export competitiveness.
- Adequate amount of funding provided by OPIC, EXIM, TDA, and USAID to promote U.S. exports in Africa is maintained.
- Continued interest of Corporate Council of America in assisting with training program.

INDICATORS:

- Value of U.S. exports of goods and services to Africa.
- U.S. market share in key markets.

AF: FY 2000 REGIONAL PLAN

STRATEGIC GOAL: Economic Development (ED)

REGIONAL GOAL: Sustained average annual real economic growth in Africa of at least five percent.

NATIONAL INTEREST: Economic Prosperity: Africa must maintain current rates of economic growth if the region is to secure political stability, raise living standards, and thus fulfill its potential as a market for U.S. exports and an optimal environment for U.S. investment. On the heels of growth rates averaging one percent in the early 1990's, Africa has averaged four or more percent over the past few years, slowing somewhat in 1998. This growth increase has been sustained by better economic policies in over 30 countries, as well as by favorable trends in prices for a number of Africa's export commodities up to 1997, when prices for several key commodities began to fall. In order to attract the capital and technology required to sustain and accelerate growth and to reduce vulnerability to commodity market fluctuations, African countries must persevere with reform efforts. Priorities include implementation of sound, market-oriented economic policies and acceleration of structural reforms, particularly in privatizing public enterprises, strengthening financial sectors, and liberalizing trade and investment regimes.

STRATEGY:

The President's Partnership for Economic Growth and Opportunity in Africa that is described under the Opening Markets strategic goal establishes a range of incentives for African countries to embrace a market-oriented policy framework and accelerate reforms. We will also provide selected African states with technical assistance, debt relief, and access to new OPIC investment funds. Passage of the African Growth and Opportunity Act would allow the Administration to implement the full range of incentives included in both the Act and the President's Partnership. Enhanced access to the U.S. market for African exports through the Generalized System of Preferences will help reforming African countries attract new investment, diversify exports, and secure financial viability. The Partnership envisions an annual U.S.-Africa Economic Cooperation Forum, with an inaugural Forum planned for the ministerial level in 1999. The Forum will raise the level of economic policy dialogue with Africa's strongest reformers and give them public recognition as good partners for trade and investment.

The International Financial Institutions (IFIs, including the World Bank Group, the International Monetary Fund (IMF) and the African Development Bank/Fund), play a key role in monitoring African policy performance and providing financial and technical assistance for economic reform. At the country level, we will continue to reinforce IFI recommendations in bilateral contacts with African leaders and buttress IFI resolve to address governance and corruption. At the regional level we will encourage the IMF and World Bank to follow through with commitments to make available increased financing

for the most aggressive reformers, particularly to support reform in the areas of trade and investment liberalization.

To leverage further incentives for economic reform and free African government resources for needed public investments, we will extend bilateral debt relief through participation in the Paris Club, including debt reduction under Naples terms and the Heavily Indebted Poor Countries (HIPC) debt initiative. In addition we will forgive concessional debt owed by strong reformers and encourage other Paris Club creditors to do the same. We will seek agreement among bilateral and multilateral creditors to implement HIPC with enough flexibility that qualifying countries see it as a meaningful incentive to sustain reform.

Recognizing the increasing importance that aviation plays in economic development, we are implementing a "Safe Skies" initiative for Africa in partnership with the Department of Transportation. The initiative, described under the Opening Markets strategic goal, is designed to increase the viability of Africa's airports by improving aviation safety oversight, expanding the use of modern navigational aids, and improving security at airports beginning in FY 1999.

Also vital to broad-based economic growth in Africa is an educated workforce. In support of President Clinton's Education for Development and Democracy Initiative, in FY 2000 we are requesting $30 million in DA and an additional $15 million in ESF. The EDDI aims to improve the quality of and technology for education in Africa in three focus areas: Primary and Secondary Education, Higher Education and Professional and Civic Education. The programs within EDDI specifically seek to reform primary school curriculum, improve girl's education, create community-based education resource centers, provide training opportunities for out-of-school youth, build better linkages between African and U.S. institutions of higher learning, and expand civic education opportunities to help establish democracy and respect for human rights. EDDI activities will complement ongoing USAID, other donor, and African education reform efforts.

Finally, consistent with the President's Partnership, bilateral and regional USAID Development Assistance (DA) programs promote sustainable economic growth by providing technical assistance with economic policy reform and development planning at the national level, and assistance with small- and medium-sized business enterprise at the local level. USAID programs that serve a variety of other strategic goals also contribute to broad-based economic growth. By encouraging stability and the rule of law through good governance and democracy, by promoting a decline in Africa's population growth rate, by fostering optimal environmental policy and practices, and by contributing to better health and child survival, USAID bilateral and regional programs work synergistically towards the goal of broad-based economic growth, which in turn will serve to integrate Africa into the global economy.

OBJECTIVES:

1. A better environment for trade and investment in Africa. To support this objective, we are requesting DA to expand and strengthen critical private markets.
   - African countries accelerate reform to meet eligibility requirements for Level II benefits (e.g. enhanced market access via GSP, technical assistance, forgiveness of concessional debt, participation in U.S.-Africa Economic Cooperation Forum) under the Partnership for Economic Growth and Opportunity and the African Growth and Opportunity Act.
     FY 2000 TARGET: Twenty to twenty-five countries meet the criteria for Level II benefits.

2. Secure economic reforms in additional African countries to comply with development financing requirements. We request Debt Relief in FY 2000 for countries establishing satisfactory reform records.
   - Increase the number of African countries implementing economic reforms required under the HIPC debt initiative for increased debt relief.
     FY 2000 TARGET: Three more countries reach HIPC decision points, for a total of thirteen out of seventeen; the remaining four are within one year of theirs. Cumulative total for four have reached completion points.

3. Increased GDP growth rates and sustainable economic development. In support of this objective, the FY 2000 budget request includes PL 480 II for sustainable development projects; DA for enhanced agricultural development; for human capacity building and professional training; for basic education programs; for complementary, targeted and innovative Education Initiative activities to improve the quality of and technology for education at all levels; and ECE exchange and information programs that promote policies supporting broad-based growth.
   FY 2000 TARGET: Three more countries implement economic reform programs, 3 more experience GDP growth rate increases.

4. Improved African living standards, particularly in rural areas. In support of this objective we are requesting FY 2000 DA for programs that promote access to economic opportunity for rural and urban poor, and Peace Corp programs. Small project grant programs of the African Development Foundation (ADF) and the Ambassador's Special Self Help program (SSH) will also contribute to this objective.
   FY 2000 TARGET: African community-level involvement in small- and medium-sized business enterprises increases by an additional 5 percent

ASSUMPTIONS:

- The U.S. meets its financial commitments to IDA and the African Development Bank and Fund and continues to allocate adequate resources for ESAF and debt restructuring budget accounts.

- Reforming African countries experience no catastrophic exogenous shocks to their economies, including natural disasters, conflict, and increased political instability.
- The global economy remains strong. Private capital flows to developing countries in general continue to grow, providing a pool of financial resources for which African nations can compete.
- Africa's terms of trade suffer no severe adverse changes.
- African nations continue to improve health, deter environmental degradation, and reduce population growth rates.
- Congress passes the Africa Growth and Opportunity Act, and extends the Generalized System of Preferences for a period sufficient for beneficiaries to attract new investment.

INDICATORS:

- Level of private capital flows to African countries, export growth and diversification, debt ratios.
- Number of countries implementing policies to qualify for Level II benefits under the Partnership for Economic Growth and Opportunity.
- Number of countries implementing economic reform programs.
- Number of reforming countries experiencing positive increases in GDP growth rates.
- Value of U.S. exports to Africa, especially in countries where we have active broad-based growth programs.

AF: FY 2000 REGIONAL PLAN

STRATEGIC GOAL: American Citizens (AC)

REGIONAL GOAL: Consular services are provided in Africa efficiently and with a customer-service orientation.

NATIONAL INTEREST: American Citizens and Borders

STRATEGY:

In the past year, civil insurrections and armed conflicts have forced the evacuation of American citizens from four African countries: the Democratic Republic of the Congo (formerly Zaire), the Republic of the Congo, Eritrea, and Guinea-Bissau. Many African countries have volatile political systems and limited infrastructure resources which will require that we continually update, maintain and test our current emergency action plans. While the number of private travelers to Africa remains low, growing U.S. trade and investment in Africa and increased transportation links make the continent more accessible. Embassies must provide emergency services, while continuing to respond expeditiously to citizens' needs for travel and citizenship documents as well as basic information. In the field, our embassies will continue to upgrade warden networks to provide citizens with access to information concerning local conditions and will work closely with host country governments to ensure protection for U.S. citizens. To enhance our services to American citizens, we seek to establish new consular officer positions in Freetown and Addis Ababa. Our ability to engage in timely protective action has been somewhat degraded by the loss of universal resident representation. Any further contraction of overseas representation will have a proportionate impact.

OBJECTIVES:

1. Provide passport and other consular services to American citizens in Africa in a timely, efficient and courteous manner.

2. Updated, well rehearsed emergency action plans at all posts and strong liaison with DOD on noncombatant emergency evacuation operations.
   FY 2000 TARGET: EAPs and NEOs established and reviewed at Guinea Bissau, Asmara, Malabo and Lumbumbashi.

3. Accurate, up-to-date, and readily accessible public information. We are requesting ECE exchange and information programs to support this goal.
   FY 2000 TARGET: Double number of missions with their own web pages.

4. A regulatory and statutory environment responsive to the needs of American citizens in the Democratic Republic of Congo (ex-Zaire), the Republic of the Congo, Liberia and Sierra Leone.

5. Adequate consular liaison maintained in countries without resident representation – Guinea-Bissau, Comoros, Sao Tome and Principe, Seychelles, Somalia, and Sudan, either directly by posts in neighboring countries or through expanded use of consular agents. Training and regular guidance for the newly established consular agent in Equatorial Guinea.

ASSUMPTIONS:

- No additional embassies in Africa will be closed.
- The number of American tourists, businessmen, missionaries and NGO workers in Africa will continue to register moderate annual increases.

INDICATORS:

- Post-crisis reviews of task force and other crisis response actions.
- Feedback received in the field and Washington from users of consular services.
- The volume of searches for consular information on the Department's Internet site.
- Bilateral agreements and accession to international conventions which ease conditions of work and residence for American citizens.
- Level of satisfaction of American citizens with consular services in Africa as reported to posts and through customer service surveys.

AF: FY 2000 REGIONAL PLAN

STRATEGIC GOAL: Travel and Immigration (TI)

REGIONAL GOAL: Legal, safe, and orderly migration and travel of aliens from Africa to the United States.

NATIONAL INTEREST: American Citizens and Borders: The United States will remain an attractive destination for aliens seeking either a temporary sojourn for business or tourism or a permanent relocation. Africa has traditionally been a source of few immigrant and nonimmigrant visa applicants. This, however, is changing with the loosening of African states' ties to their former colonial powers, economic reform, and a growing awareness of opportunities in the United States. In order to maintain the integrity of U.S. immigration laws, it is essential that services be expeditiously delivered to bona fide applicants while every effort is undertaken to deny visas to fraudulent or otherwise ineligible applicants.

STRATEGY:

Efforts to consolidate visa operations in African posts have produced some economies of scale while, at the same time, imposing barriers of distance, language, and culture between responsible officers and applicants.

The loss of universal resident representation has eroded the quality of visa service provided to residents of countries without U.S. facilities. Although there has been a dramatic improvement in anti-fraud technology in African posts (primarily through better access to the visa lookout system), fraud and alien smuggling continue to be significant problems in several African countries.

OBJECTIVES:

1. African governments, particularly in high-fraud countries (Nigeria, Ghana, et al), aggressively pursue visa and other document fraud, prosecute these offenses as serious crimes, and enact legislation against alien smuggling and document fraud. We are requesting ECE exchange and information programs to support this objective. FY 2000 TARGET: Persuade two more countries to adopt model legislation against visa and document fraud and alien smuggling and provide appropriate enforcement training.

2. Improved integrity of host government passports, visas, and civil documents. FY 2000 TARGET: Assist two African countries to reform their civil documents and procedures.

3. Timely sharing of information to ensure that terrorists, criminals, narcotics traffickers and other ineligible individuals are entered into the visa lookout system.

4. Adequate training for junior officers and Foreign Service National employees engaged in visa services abroad; support anti-fraud training for host country law enforcement and airline personnel.
   FY 2000 TARGET: 100 percent of local consular employees who have been on the job at least one year have completed successfully at least one NFTA correspondence course. Regional supervisory consular officers visit remaining half of the posts in their jurisdiction or hold a workshop for consular officers at those posts.

5. Coordinated consular, immigration and refugee office efforts ensure the smooth and efficient processing of nearly 7,000 refugees a year from Africa for resettlement in the United States.

ASSUMPTIONS:

- No additional embassies in Africa will be closed; consular sections will be maintained at current staffing levels or increased modestly.

INDICATORS:

- Integrity of travel documents issued by African countries as measured by INS analysis and post anti-fraud experience.
- Number of arrests and prosecutions of alien smugglers and fraud facilitators in host countries and the U.S.
- Number of *male fide* travelers of African origin intercepted by INS at U.S. ports of entry.
- Number of Africans seeking changes of visa status in the U.S. as reported by INS.

AF: FY 2000 REGIONAL PLAN

STRATEGIC GOAL: International Crime (IC)

REGIONAL GOAL: Reduced incidence of Africa-based transnational crime affecting the United States and its citizens.

NATIONAL INTEREST: Law Enforcement: African transnational crime is a growing menace to the United States and its citizens in addition to being a threat to the peace and stability of African society. Organized crime groups in Africa cost American citizens and companies over one billion dollars annually. U.S. citizens lose more than $100 million annually due to Nigerian organized crime groups alone. The United States must enact a strategy to counter the growing effects of international crime emanating from Africa.

STRATEGY:

To protect U.S. citizens, the United States will provide technical assistance and training through regional anticrime programs to bolster the ability of African nations to fight international crime. We will use our diplomatic resources to educate African governments about the legislative, judicial and administrative mechanisms and policies needed to effectively combat international criminal activity. Nigeria is the most important African source of confidence schemes which annually defraud thousands of U.S. citizens of hundreds of millions of dollars. Financial fraud is also a growing nuisance in other African countries, primarily in West and Central Africa. Access to the Internet and other global communications systems will lengthen the reach of unscrupulous operators in the future.

Nigeria is a high priority target in U.S. efforts to combat international money laundering under a 1995 Presidential Decision Directive. Emerging financial centers, such as South Africa and Cote d'Ivoire, have troubling vulnerabilities in their banking and regulatory sectors. Organized crime syndicates from China, Russia and the NIS appear to have established footholds in Southern Africa. The U.S. will work with regional organizations and host governments to share information on money laundering patterns and provide advice on statutory reform and technical assistance. Much of this activity will be in connection with anti-drug trafficking activity. We will continue working with Nigeria to improve its financial information gathering capacity; progress, however, will depend upon the pace of other needed reforms in that country. We will particularly focus on providing technical assistance to governments of emerging financial centers as well as chronic problem countries, such as Nigeria.

OBJECTIVES:

1. Strengthened ability of law enforcement and regulatory institutions, primarily in Nigeria, South Africa, Kenya, Cote d'Ivoire, Tanzania, Senegal, Mozambique and Cape Verde to combat international criminal activity, financial and otherwise, through technical assistance and training. Anticrime and exchange programs also support this objective.
   FY 2000 TARGET: Reduce the growth rate of losses suffered by U.S. citizens due to fraud schemes emanating from Africa, particularly Nigeria. Provide anti-organized crime training in two more target countries and sustainment training in countries that previously participated in the initial course.

2. An International Law Enforcement Academy (ILEA) established in Africa.
   FY 2000 TARGET: Establish ILEA and hold initial training courses.
   Estimated yearly operating expenses, $3 million beginning in FY 2000.

3. Development of regional anti-money laundering fora in cooperation with INTERPOL, the Financial Action Task Force, the Commonwealth Secretariat, the European Union, and other multinational efforts.

4. Reconstruction and reform of civilian police forces in Sierra Leone and Liberia by providing ESF for ICITAP training to each country.

ASSUMPTIONS:

- African governments, alarmed by the threat of international organized crime, will begin to undertake countermeasures to combat it.
- Legal restrictions on U.S. official assistance to Nigeria will be lifted.
- Some African governments will tighten their controls to discourage money laundering. As rules tighten in some jurisdictions, organized criminal syndicates will seek to exploit the fragility of financial institutions and weak statutory and enforcement environments in other African countries.
- Ingrained corruption in selected countries, which frustrates efforts to deter international criminal activity, will not worsen.

INDICATORS:

- Level of host country commitment to combating international crime as indicated in budgets, public pronouncements and policy measures.
- Number of arrests and prosecutions of individuals and syndicates engaged in international crime.
- Number of African countries enacting statutes designed to counteract money laundering.
- Number of complaints received from American citizens concerning Nigerian criminal fraud.
- Establishment and performance of regional anti-money laundering cooperation.
- Effect of African Crime on Americans.

AF: FY 2000 REGIONAL PLAN

STRATEGIC GOAL: Illegal Drugs (ID) -- Significantly reduced entry of illegal drugs from Africa into the United States.

REGIONAL GOAL: Increased interdiction of illegal drugs transiting Africa.

NATIONAL INTEREST: Law Enforcement: Africa is becoming increasingly important in the global drug trade. The drug trade is growing in other countries such as South Africa, Kenya and several other countries as well.

STRATEGY:

Several African states are important in the global drug trade. We hope to expand anti-drug activities in two countries, Nigeria and South Africa, where the USG has law enforcement offices in Africa. Nigerians play a central role in worldwide smuggling of heroin and have expanded their activities into neighboring West African countries. South Africa and Kenya are both emerging as significant transshipment crossroads, as are Cote d'Ivoire, Senegal, Cape Verde, and Mozambique. Taking advantage of a growing political will to more aggressively confront the drug issue in Africa, we will work with individual governments and regional organizations to share intelligence, provide training and equipment, and encourage granting a high priority to narcotics enforcement activities. Withdrawal of certification for Nigeria has probably been the most significant stimulus in bringing about the modest drug enforcement progress in that country. We will use that leverage to continue efforts to professionalize Nigerian drug enforcement agencies. We will pursue similar efforts in South Africa to prevent a similar problem from emerging. The Safe Skies Initiative described under the Opening Markets strategic goal will also contribute to our anti-narcotics strategy by training customs and immigration authorities to counter drug and contraband smuggling.

OBJECTIVES:

1. Collaboration with African governments to disrupt and dismantle drug trafficking organizations and prosecute key figures. We are requesting regional anti-drug funds to support this objective and will seek UN Drug Control Programs for Africa as well. We also seek ECE exchange programs to support this objective.
   FY 2000 TARGET: Expand programs in Nigeria and South Africa. Initiate anti-drug programs in Cote d'Ivoire, Mozambique, Cape Verde, and Senegal. Coordinate anti-drug strategy and training programs with efforts to establish ILEA in Africa.

2. Reduced drug trafficking and money laundering via a strong information sharing effort.

3. Nigeria, South Africa and Kenya adopt and implement narcotics legislation that complies with the 1988 UN Drug Convention.

4. Training in drug and contraband smuggling interdiction for customs and immigration authorities at four major airports in connection with the "Safe Skies for Africa" initiative (Safe Skies is described under the OM strategic goal).

ASSUMPTIONS:

- Restrictions on official assistance to Nigeria will be lifted.
- Demand for illicit drugs in the United States and Europe will remain at current levels, if not decrease.
- African countries will begin to strengthen their enforcement capacities.

INDICATORS:

- Number of verified drug seizures in African countries.
- Arrests, prosecutions, and incarcerations of drug traffickers.
- Estimates of local illicit drug production.
- Seizures of drug shipments originating in or transiting Africa.
- Amount of drugs reaching the U.S. from Africa.

AF: FY 2000 REGIONAL PLAN

STRATEGIC GOAL: International Terrorism (TE) -- Reduce international terrorist attacks, especially against the United States and its citizens.

REGIONAL GOAL: Reduce incidence of Africa-based terrorist attacks on U.S. interests and citizens.

NATIONAL INTEREST: National Security: The United States must take decisive action in order to reduce terrorist threats emanating from Africa. The terrorist bombings of U.S. embassies in Nairobi and Dar Es Salaam on August 7, 1998, shattered the common perception in the security community that there is little terrorist threat to American interests in Africa. Libya and Sudan openly harbor and support international terrorist organizations, and terrorist groups may operate in areas that have no strong central government authority, such as Somalia or eastern Congo.

STRATEGY:

Building upon the 1998 emergency supplemental for diplomatic security in Africa, the Bureau wishes to institutionalize heightened security arrangements by providing intensive anti-terrorist training (ATAP) from regional funds for at least 6 African countries each year for at least three years. The Sudan is the only African state among those the Secretary has identified as engaged in state-sponsored terrorism, and we will continue to work with other countries to urge that appropriate pressure be brought to bear to alter the behavior of Sudanese authorities. At the same time, we will cooperate intensively with other governments to ensure that no other area or state in Africa becomes a safe haven for terrorists. We are requesting $5 million in FY 2000 FMF to support the East Africa Regional "Front Line States" initiative to assist Uganda, Ethiopia, and Eritrea against Sudanese-sponsored aggression and terrorist and rebel forces.

We must also work diplomatic channels to stem the erosion of support within Africa for UNSC sanctions against Libya resulting from the Lockerbie Pan Am 103 bombing. On a broader scale, we will continue to share intelligence information with appropriate foreign governments, work to inhibit the movement and access to funds of terrorists, enhance aviation security and encourage governments to adhere to the ten major international conventions against terrorism.

OBJECTIVES:

1. Deter, warn against, respond promptly to, and defeat terrorist attacks on U.S. citizens or interests in Africa or possible threats emanating from Africa against the United States. We are requesting regional ATAP funds to support this objective. We also seek ECE exchange and information programs for this objective.
   FY 2000 TARGET: ATAP training for police in up to 6 other African countries each year (Eritrea, Ethiopia, Ghana, Zimbabwe, Nigeria and Malawi).

2. Increased pressure on Sudan to modify its behavior, and cooperation with African countries in applying pressure to other terrorist sponsors, such as Libya, and in adhering to UNSC anti-terrorist resolutions. We are requesting FMF for states bordering Sudan in order to support this objective.
   FY 2000 TARGET: To increase further the capacity of Front Line States to resist security threats from Sudan.

3. African states accede to the eleven major international conventions against terrorism.
   FY 2000 TARGET: To raise accession rate to 35%.

4. Effective intelligence networks aimed at countering terrorism established with appropriate African governments.

ASSUMPTIONS:

- The number of states sponsoring terrorism in Africa will not increase.
- Law enforcement and intelligence capabilities within African states though weak will receive external assistance.
- Sectarian, factional, or ethnic frictions will not exacerbate fueling terrorist acts in Africa.

INDICATORS:

- Number of terrorist incidents occurring or originating in Africa.
- Number of countries acceding to international conventions against terrorism as well as bilateral treaties governing extradition and other law enforcement activities.
- Affirmative action by African countries to adhere to UNSC resolutions against state sponsors of terrorism, in particular Libya and Sudan.
- American casualties from terrorist attacks stemming from Africa.

AF: FY 2000 REGIONAL PLAN

STRATEGIC GOAL: Democracy and Human Rights (DE 10) -- African governments which adhere to democratic practices and respect human rights.

REGIONAL GOAL: Strong democratic institutions and respect for human rights in established and emerging African democracies.

NATIONAL INTEREST: Democracy

STRATEGY:

The wave of democracy that swept the world following the Cold War fueled impressive advances across Africa in the 1990's. More than 20 of sub-Saharan Africa's 48 nations have established democratic rule through credible elections. The United States strongly supports political reform now underway in Africa as critical to economic recovery and long-term stability but, as recent events in Sierra Leone and the Republic of the Congo have shown, young democracies can be fragile and tragically short-lived. If we are to prevent new ethnic conflict and lingering economic dislocation from spoiling the promise of an "African renaissance," the United States and its international partners need to take concerted and increased action to strengthen existing and future African democracies. Through intense diplomatic engagement, bilateral and multilateral programs, we will seek to consolidate efforts of African governments to achieve full adherence to international human rights standards and democratic reform, and we will promote representative, effective and transparent governance, and a robust civil society. We must continue to actively engage Africa's democracies in promoting universal respect for human and civil rights, especially those of minority and historically excluded groups, such as women, across the region, in new democracies as well as where reform is uneven or lacking.

The four-fold increase in democratic African countries requires an expansion in U.S. democracy programs. Our two part strategy is to assist transition: in new democracies, transition to democratic systems strong and broad enough to avoid retrogression in the face of certain challenges along the path to development, including corruption and economic crises; and in non-democracies and countries emerging from conflict, transition to democratic rule. Since the movement toward democracy began in the early 1990's, we have seen a far greater need for programs that patiently build the foundations of democracy -- representative and transparent governance, respect for human rights, multiparty pluralism, an independent judiciary, vibrant civil societies, participation by women in politics and governance and equal treatment for women under the law, an assertive independent media, and a military which respects civilian authority – than for programs limited to a single election or other milestone. As African countries establish and deepen democratic systems, those foundations must be augmented and strengthened, expanding the need for program resources. The need to assist new democracies will continue until they are beyond challenge, which could require decades.

U.S. democracy programs range from larger, bilateral projects sustained over a multi-year period, to short-term, targeted infusions of technical assistance and small grants for African organizations promoting democracy and human rights. IMET programs described under the Regional Stability strategic goal also contribute to our strategy by providing training in civil-military relations and human rights as well.

OBJECTIVES:

1. Complete the transformation of post-conflict nations such as Uganda, Eritrea and Liberia from one-party states to functioning, multi-party democracies, and encourage effective political pluralism in multi-party states with histories of less than "free and fair" elections such as Cote d'Ivoire, Kenya, Senegal, and Zimbabwe. In support of this objective, we are requesting DA, ESF for the Regional Democracy Fund, ECE exchanges and information programs and some portion of IMET training will also apply towards this objective (civil-military relations, human rights).
   FY 2000 TARGET: At least three more credible elections; stronger democratic institutions, more politically active civil societies, and more consistent respect for human rights.

   1.1 Stronger, more independent judicial institutions and legal frameworks (notably constitutions and electoral laws) and practices that uphold the rule of law and democracy.

   1.2 Independent, effective and accountable legislatures which move beyond support for or opposition to the ruling party to represent the needs and interests of the citizenry.

   1.3 Transparent and regularly-scheduled follow-on elections in new democracies, especially in South Africa.

   1.4 Stronger civil societies and citizens and NGOs, including women, who are educated regarding civil and political rights and the obligations of a democratic government to its electorate.

   1.5 Increased respect for human rights, participation by women in politics and governance, and equal treatment under the law.

   1.6 Decentralization of power and state resources through responsive, empowered local governments.

1.7 Ruling and opposition parties which respect the rights and responsibilities of a "loyal opposition" and a critical media in a democratic society.

1.8 Public administrators with effective policy and administrative skills.

1.9 Professional militaries that respect civil authority.

ASSUMPTIONS:

- Economic downturns will not be so severe as to disrupt democratic advances.
- Relations among most African states will remain relatively peaceful and stable enough to allow domestic political advances.
- Political, social, and economic biases based on ethnic identity will persist throughout Africa, and the potential for civil strife will remain relatively constant.
- Democracy and Human Rights Fund (DHRF) funds and Africa Regional Democracy Fund (ESF) funds will continue to be available for countries where there is no USAID mission.
- Funding for programs to strengthen human rights will remain scarce relative to the need.
- Civic education will continue to be needed in Africa to strengthen democratic and free-market systems.
- Ruling parties will remain reluctant to permit fair competition in some new democracies.
-
- Corruption will continue to affect election outcomes, daily governance, and economic progress.

INDICATORS:

- Follow-on elections judged "free and fair" by independent domestic election observers and the international community.
- Basic freedoms and human rights of citizens enumerated in Constitution and legislation, and freedom of assembly, association and speech increasingly respected in practice.
- Government operations and judicial proceedings conducted in a transparent and accountable manner, with more judges deemed objective and unbiased.
- Media freely critical of government policies without fear of retribution, with increasingly sustained, informed voter participation.
- Acts of harassment and brutality against the citizenry by police and security forces, and adherence to due process in instances of arrest will decrease.
- Number of mutinies or coups d'etat by African militaries against elected civilian leaders declines.
- The number of women seeking office will grow.

AF: FY 2000 REGIONAL PLAN

STRATEGIC GOAL: Democracy and Human Rights (DE 20) -- African governments which adhere to democratic practices and respect human rights.

REGIONAL GOAL: The successful transition of post-conflict or non-democratic African countries into emerging democratic states with accountable, transparent and inclusive governance.

NATIONAL INTEREST: Democracy

STRATEGY:

Decades characterized by the monopoly of power have brought political instability and economic crises in sub-Saharan Africa. Through intense diplomatic engagement, the Unites States will encourage and assist post-conflict and authoritarian states to make the difficult but necessary transition to democracy. Employing focused bilateral and multilateral programs in support of that diplomacy, we will help foster a climate in African countries in which democracy and economic stability can take root and flourish.

The Democratic Republic of the Congo and Nigeria represent dynamic and often turbulent changes that characterize sub-Saharan Africa. Fast-breaking events can create opportunities for the United States to help shape the direction and outcome of such change. African states emerging from conflict and moving towards stable democratic rule, such as Angola and Liberia, may require support over and above previously programmed initiatives. For these reasons, flexible, fast-disbursing resources are needed for the United States to work effectively within brief windows of opportunity. To this end, we propose $28 million in FY 2000 ESF for creation of a special Countries in Transition Fund.

The institutions upon which a stable democracy is based, including elected executives and legislatures, formally independent courts and civil society -- however fragile and imperfectly employed – exist, at least partially, or are the focal point of political discourse in almost every nation on the continent. In countries emerging from conflict, U.S. diplomatic and programmatic efforts will focus on promoting economic and political stability through short-term targeted assistance. For example, programs to quickly reduce debt, strengthen the rule of law, or help plan for elections could prove key to establishing stability. For the nations in the Great Lakes region in particular, we are requesting $10 million ESF in FY 2000 to extend the work of the Great Lakes Justice Initiative for which $25 million ESF was requested in FY 99.

In stable countries where authoritarian practices continue, the United States will work to strengthen the basic building blocks of democracy: human rights, including the rights of women, multiparty pluralism, representative and transparent governance, an independent judiciary, politically active civil societies that include equal participation of women in

politics and governance, an assertive media, and a military which respects civilian authority. U.S. efforts to support countries in transition will also contribute to goals in the Economic Development, Humanitarian Assistance, and Regional Stability strategic goals.

OBJECTIVES:

1. Where fast-breaking events bring about change, as in Nigeria, fast-disbursing assistance to help shape a positive outcome through diplomatic, financial and programmatic support in key areas designed to promote economic and political stability in the short term, such as rule of law, debt reduction and elections. In support of this objective, we are requesting some ESF through the proposed Countries in Transition Fund and ECE exchange and information programs.

2. Stronger foundations for the rule of law and democracy and increased respect for human rights, including the rights of women, multiparty pluralism, representative and transparent governance, civil societies that foster equal participation of women in politics and governance, independent judiciaries, an assertive independent media and militaries that respect civilian authority. We are requesting a portion of the ESF from the Countries in Transition Fund and ESF for the Great Lakes Justice Initiative to support this objective.
   FY 2000 TARGET: Further improvement in the adherence to democratic principles and respect for human rights in DROC, Liberia, Nigeria, Angola, and Rwanda.

   2.1 Foundations for democracy where post-conflict reconstruction efforts are already underway in Angola, Liberia, Sierra Leone, Central African Republic, and Rwanda.

   2.2 Foundations for democracy in non-democratic or semi-authoritarian states which have yet to hold a credible election, such as the Democratic Republic of the Congo, Niger (post-coup), Equatorial Guinea, Mauritania, Cameroon, Togo, Guinea, and Congo-Brazzaville.

3. Promotion of fair election laws and practices via technical assistance and diplomacy, especially concerning the formation of independent electoral commissions, and support for free and fair elections (international and local monitoring and limited election administration support where benchmarks are met), in the Democratic Republic of the Congo, Rwanda, Central African Republic, Burundi, Equatorial Guinea, Gabon, Mozambique, Nigeria, and Burkina Faso in the FY 1998/99 period, and perhaps in another ten countries in FY 2000. We are requesting some portion of ESF through the proposed Countries in Transition Fund to support this objective.
   FY 2000 TARGET: At least three more countries make progress toward democratic rule as measured in the 2000 HRR.

4. Preparation and implementation of single-country and regional Democracy and Governance (D/G) strategies as countries in transition begin to implement democratic governance, maximizing resources in coordination with France, UK , other EU states and Japan.

ASSUMPTIONS:

- Unanticipated developments will continue to move countries both towards and away from positive change.
- Continued movement from conflict to reconciliation and reconstruction in the post-conflict countries listed above.
- The international environment will increasingly favor democracy, leading some African governments to profess democratic principles, but democratic practices will vary depending in particular on the will and intentions of existing African leaders.
- Transitions to democracy in countries will be uneven, as some African states will be reluctant to embrace a Western-style democratic model, ruling parties remain unwilling to permit fair competition, and corruption continues to affect election outcomes, daily governance and economic progress.
- Democracy and Human Rights Fund (DHRF) funds and Africa Regional Democracy Fund (ESF) funds will continue to be available for countries where there is no USAID mission.

INDICATORS:

- A stronger U.S. role in shaping fast-breaking events due to timely intervention aimed at promoting economic and political stability.
- Establishment of at least rudimentary democratic institutions and practices in the post-conflict countries listed in objective 1.
- Number of elections judged free and fair by independent election observers and the international community, in countries that previously had not held free and fair elections.
- Increased respect for human rights.
- An increase in multiparty pluralism, representative and transparent governance, independent judiciaries, assertive media and militaries that respect civilian authority. Larger, more effective and more representative civil societies.
- Increased (quantitatively or qualitatively) participation in the national political/economic debate by independent media.
- An increase in democratic processes in those countries that have not held free and fair elections.
- Number of local election monitoring operations organized or funded, in cases where there was a substantial chance that there would be free and fair elections.

AF: FY 2000 REGIONAL PLAN

STRATEGIC GOAL: Humanitarian Assistance (HA) -- Prevent or minimize the human costs of conflict and natural disasters.

REGIONAL GOAL: Reduce impact of humanitarian crises in Africa while enhancing capacity to meet emergency needs.

NATIONAL INTEREST: Humanitarian Assistance

STRATEGY:

Nearly half the global population requiring emergency assistance lives in Africa. We will continue to strengthen the capacity of African states, organizations, and individuals to prepare for, prevent, mitigate, and respond to crises. We will focus on improving coordination on humanitarian assistance between African national, regional, and sub-regional organizations and the international donor community via activities like the Greater Horn of Africa Initiative (GHAI) to execute an integrated strategy aimed at the development of long-term food security and crisis prevention in the region. In addition, we will seek to improve the timeliness and effectiveness of the USG's response capability and look to strengthen the linkages between humanitarian and development assistance so that emergency interventions not only save lives, but also pave the way for sustainable development. Finally, our IMET programs described under the Regional Stability strategic goal also contribute to our strategy by providing training in disaster response and humanitarian activities.

OBJECTIVES:

1. Improved African institutional and staff capacities in the OAU, IGAD and SADC to prevent, mitigate and respond to crises. Increased cooperation and coordination with the donor community, including the EU and UN organizations such as the FAO, WHO and WFP. We are seeking ECE exchange and information programs in support of this objective.

2. Reduced numbers of civilians killed or injured by mines. A major goal is to replace UNHCR and other UN involvement in demining with that of NGO's. We are requesting NADR demining funds to support this objective.
   FY 2000 TARGET: Sign on at least 2 more countries (i.e., Sudan and Uganda) to the demining program.

3. Timely and effective emergency relief to meet the critical needs of targeted populations in response to emergencies. A major goal is to help donors, PVOs/NGOs and donor recipients better target food aid activities and refine the concept of National Food Security. In support of this goal, we have

requested PL 480 II emergency resources, DA for the Africa Food Security Initiative to promote long-term food security and Peace Corps support.
FY 2000 TARGET: Work with PRM to enhance planning, design, implementation and funding of humanitarian programs.

4. Expand successful programs which demonstrate an impact on preventing and/or mitigating crises (e.g., OFDA's FEWS Assessments and Seeds of Hope in Rwanda) in other war-torn areas of Africa.

5. An effective GHAI and improved cohesion among GHAI member states and donor countries with respect to GHAI activities. In support of this objective, we are seeking CSD and DA for the Greater Horn of Africa Initiative.

6. Private Voluntary Organizations (PVOs) provide timely and effective emergency relief through U.S. support. PVOs are key USAID partners in developmental and humanitarian efforts abroad.

ASSUMPTIONS:

- Given massive humanitarian assistance requirements, other donors will recognize the need for improved coordination and burden sharing in providing emergency relief.
- Increase in funding for demining programs.

INDICATORS:

- Increased percent of vulnerable populations reached by food aid.
- Improved response times, appropriateness of relief, and engagement of local authorities with the U.S. and other donors.
- Increased percent of Food For Peace programs with on-time delivery of PL-480 Title II development food aid.
- Increased participation of international organizations, NGO's and PVOs in disaster planning, and improved assessments of needed humanitarian responses to crises.
- Improved nutritional status of children made vulnerable by emergencies.
- African institutions better able to identify vulnerable populations and the potential impact of natural and complex crises.
- Decrease in number of refugees and internally displaced persons.
- Increase in number of road miles cleared of mines.
- Increase in number of countries involved in demining programs.

AF: FY 2000 REGIONAL PLAN

STRATEGIC GOAL: Environment (EN)

REGIONAL GOAL: Integrated U.S., other donor, international organization, and national government efforts that increase sustainable environmental protection, conservation and management of Africa's natural resources.

NATIONAL INTEREST: Global Issues: Africa's giant landmass exhibits a rich biodiversity, the role of which has yet to be fully discovered and appreciated in fields such as medicine. Africa's vast environmental resources are also key to maintaining and improving a healthy global environment into the future. Unfortunately, degradation of Africa's environment has accelerated under the weight of population pressures, urbanization and a lack of adequately trained personnel and resources to enforce existing laws that protect the environment. In much of Africa, forests are shrinking and deserts are spreading. Wildlife is increasingly endangered and marine areas are threatened. Water and air are becoming more polluted. Compounding these problems are natural disasters caused by El Nino, civil strife, terrorism, refugee migration, and spreading infectious diseases. The United States must act now to promote good environmental management in Africa in order to protect 21st century global interests.

STRATEGY:

The environmental issues of top concern in Africa are climate change, desertification, deforestation, fresh water and biodiversity/wildlife conservation. To increase the protection and better management of Africa's environment, the United States will work with host governments and regional organizations to address these and other priority environmental issues by: (1) encouraging governments to adopt policies and strategies for stronger environmental protection efforts, (2) undertaking efforts with African countries to address trans-boundary issues, including deforestation, desertification, water and land use, pollution, and wildlife conservation, and (3) engaging African nations in multilateral discussions to gain their support for key international environmental agreements, particularly those on climate change, forests, and wildlife.

We will continue to work with USAID, USIA, EPA, other agencies and MDBs to make environmental technologies and technical assistance to African governments and local NGOs more accessible and to strengthen management and enforcement capacity.

OBJECTIVES:

1. Expanded and regular government-to-government policy dialogue on national, regional and global environmental issues through broadening existing bilateral contacts.
   FY 2000 TARGET: Implement a schedule of regular environmental conferences or summits.

2. Increased local environmental protection capacity through assisting qualified African environmental field leaders through greater use of existing training and technical assistance programs (public and private) and international visitor grants or other means. Strengthen contacts and cooperation among the East African countries and regional/international organizations to address sub-regional trans-boundary environmental issues, such as Nile River water sharing and desertification and deforestation through the Regional Environmental Hub at Embassy Addis Ababa. For FY 2000 we are requesting DA for programs that promote the sustainable use of natural resources, conserve biodiversity, promote sustainable urban pollution management, address the threat of global climate change, and promote the use of environmentally sound energy services. We also seek ECE exchange and information environmental programs and Peace Corps environmental activities.
   FY 2000 TARGET: 28 Africans to participate in ECE programs as environmental specialists.

3. Increase the number of countries participating in the Global Learning and Observation to Benefit the Environment (GLOBE) Program from 12 to 24. No U.S. funding is required for African countries' participation.
   FY 2000 TARGET: 24 African countries participating in GLOBE.

4. Engage, through bilaterals and the UN, key African governments in international environmental issues/negotiations of interest to the United States, particularly desertification (Djibouti, Ethiopia, Mauritania, Chad, Senegal), biodiversity (Ethiopia, Kenya, South Africa, Zimbabwe), climate change (Kenya, Nigeria, South Africa, Tanzania, Zimbabwe), and forests (Cameroon, Central African Republic, Congo-Kinshasa, Equatorial Guinea, Gabon, Congo-Brazzaville).

5. Promote U.S.-made environmental technologies through trade missions and trade fairs.
   FY 2000 TARGET: U.S. environmental technology exports to Africa increase.

6. Integrate environmental issues into all aspects of bilateral and regional discussions with African governments.

7. Encourage key AF countries to participate constructively in the Global Environmental Facility (GEF) General Assembly meeting (GEF covers the cost of travel and expenses for officials from developing countries.)
   FY 2000 TARGET: All eligible African countries participating in GEF General Assembly.

ASSUMPTIONS:

- Continued budgetary and resource support for the Regional Environmental Hub program.

INDICATORS:

- Number of bilateral interactions on environmental and other related global issues, including U.S.-South African Binational Commission meetings.
- Ratification of the Convention to Combat Desertification.
- Implementing fully the Addis Ababa Regional Environmental Hub Work Plan.
- Establishment of additional regional hubs in West and Southern Africa.
- African positions and engagement in negotiations on various key agreements, including climate change, forests and biodiversity.
- Level and effectiveness of activities supported by the Multilateral Development Banks (MDBs), including GEF lending levels to sub-Saharan Africa.
- Decrease in global environmental pollution from Africa.

AF: FY 2000 REGIONAL PERFORMANCE PLAN

STRATEGIC GOAL: Population (PO) -- Stabilize World Population Growth

REGIONAL GOAL: Coordinated U.S., donor and national government efforts that stabilize population growth rates in the African region consistent with the goals and objectives of the 1994 International Conference on Population and Development (ICPD) Program of Action.

NATIONAL INTEREST: Global Issues: Africa's population growth today is the highest of any region of the world. Unless this growth slows significantly, sub-Saharan Africa will have over one billion people within 20 years, while Nigeria's population will triple to become the world's fourth largest by 2050. At the same time, over two-thirds of all the world's people with HIV live in Africa south of the Sahara – victims in part because of their poor reproductive health and limited knowledge of sexual health matters. The majority of the world's women afflicted by female genital mutilation live in sub-Saharan Africa. A high rate of population growth would intensify existing social, political, economic and environmental pressures in a region already suffering from poverty and conflict, and these pressures, if not decreased will intensify population problems on a global scale into the 21st century.

STRATEGY:

The United States will encourage African governments to adopt effective policies for stronger population stabilization efforts, including: expanding voluntary family planning and reproductive health services, especially for under-served populations such as adolescents, including males and females; increasing national commitment to integrate voluntary family planning, maternal/child health, HIV/AIDS services, prevention of female genital mutilation (FGM) and harmful birthing practices; and increasing national capacities to advocate for and provide quality voluntary family planning and other reproductive health services. We will coordinate among all partners, including UN agencies, multilateral development banks, other bilateral donors, and NGOs at both field and headquarters levels for effective reproductive health and voluntary family planning programs. If changes in Nigeria lead to the restoration of normal bilateral relations, the U.S. should be prepared to expand support for population activities there. Finally, programs under the Broad-based Growth and Democracy strategic goals that empower girls and women through promoting female education, rights and political participation contribute to our strategy to reduce the population growth rate indirectly but effectively.

OBJECTIVES:

1. Increase the use of modern contraceptives and child spacing. In FY 2000, we are requesting DA for programs designed to reduce unintended and mistimed pregnancies and promote breastfeeding to improve child health and spacing.
   FY 2000 TARGET: Significantly increased modern contraceptive prevalence.

2. Support national population policies that incorporate the goals and recommendations of the 1994 International Conference on Population and Development (ICPD) Program of Action. FY 2000 DA funds requested for this objective are for policy analysis, reform and systems strengthening.
   FY 2000 TARGET: A dozen more African countries are developing national population policies; the majority of national policies incorporate the goals and recommendations of the ICPD Program of Action, or are being revised to do so.

3. Improve gender equality and empowerment of women through promoting the legal rights of women and female education. FY 2000 DA has been requested for activities in related areas, such as female education, designed to enhance the demand and use of family planning services. We are also requesting ECE exchange and information programs and Peace Corps activities designed to educate and empower women and reduce the population growth rate.
   FY 2000 TARGET: Significant progress in improved gender equality and empowerment of women, especially in Burkina Faso, Mali, Niger, and Burundi.

ASSUMPTIONS:

- Existing international support for population stabilization efforts and reproductive health programs in Africa is maintained or increased.
- Current Congressional support for U.S. population and voluntary family planning assistance programs is maintained.
- Successful national population growth programs in countries such as South Africa and Zimbabwe are sustained, and new efforts to reach under-served populations are supported by national governments.

INDICATORS:

- Improved, ICPD-consistent national population policy development and resource allocation.
- Number of reproductive health and voluntary family planning facilities with trained staff; range of contraceptive methods offered.
- Modern contraceptive usage rates.
- Decreasing population growth rate.

AF: FY 2000 REGIONAL PLAN

STRATEGIC GOAL: Health (HE) -- Reduce Disease

REGIONAL GOAL: Improved levels of public health in Africa.

NATIONAL INTEREST: Global Issues: Africa is threatened by a myriad of infectious diseases which have widespread implications for social and political stability and economic productivity in the continent. The spread of infectious diseases knows no borders, and therefore there is increased risk to the health of international travelers to and from the region, including U.S. business travelers and residents, U.S. tourists, U.S. soldiers participating in peacekeeping operations in or near the region, and potentially, U.S. citizens at home in America. Malaria and HIV/AIDS are currently the two top health problems and development concerns.

STRATEGY:

The United States will use diplomatic resources and coordinate support from other nations and international bodies in order to raise the level of priority accorded to infectious diseases. In partnership with Africans, donor countries, the international development banks, and key institutes such as the Center for Health Control and the National Institutes for Health, we will work to enhance the national capacities of countries in the region to recognize, report, prevent, and respond to infectious disease threats. We will continue to support the UNAIDS program in Africa, as well as focus on the elimination of polio, the control of malaria, and containment of HIV/AIDS in Africa.

OBJECTIVES:

1. Increased sustainability, quality, efficiency, and equity of health services in Africa through U.S.-sponsored programs, expanded environmental health programs and strengthened public health infrastructure to combat emerging and reemerging diseases with a focus on child survival. We are requesting FY 2000 CSD funds for USAID projects to improve health policy reform, environmental health, and a variety of health service programs, Peace Corps health activities and ECE exchange and information programs to support this objective. We are also requesting FY 2000 CSD funds to support child survival and objectives 3 and 5.
   FY 2000 TARGET: Strengthened institutional and staff capacity of 8 African health institutions.

2. Strengthened African country and regional capacity to implement and coordinate a response to selected epidemics (including yellow fever, cholera, and in particular malaria) through improving coordination, specialized training and research, and technical capacity in the area of surveillance and response. Expand poliomyelitis eradication campaign, with worldwide eradication by 2000. This objective also includes surveillance and control of nosocomial infections transmitted in primary care

and other health facilities. We are requesting FY 2000 CSD to support this program objective.
FY 2000 TARGET: 33 African countries include monitoring and evaluation plans in malaria control strategies. Non-Polio AFP (acute paralysis) detection rate increase to 1.0/100,000.

3. Expand childhood immunization services in at least five countries. See objective 4 regarding resources to support this objective.
FY 2000 TARGET: 75% vaccination coverage for DPT3/OPV3 in Africa.

4. Develop international partnerships and political commitment in support of a global surveillance and response network to help prevent HIV/AIDS through increased diplomatic intervention to increase awareness of host government officials to the implications of disease threats, and through community-based programs. In support of this objective we are requesting CSD funds for HIV/AIDS prevention programs.

ASSUMPTIONS:

- Continued international collaboration and cooperation in meeting the challenges of disease threats.

INDICATORS:

- Infant/child/adult mortality and morbidity rates.
- Rates of case fatality
- Disease outbreak response capabilities and performance.
- Status of international cooperation in combating the threat of disease.
- Rate of immunization coverage for all vaccine-preventable diseases and the eradication of polio by the year 2000.
- Rates of oral rehydration therapy use.

Public Diplomacy
Educational And Cultural Exchanges

National Interests:

All international exchange programs organized and administered by the Public Diplomacy arm of the Department of State directly support U.S. national interests by creating a foundation of mutual understanding between current and future foreign leaders and their U.S. counterparts and by promoting linkages between U.S. and foreign institutions and citizens. Professional and academic exchange programs develop and maintain informed, cooperative, and productive relations between the U.S. and other countries by generating intellectual momentum around issues of mutual interest and concern. As a complement to the policy advocacy of information programs, exchange programs help to build a community of opinion leaders sharing the values and ideals underlying U.S. diplomatic initiatives on the continent.

Strategic Goals And Supporting Programs for FY 2000:

The professional and academic exchange activities of the Department of State support U.S. national interests throughout Africa by encouraging the widest possible exchange of ideas and expertise between Africans and Americans. Professional and academic exchange programs help to develop and maintain informed, cooperative and productive relations between the U.S. and Africa. An essential vehicle for the transmission of American values overseas, the exchange programs represent a long-term investment in U.S. national security, fostering understanding of U.S. foreign policy objectives and practice by bringing African leaders to the U.S. and engaging them in informed discussion with their American peers. Exchange programs -- International Visitors, Fulbright, Humphrey, and short-term travel of American experts -- are invaluable tools to promote the process of change and reform amongst host country government officials, journalists, academics, and members of the business community. Exchanges strengthen their understanding of American achievement and the political, social and technical foundation upon which it rests. Moreover, exchange programs will be utilized to address specific U.S. foreign policy objectives. Examples include explaining American support for regional conflict resolution, the rule of law and the promoting of market economies.

Performance Evaluation:

As a direct result of a 1998 International Visitor (IV) program, a prominent South African consumer advocate established a permanent economic institute, "Africa/USA Economic," which is run jointly by American and South Africans. The institute's objectives include facilitating joint ventures between African and American businesses; stimulating economic growth and investment in the U.S. and South Africa, and brokering deals between U.S. industrialists and their African counterparts.

In Tanzania, USIA's joint multi-year Rule of Law Initiative (with USAID) to create greater access to justice was advanced with support from the country's Chief Justice. Notably, an IV program for Tanzanian legislators led to one of the participants returning to push a law through parliament which gave the parliament and the judiciary greater autonomy from the executive branch of the government.

In Chad, IV alumni are having a major impact on government and Chadian society. A participant in a FY 1991 program, "Women in Economic and Community Development," is now deputy mayor of Ndjamena, and another, (FY-91 "Pluralism and American Democracy") heads Chad's most important labor union.

Two Kenyan participants in the Kampala Regional Humphrey Conference on "Privatization: the Cure for Poverty," praised the organization of the meeting and the high level of the discussion. At a follow-up meeting of the Kenyan Humphrey Alumni Association, the state of privatization in Kenya was discussed, and the problem of corruption was noted. To address corruption, the group agreed it was necessary for Kenyans to begin recognizing the right kind of heroes. To reach that goal, the alumni decided to create an annual Humphrey award for quality leadership and good governance.

The Office of Citizen Exchanges (E/P) funding of the University of Delaware's Southern Africa project has resulted in the creation of the "Matebeleland South Initiative," a new economic development NGO aimed at promoting crafts, tourism and commercial ventures, by the university's Zimbabwean participants. The creation of the NGO is a direct result of the program's three-phase effort to enhance regional trade and economic development between Zimbabwe, Botswana and South Africa.

Angola's first participant in the USIA-funded Corporate Council on Africa internship program, the head of Angola's Institute of Industrial Development, returned from the U.S. enthusiastic and knowledgeable about the possibilities of U.S. investment in Angola's agro-industry. Of note, he is now convinced that Angolan economic reform is the prerequisite for attracting investment, a viewpoint he conveyed strongly in his program report to the Minister of Industry.

The Chadian chief of educational curriculum development, upon returning from his FY-98 Arabic regional program, "Role of Civic Education in Strengthening Democracy," drafted a recommendation to the Minister of Education on the need to develop a civic education curriculum for Chad. He said he wanted, "like America," to integrate democratic values into Chadian schools. Astonished to see that Muslim girls in American schools can wear their veils, he said Chadians need to become more sensitive to regional and cultural differences.

A returned Voluntary Visitor, the Chief Director of Developmental Social Services for Gauteng province (greater Johannesburg and Pretoria), told USIS Johannesburg that as a result of information gained on her program, a "Social Development" bill has been drafted, will soon be passed in the provincial legislature, and possibly adopted nationally.

Key Indicators for FY 2000 Performance:

- Exchange alumni are in positions of influence in the public or private sectors.
- Exchange alumni have a balanced and accurate perception of U.S. society and policies confirmed by personal contact, research and media commentary.
- Exchange alumni make public statements that support U.S. goals in the region.
- Exchange alumni act in ways that are consonant with U.S. goals in the region.
- African and American public and private institutions work in partnership to fund or otherwise support exchange activities.

Educational and Cultural Exchange Programs
Bureau of African Affairs

	FY 1998 Actual	FY 1999 Estimate	FY 2000 Request
Angola	$60	$117	$117
Benin	350	374	386
Botswana	252	268	274
Burkina Faso	242	255	262
Burundi	12	15	16
Cameroon	627	672	694
Cape Verde	6	6	6
Central Af. Rep.	20	23	24
Chad	28	32	33
Congo	152	165	171
Djibouti	5	7	7
Eritrea	239	260	262
Ethiopia	749	805	824
Gabon	8	10	10
Gambia	4	5	5
Ghana	1,020	1,081	1,114
Guinea	108	122	125
Guinea-Bissau	8	9	9
Ivory Coast	503	486	497
Kenya	960	1,023	1,038
Lesotho	8	9	9
Liberia	36	39	40
Madagascar	476	508	525
Malawi	372	389	405
Mali	315	338	348
Mauritania	44	54	55
Mauritius	261	282	291
Mozambique	461	500	502
Namibia	547	574	578
Niger	209	230	232
Nigeria	1,263	1,362	1,633
Rwanda	179	199	201
Senegal	1,146	1,212	1,236
Seychelles	4	6	6
Sierra Leone	36	38	39
South Africa	3,269	3,676	3,785
Sudan	83	90	94
Swaziland	164	176	183
Tanzania	866	909	910

	FY 1998 Actual	FY 1999 Estimate	FY 2000 Request
Togo	326	348	361
Uganda	577	614	632
Zaire	72	79	82
Zambia	458	490	502
Zimbabwe	734	780	792
Young Leaders	282	297	308
Regional Programs	360	487	440
Total Exchanges	17,901	19,421	20,063

Public Diplomacy
International Information Programs

National Interests:

Substantial changes are occurring in the way African governments make decisions or develop and implement policies. The range of actors engaged in this process, while still small by U.S. standards, is beginning to include the media, think tanks, non-governmental organizations, religious institutions and labor unions. Governance in Africa is slowly becoming more open, consultative, and responsive to public opinion. Increasingly, even less democratic governments tend to operate with an eye to domestic and international public reaction. In the global information age--more democratic, more interconnected, more open to mass communication--it is fundamental to U.S. national interests that the U.S. articulate its leadership to Africa through a vigorous program of policy advocacy. Policy advocacy programs engage influential individuals and organizations from both inside and outside the orbit of government whose opinions and decisions affect the policy-making process and help to develop and maintain informed, cooperative, and productive relations between the U.S. and Africa. When brought into the process of policy formulation, public diplomacy advocacy can substantially increase support for U.S. policy goals.

Strategic Goals and Supporting Programs for FY 2000:

U.S. public diplomacy goals in Africa promote and secure national security by supporting the establishment and consolidation of democracies; upholding human rights; ensuring economic prosperity by promoting open markets and sustainable development initiatives; and furthering open international free flow of information. Important objectives include empowering women, supporting anti-corruption efforts, and promoting free elections, conflict resolution and civic education.

To advance U.S. national security goals for Africa, public diplomacy activities will strive to secure peace, deter aggression, combat terrorism, prevent, defuse and manage crises, halt the proliferation of weapons of mass destruction, and advance arms control and disarmament by broadening the understanding of, and support for the United States' policies and actions with African foreign policy leaders, practitioners and media commentators. Personal contact by the Ambassador and his mission staff, arranged visits by American policy specialists, media placement and discussion (VOA and satellite TV) and targeted distribution (hardcopy and Internet) of U.S. policy papers will be utilized to achieve these goals.

Public diplomacy will continue to support the establishment and consolidation of democracies and uphold human rights and the rule of law by working for free and fair elections, honest and competent judicial systems, and the creation of effective and transparent government institutions throughout Africa. Training programs, consultative visits by American human rights activists and legal experts, and exchange programs

focusing directly on judicial reform, the rule of law, human rights, and civic education will be directed at African democracy activists in and outside of government, and within judicial systems, schools and local non-governmental organizations.

Elusive economic achievement in Africa means that public diplomacy activities will continue to work toward expanding U.S. exports, the opening of markets, assisting American businesses, and fostering sustainable economic growth. In Africa, a full range of information and exchange programs, products and services will be utilized to promote the benefits and mechanisms of a free market economy with relevant sectors of African societies. Expert speakers will be called upon to persuade African trade and investment managers and political leaders that open market economies and adherence to accepted international trade and commercial regulations and practices are in the interest of their economic development goals. Additional public diplomacy aims will include encouraging African governments to participate in trade fairs, support visiting American business delegations and allow key officials to travel to the U.S. on specialized trade and market economy training and orientation.

Government control and harassment of the media is a persistent reality throughout Africa. Therefore, public diplomacy activities will continue to foster the creation of an open information environment that encourages the widest possible exchange of ideas and allows for greater understanding of U.S. policies and institutions. Activities will include having the Ambassador, mission officers, and visiting U.S. officials and media specialists emphasize to African media leaders that less government control of the media and telecommunications and access to the outside world through new technologies like the Internet and modern national telephone networks supports the growth of democratic societies. Much needed in-country and U.S.-based media training for African journalists and media managers will continue.

Performance Evaluation:

USIS Maputo's highly successful media and personal contact blitz to counter hostile local media and official criticism of the U.S. policy on the Ottawa International Demining Conference is an example of effective opinion change. In less than three months, USIS, through personal contact and dissemination of official policy papers, emphasized the large amount of money and personnel the U.S. was utilizing to remove mines in several African countries. The explication effort completely reversed the criticism. An influential journalist, whose commentary had led the original attacks, published a retraction which prompted the turnaround in public and official opinion.

With the border dispute between Ethiopia and Eritrea unsettled, USIS Addis Ababa arranged for former U.S. Ambassador John McDonald to conduct a timely workshop on conflict resolution. Senior representatives from eleven ministries, the Prime Minister's office, four MPs and the head of the political science department of Addis Ababa University attended. McDonald's presentations on citizen diplomacy and national negotiating styles were highly relevant to Ethiopia's potentially explosive situation.

The USIS N'Djamena training workshop attended by 123 of the 125 members of parliament and representatives of neighboring parliaments in Mali and Niger has led directly to the Chadian parliament applying for membership to the Union of African Parliamentarians, the IPU and the International Assembly of French-speaking Parliaments, all connections which will help Chad's parliament grow in stature, professionalism and democratic practice.

USIS Yaounde marked the 50th anniversary of the signing of the Universal Declaration of Human Rights by co-sponsoring a three-day seminar which drew high-level Cameroonian support and was co-sponsored by two rural women's associations. Influential Cameroonian participation included the Minister of Social Affairs, the Director of Secondary Education, the President of the Cameroonian League for Human Rights and Liberties and a mayor from a rural town.

USIS Antananarivo saw its multi-year efforts to promote adherence to intellectual property rights (IPR) pay off when the national government began enforcing its music copyright laws, with nearly 100% compliance from the nation's radio stations. In 1998 a record number of copyrights were registered. A story in a leading daily gave credit to the Ministry of Information in collaboration "with the Americans," meaning USIS.

In Botswana, a year-long USIS effort engaging policymakers in discussion about the relationship between media and government, and the importance of a free press, contributed to the parliament passing a new broadcasting law which creates a broadly representative national broadcasting board and provides for copyright provisions. Similarly, in Swaziland, a vigorous effort by USIS led to the government withdrawing from parliament a bill which contained draconian media control measures.

With USIS support since 1997, Ethiopian women journalists recently formed the first women's media association in the nation's history. The association seeks to raise the skill level of women journalists and to advocate women's rights.

USIS Antananarivo stimulated extensive media coverage by the nation's major media outlets of an U.S.-led effort to restock the island's dwindling lemur population. The enthusiastic reporters covering the story were all graduates of an USIS-sponsored tour of the Betampone Nature Reserve, during which the reporters saw first-hand American sensitivity to the Malagasy need to "own" the international campaign to protect the island's environment, perhaps the most important conservation priority in Africa.

Key Indicators for FY 2000 Performance:

- Personal, media or institutional action demonstrating understanding of U.S. National Security goals.
- Active cooperation and new linkages between African and American human rights and pro-democracy activists.
- Executive and legislative actions improving the quality and independence of African courts and legal systems.
- Adherence to World Trade Organization provisions, Intellectual Property Rights protection and international labor and environmental standards.
- Accurate and balanced editorial and news coverage in key media of U.S. policy and American society by alumni of USIS programs.

Angola

($ in thousands)

National Interests: U.S. prosperity is the primary U.S. interest at stake in Angola followed by democracy. The United States pursues a broad mix of strategic, commercial, political and humanitarian objectives in Angola. The U.S. seeks to ensure continued and growing U.S. access to Angola's petroleum output, which provides seven percent of U.S. oil imports. Angola is our second largest site for investment in sub-Saharan Africa, and new business opportunities will be enhanced by a growth of democracy, access to free markets, and fundamental economic reform. In addition, the U.S. has significant humanitarian interests in Angola and, as the security situation permits, will transform relief programs into assistance for recovery and rehabilitation and address the tragic legacy left by up to eight million landmines planted in Angola soil. Moreover, the U.S. seeks to encourage the GRA to play a responsible regional role and encourage them to withdraw their military forces from Congo-Brazzaville and the Democratic Republic of the Congo.

Strategic Goals and Supporting Programs for FY 2000:

Regional Stability: The United States bears one quarter of the cost of maintaining the United Nations Verification Mission in Angola (MONUA) which monitors implementation of the 1994 peace agreement between the government of Angola and the UNITA rebel group. The U.S. share of MONUA costs in FY 2000 was originally estimated to be $34.2 million, although this sum could become less as MONUA redefines its mission in the wake of the collapse of the 1994 peace accords. The International Military Education and Training (IMET) program for Angola will help professionalize the military, which is in the process of integrating former UNITA rebels, in an effort to promote regional stability. IMET will be complemented by other efforts to enhance internal and regional stability and ensure access to Angola's petroleum resources. We are working with the Angolans to achieve a withdrawal of their forces from Congo-Brazzaville and encourage them to do the same from the Democratic Republic of the Congo. We will also press the GRA to enhance its ties with the Southern Africa Development Community. Angola will be eligible in FY 2000 to receive Excess Defense Articles (EDA) on a grant basis under Section 516 of the Foreign Assistance Act of 1961, as amended. Grant EDA will support Angola's demining and peacekeeping activities. However, EDA items will not be considered for transfer until the current suspension is lifted.

$34,300

Open Markets: The United States is promoting an economic environment through ECE programs in which local business and consumers can profit and become familiar with U.S. products and services.

Expand U.S. Exports: The U.S. is the largest foreign investor and producer in Angola's petroleum industry. This presence will increase with recent discoveries of deep and ultra-deep offshore oil reserves. Angola's petroleum output now provides

seven percent of imported U.S. energy imports, and this figure is expected to grow to ten percent within five years. The U.S. Mission will increase contacts between Angolan customers, suppliers and ventures and U.S. investors through ECE programs.

Economic Development: The promotion of economic reform through USAID programs provides a basis for economic growth and a foundation for democratic government, respect for human rights and internal and regional stability. Economic reform will improve the climate for U.S. investors, open additional investment opportunities by deregulating centrally planned sectors. PL 480 II resources will be used for microenterprise projects in order to assist with grassroots development. $8,555

Democracy: USAID democracy and human rights programs promote national reconciliation. The growth of democracy within a more stable and secure Angola will promote a reduction of political violence and poverty and enhance political and social participation $3,000

Humanitarian Assistance: U.S.-sponsored humanitarian relief programs will assist Angola's war ravaged population. The United States will use ESF funds to encourage rural development by providing basic seeds and tools packages to help Angolans increase their food self-sufficiency. Continued NADR landmine awareness program and demining activities will provide a safer environment for these, and other activities. The mission will work with the petroleum sector to ensure environmental safety responsibility. $1,500

Environment: USAID and Peace Corps environmental programs aim to increase conservation and the proper use of natural resources through projects ranging from working with relevant ministries to community level projects. $400

Health: After three decades of civil war, most Angolans lack access to primary health care. USAID health programs will help counteract the adverse effects of malnutrition, assist victims of landmine accidents, and provide access to basic health care. $4,500

Performance Evaluation:

- Conclusion of the peace process to enhance internal and regional stability. Ensured access to petroleum resources. Despite major U.S. efforts, the peace process has failed and the UN is set to pull out its peacekeeping forces. Efforts continue to support return to and conclusion of the Lusaka Protocol. In the meantime, the petroleum sector, under GRA control, continues to produce and provide opportunities for U.S. investors.

- Increased U.S. trade and investment, economic reform and favorable business climate. Assisted U.S. petroleum companies in receiving favorable treatment from the Angolan government in recently discovered ultra-deep well concessions. Embassy coordination with Exim Bank provided credit guarantees to expand an existing U.S. firm-operated oil field, Block Zero in Cabinda Province. The mission also supported conclusion of a major U.S. investment in the beverage sector.

- Gradually phase-out/phase-over humanitarian relief programs to rehabilitation interventions while retaining the capacity of the USG through NGO's to distribute relief assistance in case the internal security situation deteriorates. Relief assistance continued to be vital and, USAID, working with implementing NGO's, continued a program of food assistance, seeds and tools distribution and access to primary health care. Mine awareness programs, de-mining activities, including training for Angolans remain vital to Angola's rehabilitation.

- Establishment of democratic institutions and GRA's adherence to democratic practices and respect for human rights, including women's rights. Democracy and human rights programs trained grass roots civil organizations, political parties and parliamentarians.

Key Indicators for FY 2000 Performance:

- Angola resumes dialogue for peace with the assistance of the UN observer mission in Angola.
- An IMF staff monitoring program is instituted by 2000, followed by a negotiation a regular structural adjustment program with ESAF.
- Angola passes business-friendly investment code supported by USAID-funded consultants and establishes transparent, efficient and corruption-free investment, tax and customs procedures by 2000.
- Increased respect for human rights, exposure of abuses, and a growth in participation of women in the political process.
- Decreased rates of malnutrition, better access to primary health care and rehabilitation of war victims and support for vulnerable groups.

ANGOLA
FUNCTION 150 RESOURCES
($ in thousands)

Appropriations Accounts by Strategic Goal	Actual FY 1998	Estimate FY 1999	Request FY 2000
Regional Stability	**37,121**	**13,750**	**34,300**
CIPA	37,121	13,700	34,200
IMET	-	50	100
Economic Development	**38,736**	**4,522**	**8,555**
DA	6,000	4,500	1,100
Title II	32,736	22	7,455
Democracy	**4,600**	**3,500**	**3,000**
DA	2,100	3,500	3,000
ESF	2,500	-	-
Humanitarian Assistance	**4,900**	**500**	**1,500**
ESF	2,500	-	-
NADR-Demining	2,400	500	1,500
Environment	**200**	**500**	**400**
DA	200	500	400
Health	**4,700**	**2,700**	**4,500**
DA	4,700	2,700	4,500
Total	***90,257***	***25,472***	***52,255***

Appropriations Accounts	Actual FY 1998	Estimate FY 1999	Request FY 2000
CIPA	37,121	13,700	34,200
DA	13,000	11,200	9,000
ESF	5,000	-	-
IMET	-	50	100
NADR	2,400	500	1,500
Title II	32,736	22	7,455
Total	***90,257***	***25,472***	***52,255***
Other Accounts			
D&CP	1,987	2,450	2,577
ECE	60	117	117
Total	***2,047***	***2,567***	***2,694***
ANGOLA FUNCTION 150 RESOURCES GRAND TOTAL	***92,304***	***28,039***	***54,949***

Benin

($ in thousands)

National Interests: The primary U.S. interest in Benin is democracy. The United States has humanitarian interests in Benin as well. The United States seeks to reinforce Benin's support of U.S. international peacekeeping and humanitarian activities, to expand U.S. exports to Benin, and to consolidate economic liberalization. The U.S. is also working to improve health conditions, support the GOB's high priority on controlling population growth, and foster economic prosperity to improve Benin's prospects for self-sufficiency and potential as an economic partner.

Strategic Goals and Supporting Programs for FY 2000:

Regional Stability: International Military Education and Training (IMET) support will reinforce civilian control of Benin's military and help develop a professional, non-political and well-trained military force, contributing to Benin's stability. IMET programs will be complemented by training under the regional African Crisis Response Initiative (ACRI) program, which will improve Benin's ability to participate in regional peacekeeping efforts. Benin's armed forces will also be eligible to receive grant Excess Defense Articles (EDA) in FY 2000 under Section 516 of the Foreign Assistance Act. EDA would also assist Benin in its participation in regional peacekeeping activities. $350

Expand U.S. Exports: The Commercial Information Center in the ECE library provides print and on-line resources for potential Benin customers of U.S. goods and services. ECE support of the new American-Benin Business Council and introduction of Internet access through the Leland Initiative will further facilitate contacts for U.S. exporters in the energy, mineral and water resources, telecommunications, textiles and food sectors.

Economic Development: Peace Corps, PL 480 II and USAID programs at the grassroots level throughout Benin aim to promote economic growth and self-sufficiency. These activities will complement World Bank and IMF programs. $8,161

Democracy: USAID democracy and governance programs, and USIA support of visitor exchanges and institution-building, will strengthen Benin's democratic institutions, and educate citizens on their democratic rights and responsibilities and enhance their ability to exercise them. $1,700

Environment: Peace Corps programs teach conservation and the proper use of natural resources at the grassroots level through community projects.

Population: USAID will complement the Government of Benin's high priority on population programs and increase access to family planning and maternal/child health services. $2,500

Health: USAID programs will improve national policy, access to health services, and coordination among donors in the health sector. Peace Corps Volunteers will continue work in the health and social service sectors, focusing increasingly on maternal and child health care. $3,600

Performance Evaluation:

- Decreased infant, child and maternal mortality: USAID/Benin will conduct a second national mortality and fertility study in 2001 that will measure changes in rates from a baseline study that was conducted in 1996.

- Increased enrollment in primary education, particularly with regard to girls: The gross enrollment rate for girls rose from 51.9% in 1996 to 55.7% in 1997 and 56.5% in 1998.

- Continued subordination of the military to civilian authority: There were no indications in 1998 that the Beninese Armed Forces resisted subordination to civilian authority. A new Defense Minister succeeded the previous Minister in May; both men are civilians with no military experience.

- Benin's participation in peacekeeping operations (PKO): A Beninese peacekeeping contingent returned from Liberia in January 1998. Beninese capability and preparedness to participate in future Peace Keeping Operations (PKO) were enhanced in 1998 by Benin's participation in the Africa Crisis Response Initiative, which included a two-month training exercise in Benin for a Beninese battalion receiving its initial training under the direction of U.S. Special Forces instructors.

Key Indicators for FY 2000 Performance:

- Increased use of USIS commercial library, membership in American-Benin Business Council and subscribers to the Leland Internet service.
- Reports by NGO's, USAID, the GOB and National Assembly show improved trends in good governance and democracy, including passage, promulgation and enforcement of high priority legislation. Increased sanctions against corrupt officials.
- Implementation of the National Health Strategy and National Population Policy.
- Government of Benin support for USG on key issues in multilateral fora.
- Government of Benin measures to combat piracy of U.S. cultural material.
- Official statistics showing increased economic growth, especially in rural areas.

BENIN
FUNCTION 150 RESOURCES
($ in thousands)

Appropriations Accounts by Strategic Goal	Actual FY 1998	Estimate FY 1999	Request FY 2000
Regional Stability	**376**	**350**	**350**
IMET	376	350	350
Economic Development	**11,043**	**9,005**	**8,161**
DA	8,200	7,000	6,300
Title II	2,843	2,005	1,861
Democracy	**1,850**	**1,900**	**1,700**
DA	1,850	1,900	1,700
Population	**2,600**	**2,375**	**2,500**
DA	2,600	2,375	2,500
Health	**4,500**	**4,463**	**3,600**
DA	4,500	4,463	3,600
Total	***20,369***	***18,093***	***16,311***

Appropriations Accounts	Actual FY 1998	Estimate FY 1999	Request FY 2000
DA	17,150	15,738	14,100
IMET	376	350	350
Title II	2,843	2,005	1,861
Total	***20,369***	***18,093***	***16,311***
Other Accounts			
D&CP	1,662	1,968	2,070
ECE	350	374	386
Peace Corps	1,787	2,013	2,049
Total	***3,799***	***4,355***	***4,505***
BENIN FUNCTION 150 RESOURCES GRAND TOTAL	***24,168***	***22,448***	***20,816***

Botswana

($ in thousands)

National Interests: The primary U.S. interest in Botswana is democracy, followed by economic and global issues. As a strong democracy practicing prudent fiscal policies, Botswana is an integral component in the U.S. Government's evolving policy toward the southern African region – a relationship that increasingly is focused on promoting economic prosperity by integrating Africa into the global economy. U.S. efforts focus on supporting Botswana's stable democracy, expanding U.S. business opportunities, and advocating Botswana's leadership in the region.

Strategic Goals and Supporting Programs for FY 2000:

Regional Stability: With one of the region's most responsible military establishments, Botswana has provided the venue for well-attended regional military exchanges that have helped foster a spirit of cooperation among southern African militaries. International Military Education and Training (IMET), complemented by regional ACRI and bilateral Defense of Defense (DOD) assistance, will promote inter-operability among U.S. Armed Forces and regional militaries, encourage continued professionalism in the Botswana Defense Force, and help sustain military capabilities within the southern African region through joint and combined exercise programs. Botswana will be eligible in FY 2000 to receive Excess Defense Articles (EDA) on a grant basis under Section 516 of the Foreign Assistance Act of 1961, as amended. Grant EDA will support Botswana's peacekeeping and ongoing bio-diversity activities.

$450

Open Markets: Botswana has embraced free market principles throughout its 33 years of independence, and offers some of the region's most progressive investment incentives. In the region as a whole, however, there are still many barriers to trade and the free flow of goods and services. Through ECE exchange and information programs, the U.S. will continue to support Botswana's efforts to level the playing field within the Southern African Development Community (SADC) region, and encourage Botswana's advocacy of opening regional markets and removing barriers to trade

Democracy: Botswana is the continent's longest continuing democracy, and offers an excellent example of good governance in Africa. At the same time, a number of its democratic institutions lack vibrancy. The Regional USAID center, ECE and Democracy and Human Rights Fund (DHRF) assistance will help to improve the effectiveness of the National Assembly, the judiciary, and the media.

Environment: Through the USAID Regional Center, DOD, and ECE projects, the Mission will work to help Botswana preserve its unique ecosystems.

Health: Drawing on Centers for Disease Control (CDC), DOD Humanitarian Assistance funds, Self Help funds, and ECE projects, the Mission will work to support epidemiologic research, help supply remote locations without safe drinking water install wells and promote sound community practices to prevent water-borne disease and health problems.

Performance Evaluation:

- More capable and expanded participation in peacekeeping operations. Botswana was one of two SADC nations that contributed troops to a SADC effort to restore order in Lesotho following a military mutiny in the fall.

- Continued close U.S.-Botswana military cooperation. With U.S. assistance, Botswana hosted a highly successful regional disaster-preparedness seminar for military and civilian participants from a number of SADC countries.

- Passage of Balanced Media Regulation Law. U.S. assistance and diplomatic intercession were instrumental in promoting passage of legislation regulating the media that was balanced and consistent with international standards of freedom of speech and press.

- Regional Disaster Preparedness. With U.S. assistance, Botswana hosted two highly successful seminars that brought together civilian and military officials from the region to improve regional cooperation and coordination for addressing a range of possible regional disaster situations. The Interstate Security and Defense Committee of the Southern African Development Community (SADC) played a key role in the seminars' success.

Key Indicators for FY 2000 Performance:

- Passage of a media code of ethics.
- Botswana holds free and fair national elections.
- GOB leadership is increasingly active in advocating and advancing regional or continent-wide initiatives on good governance and transparency.
- U.S. and Botswana conduct successful joint exercises, resulting in improved performance of Botswana Defense Force (BDF) participants and strengthened bilateral military ties.
- U.S. military training is conducted annually in Botswana, and a major deployment of U.S. forces (200 troops) occurs biannually to maintain U.S.-BDF interoperability and sustain military-to-military ties.

BOTSWANA
FUNCTION 150 RESOURCES
($ in thousands)

Appropriations Accounts by Strategic Goal	Actual FY 1998	Estimate FY 1999	Request FY 2000
Regional Stability	**540**	**500**	**450**
IMET	540	500	450
Total	***540***	***500***	***450***

Appropriations Accounts	Actual FY 1998	Estimate FY 1999	Request FY 2000
IMET	540	500	450
Total	***540***	***500***	***450***
Other Accounts			
D&CP	2,172	2,801	2,946
ECE	252	268	274
Peace Corps	116	-	-
Total	***2,540***	***3,069***	***3,220***
BOTSWANA FUNCTION 150 RESOURCES GRAND TOTAL	***3,080***	***3,569***	***3,670***

Burkina Faso

($ in thousands)

National Interests: The primary U.S. national interest in Burkina Faso is the promotion of democracy, and the U.S. has humanitarian interests in Burkina as well. In support of these interests, the United States promotes stability and good governance; economic growth; the assumption by the GOBF of a stabilizing, peacekeeping role in the region; and a moderate, non-interventionist foreign policy.

Strategic Goals and Supporting Programs for FY 2000:

Economic Development: Burkina's integration into the global economy will improve the well-being of the population of one of the world's poorest countries and increase Burkina's capacity to avert/absorb the consequences of natural disasters which might require emergency assistance from the international community. ECE International Visitor (IV) grants and outreach programs strengthen constituencies which favor economic reform. By improving the health and well-being of the people of Burkina Faso, we strengthen the ability of the GOBF to play a constructive role in promoting peace and stability in the region. PL 480 II programs will assist with school feeding at the community level, and Peace Corps manages a broad range of projects targeted at basic development and growth. $11,225

Democracy: Burkina's successful transition to full democracy will make Burkina a more viable partner for U.S. initiatives that promote regional stability and economic development in Africa. ECE programs will contribute to this end by improving the professionalism of journalists, broadening the education base (e.g., Fulbright, IV Grants, American Language Center programs), and educating and empowering human rights and other civil society groups in their advocacy for political rights.

Environment: With the majority of its territory in the semi-arid belt of the Sahel, desertification and environmental degradation are major issues for Burkina Faso and the world climate overall. ECE IV grants and Peace Corps programs serve to increase awareness of these issues and foster strategies to combat further decline.

Health: Peace Corps programs at the grassroots level promote health awareness and sound community health practices.

Performance Evaluation:

- Free, fair, transparent, and competitive Presidential elections in December 1998. Presidential elections in Burkina Faso occurred in an environment that was widely described as "calm and well-organized." While observers cited some voting irregularities, they were limited in number and scope and did not appear to have an impact on the ultimate outcome of the election. Though two opposition candidates

participated in the contest, the election was boycotted by an opposition coalition representing the principal opposition parties.

- Pro-active leadership role as President of the OAU/positive force in regional issues and conflict mitigation. Burkinabe President Compaore has played a relatively active role on some issues of major concern to the U.S.(Ethiopia/Eritrea, DROC) but has neglected others closer to home (Sierra Leone, Liberia, Guinea-Bissau). Additionally, at least one of his most prominent "activist" projects (OAU resolution on Libya sanctions) has been counterproductive and directly opposed to U.S. interests.

- Increase pace of privatization. After initial progress with smaller, state-owned enterprises, the privatization of larger parastatals has lagged.

- Increased American trade and investment. Conclusion of a code-share agreement with Delta Airlines has been the only significant new venture in Burkina Faso.

Key Indicators for FY 2000 Performance:

- Improved economic performance.
- Modest improvements in basic living standards, including life expectancy, infant mortality and access to primary health care and literacy levels.
- Increased frequency of GOBF support for U.S. positions in international organizations.
- Active, positive role in the resolution of regional conflicts.

BURKINA FASO
FUNCTION 150 RESOURCES
($ in thousands)

Appropriations Accounts by Strategic Goal	Actual FY 1998	Estimate FY 1999	Request FY 2000
Economic Development	**14,297**	**12,945**	**11,225**
Title II	14,297	12,945	11,225
Total	***14,297***	***12,945***	***11,225***

Appropriations Accounts	Actual FY 1998	Estimate FY 1999	Request FY 2000
Title II	14,297	12,945	11,225
Total	***14,297***	***12,945***	***11,225***
Other Accounts			
D&CP	2,615	1,816	1,910
ECE	242	255	262
Peace Corps	1,768	1,840	1,847
Total	***4,625***	***3,911***	***4,019***
BURKINA FASO FUNCTION 150 RESOURCES GRAND TOTAL	***18,922***	***16,856***	***15,244***

Cameroon

($ in thousands)

National Interests: The primary U.S. national interest in Cameroon is democracy. We support the successful transformation of Cameroonian society into a democratic, law-based, non-corrupt, pluralistic community, functioning on market principles and integrated into the world economy. Cameroon, as the leading sub-regional economic power, also requires a stable and integrated neighborhood of nations in order to fulfill their economic potential. The benefits of a transformed Cameroon come in the form of reduced environmental degradation and international organized crime as well as in increased opportunities for exports. Other U.S. interests in Cameroon are thus economic prosperity, law enforcement and humanitarian response.

Strategic Goals and Supporting Programs for FY 2000:

Regional Stability: The International Military Education and Training (IMET) program will lead to the professionalization of Cameroon's armed forces, contribute to the democratization process and limit human rights abuses, all leading to increased local and regional stability. Cameroon will be eligible in FY 2000 to receive Excess Defense Articles (EDA) on a grant basis under Section 516 of the Foreign Assistance Act of 1961, as amended. EDA material will support Cameroon's internal security, counter-drug, and continuing professionalization and modernization efforts. $150

Economic Development: Continuing Peace Corps and ECE exchange and information programs promote the ongoing transformation of Cameroon to a fully open and freely functioning, growth-oriented market economy which diminishes ethnic/geographic income disparities and addresses overall poverty levels.

Democracy: Cameroon needs to develop transparent electoral mechanisms, respect for human rights, professionalism in a free press, stronger local government, good governance and the participation of women in government and civil society. Continuing ECE exchange and information programs target these areas.

Environment: The U.S. Mission will continue to coordinate with the GOC on various biodiversity initiatives. USAID's regional Central African Regional Program on the Environment (CARPE) and bilateral Peace Corps' programs will continue America's active support of environmental conservation in Cameroon.

Humanitarian Assistance: Food shortages and threats from periodic migratory locusts, drought, deadly gas emissions, internal and external civil strife, influxes of refugees, banditry, industrial accidents, AIDS and inadequate water and sanitation facilities require U.S. assistance. Regional USAID and ECE exchange and information programs target these needs.

Health: The U.S. Mission will monitor U.S.-funded malaria, onchocerciasis and AIDS research programs. Peace Corps programs, Special Self-Help fund grants and health and population programs that receive USAID funding will continue.

Performance Evaluation:

- Reduced government role in the economy and increased privatization. Cameroon pursued economic and financial reform, including privatization, qualifying for Paris Club relief and meeting the tough conditions for an ESAF agreement with the IMF. U.S. trade surplus with Cameroon reached a total of $64.9 million with total U.S. merchandise exports to Cameroon at $122 million.

- Continued improvement in Cameroon's human rights record. Cameroonian NGOs, often with our support, were highly active in the areas of democracy, human and women's rights, development and environment.

Key Indicators for FY 2000 Performance:

- Decreased corruption in Cameroon.
- Increased U.S. exports to Cameroon.
- Continued opening of political process.
- Signing or renewal of health research protocols and number of health educators trained through Peace Corps and USAID programs.

CAMEROON
FUNCTION 150 RESOURCES
($ in thousands)

Appropriations Accounts by Strategic Goal	Actual FY 1998	Estimate FY 1999	Request FY 2000
Regional Stability	**142**	**150**	**150**
IMET	142	150	150
Economic Development	**1,256**	**1,607**	**-**
Title II	1,256	1,607	-
Total	***1,398***	***1,757***	***150***

Appropriations Accounts	Actual FY 1998	Estimate FY 1999	Request FY 2000
IMET	142	150	150
Title II	1,256	1,607	-
Total	***1,398***	***1,757***	***150***
Other Accounts			
D&CP	4,639	3,836	4,034
ECE	627	672	694
Peace Corps	2,721	2,739	2,640
Total	***7,987***	***7,247***	***7,368***
CAMEROON FUNCTION 150 RESOURCES GRAND TOTAL	***9,385***	***9,004***	***7,518***

Cape Verde

($ in thousands)

National Interests: Democracy is the primary U.S. interest in Cape Verde. The United States has economic and humanitarian interests in Cape Verde as well. With its functioning multi-party democracy and ambitious, far-reaching economic reform program, Cape Verde has evolved into a model for the West African region. Cape Verde effectively led the diplomatic effort to bring about a cease-fire in Guinea-Bissau and was instrumental in the early stages of the search for a more permanent solution to the problems there. The country is a leader in Africa in respect for human rights.

Strategic Goals and Supporting Programs for FY 2000:

Regional Stability: Soon after the recent outbreak of the civil conflict in Guinea-Bissau, Cape Verde took a leading role in efforts to find a solution and to relieve the suffering of those affected by the fighting. Enhancing the capabilities and professionalism of Cape Verde's small military through the International Military Education and Training (IMET) program will allow it to make an even greater contribution to regional peace and security. Cape Verde will also be eligible to receive grant Excess Defense Articles (EDA) in FY 2000 under Section 516 of the Foreign Assistance Act. Cape Verde is interested in an EDA transfer of naval patrol boats to enhance Cape Verde's ability to protect its fisheries. $100

Economic Development: Cape Verde must attract investors in light industry, tourism and services to achieve sustainable growth The country was one of eight in Africa selected for participation in the Regional Safe Skies Initiative. This Initiative will improve airport security and aviation safety. Peace Corps programs in education and community development contribute to economic development. The PL 480 II program provides funding for a micro-enterprise lending scheme aimed at poor women and rural workers that increases food production. $3,210

Democracy: The U.S. Mission will through the Democracy and Human Rights Fund and diplomacy promote Cape Verdean democracy and maintain U.S. influence as a partner in Cape Verde's political development.

Humanitarian Assistance: In the best of agricultural years Cape Verde must import 80 percent of its food requirements. Poverty is endemic. Peace Corps programs, along with an AID-funded regional project in health and family planning, seek to expand agricultural production, improve education and health care, reduce rural poverty and increase economic opportunities for poor women throughout the country.

Environment: Peace Corps programs teach conservation and the proper use of natural resources at the grassroots level through community projects.

Health: Peace Corps programs at the grassroots level promote health awareness and sound community health practices.

Performance Evaluation:

- Increased popular participation in the political process: Cape Verde is already one of Africa's best-functioning multi-party democracies. Popular participation is limited, however, by poverty, isolation, and lack of education.

- Increasingly effective Cape Verdean regional peace efforts: Cape Verde continues to be actively involved in diplomatic efforts to bring about a peaceful solution to the conflict in Guinea-Bissau.

- Continued adherence to the proper role of the military in a democratic society. Cape Verde's small military staunchly supports the Constitution and remains aloof from politics. IMET alumni are a key element in enhancing, both within the military and within society at large, an understanding of the appropriate role for the military in a democratic society.

Key Indicators for FY 2000 Performance:

- Continued development of democratic institutions and civil society.
- Increased imports of U.S. goods and services and in U.S. investment.
- Decreased poverty level.
- Continued Cape Verdean engagement in regional security matters.

CAPE VERDE
FUNCTION 150 RESOURCES
($ in thousands)

Appropriations Accounts by Strategic Goal	Actual FY 1998	Estimate FY 1999	Request FY 2000
Regional Stability	**153**	**100**	**100**
IMET	153	100	100
Economic Development	**5,901**	**978**	**3,210**
Title II	5,901	978	3,210
Total	***6,054***	***1,078***	***3,310***

Appropriations Accounts	Actual FY 1998	Estimate FY 1999	Request FY 2000
IMET	153	100	100
Title II	5,901	978	3,210
Total	***6,054***	***1,078***	***3,310***
Other Accounts			
D&CP	1,278	1,226	1,289
ECE	6	6	6
Peace Corps	1,020	1,047	1,057
Total	***2,304***	***2,279***	***2,352***
CAPE VERDE FUNCTION 150 RESOURCES GRAND TOTAL	***8,358***	***3,357***	***5,662***

Central African Republic

($ in thousands)

National Interests: The primary U.S. interest in the Central African Republic is humanitarian, followed by an interest in restoring democracy. U.S programs also promote regional stability and deter refugee flows from neighboring countries. We support international efforts to maintain peace in the Central African Republic while promoting economic, political and military reforms that will prevent a recurrence of the mutinies and civil strife of 1996 and 1997.

Strategic Goals and Supporting Programs for FY 2000:

Regional Stability: U.S. support for UN peacekeeping operations, diplomatic efforts to press the CAR Government on crucial reforms (in concert with international financial institutions and other bilateral donors) and our concrete support for elections, all work together to promote a more stable environment. Through the International Military Education and Training (IMET) program, we are helping build democratic institutions and practices in the CAR military, training individual officers and staging seminars on military justice and civilian control. $90

Democracy: U.S. support for the development of the rule of law under a democratic government is key to stability in the CAR. Diplomatic efforts will be augmented by ECE exchange and information programs, small grants from the Democracy and Human Rights Fund and technical assistance, when available, from the ESF Africa Regional Fund.

Environment: By promoting ecotourism in southwestern CAR, we contribute to the larger U.S. goal of protecting tropical forests and provide the region's residents with alternatives to destructive gold and diamond mining. Resources from ECE exchange and information programs, regional USAID programs, NASA, the Forest Service, and the Fish and Wildlife Service contribute to this program.

Performance Evaluation:

- Restoration of stability and basic economic activity. U.S. training and support for UN operations helped restore order following the mutinies. Businesses reopened and trade has resumed, but the CAR Government has not instituted the basic economic reforms – elimination of corruption and budgetary discipline – that will make it possible to keep military and civil service salary payments current.

- Improved behavior and increased professionalism of the CAR armed forces. Following restoration of order by UN peacekeepers, the CAR military was disarmed; it is currently not an effective, professional force. The CAR Government has been reluctant to begin military retraining and restructuring.

Key Indicators for FY 2000 Performance:

- Phaseout of UN peacekeeping operation occurs without recurrence of violence.
- The government improves collection of tax revenues from key sectors (diamonds, gold, timber).
- The transition to democracy is put back on track through progress towards participatory, independent government institutions, a strong civil society, and credible elections.
- The government proceeds with privatizing key parastatals.
- Riverbank and forest degradation slowed or halted.

CENTRAL AFRICAN REPUBLIC
FUNCTION 150 RESOURCES
($ in thousands)

Appropriations Accounts by Strategic Goal	Actual FY 1998	Estimate FY 1999	Request FY 2000
Regional Stability	**142**	**90**	**90**
IMET	142	90	90
Total	***142***	***90***	***90***

Appropriations Accounts	Actual FY 1998	Estimate FY 1999	Request FY 2000
IMET	142	90	90
Total	***142***	***90***	***90***
Other Accounts			
ECE	20	23	24
Total	***20***	***23***	***24***
CENTRAL AFRICAN REPUBLIC FUNCTION 150 RESOURCES GRAND TOTAL	***162***	***113***	***114***

Chad

($ in thousands)

National Interests: The primary U.S interest in Chad is democracy, followed by economic and humanitarian assistance interests. Chad plays an important role with regard to stability in the region. Occupying a strategic position in Africa, Chad is particularly vulnerable to transnational and anti-U.S. influence from rogue state neighbors, such as Libya and Sudan. Chad's southern oil reserves will be developed by a Western consortium led by a U.S. company. Wise use of these resources will further promote Chad's growth and stability and will provide opportunities for American business.

Strategic Goals and Supporting Programs for FY 2000:

Regional Stability: A stable and democratic Chad contributes to overall regional stability and serves as a barrier to negative, anti-U.S. influences from neighboring rogue states. International Military Education and Training (IMET) programs will concentrate on civil control of the military and the rule of law. Chad will be eligible in FY 2000 to receive Excess Defense Articles (EDA) on a grant basis under Section 516 of the Foreign Assistance Act of 1961, as amended. Grant EDA will support Chad's ongoing demining efforts and assist in countering the insurgency in the north. $50

Economic Development: Progress on a multibillion dollar oil project in southern Chad will determine Chad's prospects for economic growth and generate an unprecedented demand for higher levels of U.S. goods and services, especially during the construction phase of the 1000 km pipeline. In addition to diplomatic contact work with the government and regional opposition leaders to keep Chad on its economic program, the Embassy will promote business opportunities for American companies spinning off the oil project. ECE exchange and information programs will provide printed materials and speakers to target audiences on economic reform, privatization and development of a market economy. PL 480 II programs will assist with development at the community level. $1,051

Democracy: Consolidation of democracy in Chad, greater respect for human rights, and strengthening of the judicial system will contribute to regional stability and serve as a barrier to negative influences from neighboring rogue states. Self-help and Democracy funds will focus on strengthening the judiciary and legislature. ECE exchange and information programs are targeted at promoting the rule of law, a free press and helping to develop an independent judiciary.

Humanitarian Assistance: U.S. programs provide assistance to populations affected by drought, civil strife, famine and recurrent epidemics. Department of Defense and State NADR funds are building an indigenous de-mining program which will create a training center for de-miners and management of local de-mining efforts. Defense humanitarian funds are installing wells to reduce the spread of cholera. $1,000

Performance Evaluation:

- Improved food security. Chad's famines are cyclical. Increased trade and business opportunities arising from the oil project are beginning to generate employment opportunities which will help ease the pressure on depleted land.

- Emergence of an apolitical, professional and democratically-oriented military. Chad sent a highly professional contingent to support UN peacekeepers in the neighboring Central African Republic. The Chadian military responded positively and professionally to US demining trainers. There needs to be more progress on democratizing the army and improving its human rights performance.

- A decrease in the number of human rights abuses involving military personnel. The army clashed with insurgent movements in both southern and northern Chad, with credible reports of human rights abuses. Swifter punishment of abuses is an essential step in integrating dissident groups and disparate regions into a functioning democracy.

Key Indicators for FY 2000 Performance:

- U.S. humanitarian demining program opens access to northern territories.
- New American businesses not directly associated with oil project begin trade/operation in Chad.
- Establishment of a judicial statistics office.
- Parliament initiates independent proposals for legislation.

CHAD
FUNCTION 150 RESOURCES
($ in thousands)

Appropriations Accounts by Strategic Goal	Actual FY 1998	Estimate FY 1999	Request FY 2000
Regional Stability	**99**	**50**	**50**
IMET	99	50	50
Economic Development	**533**	**1,217**	**1,051**
Title II	533	1,217	1,051
Humanitarian Assistance	**400**	**732**	**1,000**
NADR-Demining	400	732	1,000
Total	***1,032***	***1,999***	***2,101***

Appropriations Accounts	Actual FY 1998	Estimate FY 1999	Request FY 2000
IMET	99	50	50
NADR	400	732	1,000
Title II	533	1,217	1,051
Total	***1,032***	***1,999***	***2,101***
Other Accounts			
D&CP	2,947	2,484	2,612
ECE	28	32	33
Peace Corps	319	-	-
Total	***3,294***	***2,516***	***2,645***
CHAD FUNCTION 150 RESOURCES GRAND TOTAL	***4,326***	***4,515***	***4,746***

Comoros

($ in thousands)

National Interests: U.S. national interests in Comoros are represented by Embassy Mauritius. They include democracy, humanitarian interests, law enforcement and global issues. U.S. national security is enhanced through the creation of a stable and secure Indian Ocean region. Terrorism has proven itself a real regional concern, as has lawlessness and international organized crime of other sorts. The participation of Comoros in international trade bodies helps to preserve U.S. trade policies globally. Ecological degradation in the Indian Ocean threatens the oceanscape throughout the world.

Strategic Goals and Supporting Programs for FY 2000:

Regional Stability: International Military and Education Training (IMET) programs in Comoros will contribute to creating professional militaries that respect civilian rule.

$75

Democracy: Democratic institutions have made progress in Comoros. Post will use the regional Democracy and Human Rights Fund to track the further development of local democracy and to support evolving institutions.

Environment: Post's Consular District includes a unique ecology and opportunities for aquaculture. Post will use regional Self-Help funds to help support local efforts to preserve the ecology and responsibly manage fisheries.

Performance Evaluation:

- Increased professionalism in the Comorian Defense Force. IMET programs continued to increase the professionalism of the Comorian military. Comoros struggled at the end of the year with the death of its president and the assumption of a caretaker government, and separatist groups continue to create internal security problems. Comoros assisted FBI agents investigating the August 7 bombings of two U.S. embassies, underscoring a desire for closer relations but revealing the need to improve law enforcement with respect to Islamic fundamentalist groups operating out of Comoros.

Key Indicators for FY 2000 Performance:

- American firms in the energy sectors gain access to the markets in Comoros.
- Comoros passes legislation allowing for increased international law enforcement cooperation.
- Faster response times are registered for warden system tests throughout the district.

COMOROS
FUNCTION 150 RESOURCES
($ in thousands)

Appropriations Accounts by Strategic Goal	Actual FY 1998	Estimate FY 1999	Request FY 2000
Regional Stability	**101**	**75**	**75**
IMET	101	75	75
Total	***101***	***75***	***75***

Appropriations Accounts	Actual FY 1998	Estimate FY 1999	Request FY 2000
IMET	101	75	75
Total	***101***	***75***	***75***
COMOROS FUNCTION 150 RESOURCES GRAND TOTAL	***101***	***75***	***75***

Republic of the Congo

($ in thousands)

National Interests: The key U.S. national interest in the Congo is humanitarian. Other U.S. interests include democracy and economic prosperity. In support of these interests, the United States seeks Congo's neutrality in the war in the Democratic Republic of Congo and in other potentially destabilizing regional conflicts; the protection of U.S. economic interests in the country, especially in the oil industry; the restoration of democracy and rule of law through a broad-based national reconciliation and free, fair, and transparent elections; and the avoidance of humanitarian disasters.

Strategic Goals and Supporting Programs for FY 2000:

Economic Development: The U.S. will encourage the Congo, one of Africa's largest oil producers, to reform and develop its economy by adhering to IMF and World Bank guidelines of fiscally-responsible policies and economic liberalization, including privatization. We will promote investment opportunities for U.S. businesses and support U.S. firms already in country. This will be supported in FY 2000 through the ECE international information program.

Democracy: The U.S. will promote human rights and work for restoration of democracy through broad-based national reconciliation leading to constitutional reform and free, fair and transparent elections. The U.S. will support this process through the ECE international information program and the regional Democracy and Human Rights Fund.

Performance Evaluation:

Strengthened democratic institutions: Congo was unable to avoid a return to civil strife in 1998 partly because it has not achieved a broad-based national reconciliation embracing major political players.

Continued progress on economic reform. Although its recovery from civil war in 1997 has been slowed by falling oil prices and revenues, the Sassou government has indicated it has the will to improve its economy by adhering to IMF guidelines. Throughout most of FY 98, it captured the favorable attention of increasing numbers of U.S. investors, particularly in the oil sector.

Key Indicators for FY 2000 Performance:

- Domestic peace is achieved and genuine, broad-based national reconciliation is sought through dialogue among major political groups.
- Congo makes progress in negotiating an Enhanced Structural Adjustment Facility (ESAF) with the IMF.
- If stability occurs, number of U.S. firms and/or size of U.S. investments in Congo increases.

Congo, Republic of the
FUNCTION 150 RESOURCES
($ in thousands)

Other Accounts			
D&CP	1,812	2,075	2,586
ECE	152	165	171
Total	***1,964***	***2,240***	***2,757***
CONGO, REPUBLIC OF THE FUNCTION 150 RESOURCES GRAND TOTAL	***1,964***	***2,240***	***2,757***

Cote d'Ivoire

($ in thousands)

National Interests: The primary U.S. interests in Cote d'Ivoire are democracy and global issues, law enforcement, humanitarian assistance and protecting American citizens. Major U.S. efforts lie in promoting regional stability through Cote d'Ivoire's diplomatic efforts and participation in regional peacekeeping activities and the opening of markets to U.S. exports. Further efforts include greater democratization, enhanced economic growth which will lessen the need for humanitarian assistance, and collaboration on addressing global issues, such as health, population, transnational crime and terrorism.

Strategic Goals and Supporting Programs for FY 2000:

Regional Stability: International Military Exchange and Training (IMET) and Joint Combined Exercises and Training (JCET) programs, training under the African Crisis Response Initiative (ACRI) and ECE exchanges and visitor programs enhance the military's understanding of civilian control in a democratic society and also increase the military's effectiveness in regional peacekeeping activities. The Ivorian Government has indicated it is prepared to consider further support for regional peacekeeping operations. In this regard, Cote d'Ivoire will be eligible to receive grant Excess Defense Articles (EDA) in FY 2000 under Section 516 of the Foreign Assistance Act. The transfer of EDA such as vehicles, radios and field equipment will encourage and support the development of Ivorian peacekeeping capabilities. $150

Open Markets: Media programs, ECE International Visitor (IV) grants, academic exchanges, seminars, and library and outreach programs including Worldnet Interactive dialogues will publicize laws and practices that encourage the flow of U.S. goods into Cote d'Ivoire.

Expand U.S. Exports: ECE media outreach programs and both print and on-line resources will help broaden familiarity with U.S. products and services within the Ivoirian market. The Foreign Commercial Service will inform U.S. businesspersons about potential export opportunities.

Economic Development: ECE media programs will promote market-based reform, while Peace Corps projects assist with micro-enterprise development at the community level. ECE IV grants, academic exchanges, seminars, library and outreach programs provide the population with tools for participation in the market economy.

Illegal Drugs: ECE programs support exchanges between relevant U.S. and Ivoirian agencies, facilitate collaboration to combat illegal drug flows, and provide media with information on the risks posed by the traffic of illegal drugs.

Democracy: Regional Democracy and Human Rights Fund grants, ECE academic exchanges, seminars, library and outreach programs will encourage the GOCI, the opposition, the media, and NGO's to strengthen democratic institutions and ensure transparent, non-violent elections in 2000.

Environment: Peace Corps programs teach conservation and the proper use of natural resources at the grassroots level through community projects.

Health: Peace Corps Volunteers and programs promote delivery of, and access to, maternal and child health care. Peace Corps programs and ECE exchanges and media programs also promote improved capacity of GOCI agencies to deliver health care and enhanced public awareness of health issues, specifically child survival. Separately, the Centers for Disease Control conducts programs on HIV awareness, prevention and related problems.

Performance Evaluation:

- Ivoirian participation in future peacekeeping operations: Cote d'Ivoire pledged to contribute military medical personnel to peacekeeping efforts in Sierra Leone, but has not yet done so.

- Increased number of IMET trained officers in positions of responsibility: Many IMET-trained military officers now occupy important positions within the military and continue to be important contacts of the Embassy.

- Greater respect for human rights by the Ivoirian military, including an end to the use of lethal force against the local civilian and Liberian refugee populations: Two cases of physical abuse of civilians by military personnel were reported, a decrease from previous years.

Key Indicators for FY 2000 Performance:

- Cote d'Ivoire remains stable during year 2000 free and fair elections.
- Armed forces demonstrate increased professionalism and peacekeeping capabilities.
- At least one U.S. company wins a bid for privatization of a state-owned company or infrastructure project.
- Increase in U.S. exports to Cote d'Ivoire.
- Increased cooperation on counter-narcotics activities.

COTE D'IVOIRE
FUNCTION 150 RESOURCES
($ in thousands)

Appropriations Accounts by Strategic Goal	Actual FY 1998	Estimate FY 1999	Request FY 2000
Regional Stability	**211**	**150**	**150**
IMET	211	150	150
Economic Development	**1,126**	**-**	**-**
Title II	1,126	-	-
Total	***1,337***	***150***	***150***

Appropriations Accounts	Actual FY 1998	Estimate FY 1999	Request FY 2000
IMET	211	150	150
Title II	1,126	-	-
Total	***1,337***	***150***	***150***
Other Accounts			
D&CP	6,085	5,330	5,605
ECE	503	486	497
Peace Corps	2,345	2,387	2,401
Total	***8,933***	***8,203***	***8,503***
COTE D'IVOIRE FUNCTION 150 RESOURCES GRAND TOTAL	***10,270***	***8,353***	***8,653***

Democratic Republic of the Congo (DROC)

($ in thousands)

National Interests: The key national interest in the Democratic Republic of the Congo is humanitarian assistance followed by interests in democracy and economic prosperity. The immediate U.S. goal in the DROC is a negotiated end to the civil conflict and a transition to Democratic rule. The conflict threatens regional stability, exacerbates the country's humanitarian crises, retards progress on political and economic reform, and increases risks to U.S. citizens. The Democratic Republic of the Congo is also a potential partner for increasing U.S. investment in minerals.

Strategic Goals and Supporting Programs for FY 2000:

Regional Stability: The Congo war involves troops from at least eight countries as well as various insurgent groups. Diplomatic efforts will focus on achieving a negotiated settlement, including a cease-fire and progress on resolving both the internal (governance) and external (border security) problems underlying the conflict. ECE exchange and information programs will support diplomatic efforts. In the event of a settlement of the conflict and a Congressional waiver regarding the resumption of security assistance to the Congo, an International Military Education and Training (IMET) program will help professionalize the Congolese military. The Democratic Republic of the Congo will be eligible in FY 2000 to receive Excess Defense Articles (EDA) on a grant basis under Section 516 of the Foreign Assistance Act of 1961, as amended. Upon resolution of the on-going conflict, grant EDA will support a rebuilding and professionalizing of the military following years of internal strife, and assist with maintaining internal security. $70

Open Markets: ECE exchange and information programs will reinforce diplomatic efforts to encourage reforms aimed at opening markets.

Environment: The United States will continue to assist Congo to preserve and benefit from its ecological riches through USAID programs. $1,000

Health: USAID programs will continue to be used to strengthen Congolese capabilities to detect, contain and treat infectious and other diseases. $8,500

Performance Evaluation:

- Most FY 98 programs were not implemented. The war that broke out in August 1998 seriously disrupted FY 1998 programs. The Embassy suspended operations for several months due to the security situation. The Congolese government's attention and resources are focused almost exclusively on the war. Many FY 1998 programs required Brooke amendment waivers. The Secretary signed a waiver in July, but the war broke out before programs could be implemented.
- Reduced incidence of childhood disease. USAID conducted successful immunization programs, achieving 85% coverage for polio immunization in Kinshasa and 47 other towns.

Key Indicators for FY 2000 Performance:

- A peaceful end to the civil conflict
- Reduced incidence of childhood disease.
- Reduction in the population growth rate.
- Improved environmental conservation.
- Increased privatization of the economy.

CONGO, DEMOCRATIC REPUBLIC OF THE
FUNCTION 150 RESOURCES
($ in thousands)

Appropriations Accounts by Strategic Goal	Actual FY 1998	Estimate FY 1999	Request FY 2000
Regional Stability	**-**	**70**	**70**
IMET	-	70	70
Economic Development	**3,000**	**500**	**-**
DA	3,000	500	-
Democracy	**9,000**	**2,000**	**-**
DA	9,000	2,000	-
Humanitarian Assistance	**9,500**	**-**	**-**
ESF	9,500	-	-
Environment	**1,000**	**-**	**1,000**
DA	1,000	-	1,000
Health	**7,000**	**5,400**	**8,500**
DA	7,000	5,400	8,500
Total	***29,500***	***7,970***	***9,570***

Appropriations Accounts	Actual FY 1998	Estimate FY 1999	Request FY 2000
DA	20,000	7,900	9,500
ESF	9,500	-	-
IMET	-	70	70
Total	***29,500***	***7,970***	***9,570***
Other Accounts			
D&CP	4,122	4,155	6,187
ECE	72	79	82
IIP	674	942	-
Total	***4,868***	***5,176***	***6,269***
CONGO, DEMOCRATIC REPUBLIC OF THE FUNCTION 150 RESOURCES GRAND TOTAL	***34,368***	***13,146***	***15,839***

Djibouti

($ in thousands)

National Interests: The primary U.S. interests in Djibouti are humanitarian assistance, democracy and law enforcement. Strategic objectives of the U.S. are at stake in Djibouti because of the country's key position in the Bab el Maneb, on the crossroads between Ethiopia, Eritrea and Sudan. The U.S. encourages the development of democratic institutions in Djibouti as a bulwark against militant fundamentalist expansion and subversion. From Djibouti, the USG will attempt to influence political reconciliation in Somalia.

Strategic Goals and Supporting Programs for FY 2000 :

Regional stability: The U.S. goal is to retain access to Djibouti military facilities. (CENTCOM) uses Djibouti facilities as alternative logistic sites. U.S. access allows U.S. military planners options when preparing for crisis in the Gulf, Horn of Africa or the Indian Ocean. To maintain bilateral military relations, the U.S. will continue the International Military Education and Training (IMET) program. Djibouti will be eligible to receive grant Excess Defense Articles (EDA) in FY 2000 under Section 516 of the Foreign Assistance Act. The transfer of EDA such as vehicles, radios and field equipment will encourage and support the development of Djiboutian peacekeeping capabilities $100

Performance Evaluation:

- Continued demobilization of troops. Djibouti made continued progress in demobilizing and professionalizing its forces through U.S. IMET assistance.
- Continued participation by qualified Djiboutian military members in IMET. IMET training in 1998 was a success and resulted in closer U.S./Djibouti militaries.
- A transition to democratic rule. Djibouti made progress towards preparing for a transition government and presidential elections to take place in April 1999.

Key Indicators for FY 2000 Performance:

- Djiboutian military members demonstrate professionalism as a result of IMET training.
- The peaceful, transparent and democratic transfer of executive power.

DJIBOUTI
FUNCTION 150 RESOURCES
($ in thousands)

Appropriations Accounts by Strategic Goal	Actual FY 1998	Estimate FY 1999	Request FY 2000
Regional Stability	**103**	**100**	**100**
IMET	103	100	100
Economic Development	**434**	**641**	**-**
Title II	434	641	-
Total	***537***	***741***	***100***

Appropriations Accounts	Actual FY 1998	Estimate FY 1999	Request FY 2000
IMET	103	100	100
Title II	434	641	-
Total	***537***	***741***	***100***
Other Accounts			
D&CP	2,769	2,706	2,846
ECE	5	7	7
Total	***2,774***	***2,713***	***2,853***
DJIBOUTI FUNCTION 150 RESOURCES GRAND TOTAL	***3,311***	***3,454***	***2,953***

Eritrea

($ in thousands)

National Interests: The primary U.S. national interest in Eritrea is national security. Other interests include economic, democracy and global issues. The United States and Eritrea enjoy an expanding bilateral relationship that is critical to maintaining access to the Red Sea, via the longest sea coast in the Horn, and to protecting U.S. power projection capability into the Arabian peninsula. U.S. security could depend on military access to Eritrea if U.S. bases in Saudi Arabia faced a threat. Eritrean stability is therefore pursued through promoting sustainable economic development, democratization and protection of human rights, privatization, education, and Eritrea's continued commitment as a secular state.

Strategic Goals and Supporting Programs for FY 2000:

Regional Stability: Assuming a peaceful resolution of the border problem with Ethiopia, International Military Education and Training (IMET) training and joint exercises will strengthen bilateral military cooperation and continue to assist the Eritrean military to transform itself from a guerilla army to an efficient, modern force. Eritrea will be eligible in FY 2000 to receive grant Excess Defense Articles (EDA) under Section 516 of the Foreign Assistance Act. Upon resolution of the border dispute, EDA will be used to help strengthen Eritrea's demining program by providing such items as vehicles, radios and field equipment. EDA will also assist in countering threats emanating from Sudan. $390

Economic Development: Development Assistance, PL 480, and Peace Corps programs in capacity development, economic growth and agriculture will contribute to broad-based economic growth. $4,300

Democracy: Although USAID has been forced to withdraw some of its democratization programs at the request of the Eritrean Government, several projects, such as those at Asmara University, remain. ECE programs encourage Eritrea's sometimes halting steps toward participatory democracy. The Embassy takes every opportunity to remind the GOE of our interest in free markets and political processes. $400

Humanitarian: Nonproliferation, Antiterrorism, Demining and Related Programs (NADR) demining programs will help eliminate landmines and provide community awareness of the dangers of landmines. $1,000

Environment: USAID and Peace Corps supports a reforestation and biodiversity program in Eritrea that has allowed the return of wildlife, including elephants and six kinds of birds on the endangered species list. $300

Population: USAID's population program in Eritrea will assist with family planning in order to help slow the 3 percent growth rate.

$200

Health: USAID and Peace Corps operate programs in maternal health and child survival.

$3,833

Performance Evaluation:

- Achieve a lasting peace on the border with Ethiopia: Refusal by both parties to negotiate effectively has made this goal elusive in 1998.

- Renew steps towards democratization and free markets: Eritrea's steps towards denationalization of industry and democracy slowed during the mobilization which followed the border dispute. The National Assembly has approved a constitution, but it has not been implemented. Promised elections have been deferred.

- Reestablish trade at 1997 levels and beyond: Trade with Eritrea has been interrupted by the border dispute. U.S. exports have decreased. New American investment has come to a halt. ESP status for Eritrea should be finalized soon, opening opportunities for expanded trade.

Key Indicators for FY 2000 Performance:

- Resolution of the border dispute with Ethiopia.
- Preparations for a transition to democracy.
- U.S. exports to and investment in Eritrea if country has stabilized.
- Continued economic growth.
- Concrete steps toward democratization such as the implementation of the constitution.
- Continued denationalization of state-owned industry.

ERITREA
FUNCTION 150 RESOURCES
($ in thousands)

Appropriations Accounts by Strategic Goal	Actual FY 1998	Estimate FY 1999	Request FY 2000
Regional Stability	**409**	**425**	**390**
IMET	409	425	390
Economic Development	**9,192**	**7,849**	**4,300**
DA	3,850	3,990	4,300
Title II	442	659	-
Title III	4,900	3,200	-
Democracy	**500**	**400**	**400**
DA	500	400	400
Humanitarian Assistance	**1,500**	**800**	**1,000**
NADR-Demining	1,500	800	1,000
Environment	**350**	**200**	**300**
DA	350	200	300
Population	**200**	**400**	**200**
DA	200	400	200
Health	**6,300**	**5,010**	**3,833**
DA	6,300	5,010	3,833
Total	***18,451***	***15,084***	***10,423***

Appropriations Accounts	Actual FY 1998	Estimate FY 1999	Request FY 2000
DA	11,200	10,000	9,033
IMET	409	425	390
NADR	1,500	800	1,000
Title II	442	659	-
Title III	4,900	3,200	-
Total	***18,451***	***15,084***	***10,423***
Other Accounts			
D&CP	1,286	1,489	1,566
ECE	239	260	262
Peace Corps	626	215	838
Total	***2,151***	***1,964***	***2,666***
ERITREA			
FUNCTION 150 RESOURCES GRAND TOTAL	***20,602***	***17,048***	***13,089***

Ethiopia

($ in thousands)

National Interests: The primary U.S. interest in Ethiopia is national security in a turbulent region characterized by Islamic fundamentalism and terrorism in Sudan and chaos, which invites terrorist activity, in Somalia. Other interests are democracy and humanitarian assistance. Its internal situation and international salience remain critical factors in the stability of the Horn as a whole. The long-term goal of transforming the Ethiopian military into a professional, apolitical modern force remains important, despite constraints of a major buildup in response to perceived Eritrean aggression. The GFDRE is committed to democracy and market-based economic reform, although progress has been incremental owing to the border conflict and threats posed by regional instability, especially in Sudan and Somalia.

Strategic Goals and Supporting Programs for FY 2000:

Regional Stability: Ethiopia is the keystone nation for U.S. interests in the Horn, and anchors regional organizations and programs such as the Intergovernmental Authority on Development (IGAD), the Greater Horn of Africa Initiative (GHAI), the World Bank's Nile Basin Initiative, and the Organization for African Unity (OAU). Continuing support for these organizations and activities will improve prospects for stability throughout the greater Horn, reduce adverse effects of the Ethiopia/Eritrea border conflict, and promote regional and Ethiopian economic development and democratization. International Military Education and Training (IMET) assistance will assist in increasing the professionalism of the Ethiopian military and in strengthening the U.S.-Ethiopian military relationship. Ethiopia will be eligible in FY 2000 to receive Excess Defense Articles (EDA) on a grant basis under Section 516 of the Foreign Assistance Act. Upon resolution of the border dispute, EDA such as C-130 spare parts, vehicles, and radios will enhance Ethiopia's military capability to participate in international peacekeeping, demining operations, and the African Crisis Response Initiative. EDA will also assist in countering threats emanating from Sudan. $490

Economic Development: Sustained economic growth is essential if Ethiopia is to maintain relative stability and be a stabilizing influence in the Horn. Basic education, agricultural programs, and reforms that enable the private sector to maintain growth and encourage investment are being facilitated and implemented by USAID. PL 480 II and Peace Corps programs will assist with micro-enterprise development at the community level. $54,750

Democracy: Emerging from thirty years of civil war and over a decade of institutionalized government repression, Ethiopia now needs wide-ranging support for the basic institutions of democracy and the education of its society and key institutions to guide them through the transformation to enduring democracy. Increased USAID support for partnerships and exchanges is critical, especially during this sensitive transitional period $2,400

Humanitarian Assistance: NADR demining programs will help eliminate the scourge of landmines left from Ethiopia's civil war. PL 480 programs will contribute to humanitarian relief. $1,000

Environment: Nile water conservation and distribution, biosafety, desertification, infectious disease control, and reversing degradation of the natural resource base are foci of our environmental efforts in Ethiopia. Success depends primarily on USAID institution-building and constant U.S. Mission engagement with relevant ministries and agencies. Peace Corps programs teach conservation and the proper use of natural resources at the grassroots level through community projects. $500

Population: USAID population programs will assist with family planning in order to help slow Ethiopia's rapid population growth. $6,000

Health: Peace Corps programs at the grassroots level promote health awareness and sound community health practices. USAID health programs will continue to assist Ethiopia to support child survival and combat infectious diseases, including HIV/AIDS. $12,200

Performance Evaluation:

- Increase rural income through growth of rural enterprise. Ethiopia's economy grew steadily throughout 1998 – growth which was substantially supported by increased rural enterprise activity.

- Increase capacity for democratic governance. The USG successfully supported increasingly effective and free news media, a more effective and representative legislature, development of civil society, and greater adherence to the rule of law in the administration of justice.

- Increase U.S. investment. After a promising beginning in 1998, U.S. investment and investor interest shriveled following the May/June border clashes and the onset of the Ethiopia/Eritrea border conflict.

- Increase involvement in international peacekeeping. As with investment, the Ethiopia/Eritrea border conflict aborted a promising beginning in 1998.

Key Indicators for FY 2000 Performance:

- Achievement of a constructive dialogue between Ethiopia and Egypt on Nile waters.
- Acceleration of economic reforms and liberalization.
- Strengthen capacity of the Ethiopian National Narcotics Unit (ECNU).
- Strengthen the GFDRE's anti-terrorism capability.
- Broaden opportunities for political participation.

ETHIOPIA
FUNCTION 150 RESOURCES
($ in thousands)

Appropriations Accounts by Strategic Goal	Actual FY 1998	Estimate FY 1999	Request FY 2000
Regional Stability	**259**	**525**	**490**
IMET	259	525	490
Economic Development	**88,548**	**66,801**	**54,750**
DA	15,760	18,000	16,650
Title II	62,888	43,101	38,100
Title III	9,900	5,700	-
Democracy	**1,300**	**2,000**	**2,400**
DA	1,300	2,000	2,400
Humanitarian Assistance	**400**	**800**	**1,000**
NADR-Demining	400	800	1,000
Title II	-	-	-
Environment	**2,500**	**2,400**	**500**
DA	2,500	2,400	500
Population	**9,500**	**3,750**	**6,000**
DA	9,500	3,750	6,000
Health	**13,825**	**13,765**	**12,200**
DA	13,825	13,765	12,200
Total	***116,332***	***90,041***	***77,340***

Appropriations Accounts	Actual FY 1998	Estimate FY 1999	Request FY 2000
DA	42,885	39,915	37,750
IMET	259	525	490
NADR	400	800	1,000
Title II	62,888	43,101	38,100
Title III	9,900	5,700	-
Total	***116,332***	***90,041***	***77,340***
Other Accounts			
D&CP	3,674	3,982	4,188
ECE	749	805	824
Peace Corps	1,370	1,473	1,492
Total	***5,793***	***6,260***	***6,504***
ETHIOPIA ***FUNCTION 150 RESOURCES GRAND TOTAL***	***122,125***	***96,301***	***83,844***

Gabon

($ in thousands)

National Interests: The key U.S. national interest in Gabon is democracy, and economic prosperity is another interest. We seek to strengthen Gabon's democratic institutions, keeping it involved in regional mediation efforts and peacekeeping operations, and encouraging it to reform and diversify its economy, in order to benefit sectors of society currently on the margins and making it more open to U.S. investment and exports. Other interests are protecting American citizens, and promoting health and environmental concerns.

Strategic Goals and Supporting Programs for FY 2000:

Regional Stability: The U.S. will continue to encourage Gabon to remain engaged in regional mediation efforts and peacekeeping operations. This will be supported through International Military Education and Training (IMET)-sponsored, military-to-military interaction and encouraged through diplomatic dialogue. Gabon will be eligible in FY 2000 to receive Excess Defense Articles (EDA) on a grant basis under Section 516 of the Foreign Assistance Act of 1961, as amended. Grant EDA will support Gabon's peacekeeping contributions and its apolitical military $75

Economic Development: Peace Corps programs will contribute to micro-enterprise development at the community level.

Democracy: The U.S. will encourage Gabon to build and strengthen existing democratic institutions and processes by providing information, guidance, and encouragement. It will promote open discourse in order to foster good governance, administrative transparency, the rule of law, and the development of civil society. It will use ECE exchange and information programs and regional Democracy and Human Rights Funds toward this end.

Environment: Since Gabon is heavily forested, part of the Congo Tropical Rainforest Basin, and rich in flora and fauna, the U.S. will encourage Gabon to improve the husbandry of its natural resources and biodiversity and to protect endangered species. This goal will be supported in part through Peace Corps programs, regional USAID initiatives, and participation in international efforts that promote conservation and sustainable agricultural diversity.

Health: The U.S. will pursue improvements in Gabon's capacity in the health sector by supporting research of tropical diseases and by promoting basic health education. One focus of the Peace Corps program in Gabon is health education.

Performance Evaluation:

Progress toward a democratic transition. Gabon conducted peaceful Presidential elections in December 1998. Although the popular will was likely reflected in the outcome, the elections were plagued by organizational problems.

Support for regional peacekeeping operations. Gabon and President Bongo supported the UN's peacekeeping operation in the CAR (MINURCA) and attempted to mediate peace in DROC.

Cooperation with the United States through Gabon's role on the UN Security Council. Gabon's performance in the UN Security Council has been on the whole positive and it has cooperated with the U.S. to confront critical challenges such as those posed by Libya and Iraq.

Economic reform. Gabon has not yet undertaken the economic reforms necessary for it to comply with IMF guidelines and to improve the distribution of income to its citizens.

Key Indicators for FY 2000 Performance:

- Gabon's establishment of a permanent body to better prepare for future elections.
- Gabon's continued participation in MINURCA and in other peacekeeping exercises.
- Gabon gets back on track with the IMF and successfully privatizes some key industries.

GABON
FUNCTION 150 RESOURCES
($ in thousands)

Appropriations Accounts by Strategic Goal	Actual FY 1998	Estimate FY 1999	Request FY 2000
Regional Stability	**-**	**50**	**75**
IMET	-	50	75
Total	**-**	***50***	***75***

Appropriations Accounts	Actual FY 1998	Estimate FY 1999	Request FY 2000
IMET	-	50	75
Total	**-**	***50***	***75***
Other Accounts			
D&CP	2,485	2,530	2,661
ECE	8	10	10
Peace Corps	2,122	2,165	2,170
Total	***4,615***	***4,705***	***4,841***
GABON FUNCTION 150 RESOURCES GRAND TOTAL	***4,615***	***4,755***	***4,916***

Gambia

($ in thousands)

National Interests: The primary U.S. interest in the Gambia is humanitarian followed by an interest in democracy. Although we are unable to provide direct bilateral assistance due to Section 508 Foreign Assistance Act Restrictions, these goals are supported through Peace Corps and PL 480 II programs.

Strategic Goals and Supporting Programs for FY 2000:

Economic Development: The PL 480 II Food Security Program sesame growing project which trains women in literacy, numeracy, business, and management, enhances the potential growth of the larger Gambian economy by encouraging the integration of skilled workers from an enlarged labor pool. Peace Corps programs also support grassroots economic development. $2,379

Environment: Peace Corps environmental programs raise awareness of environmental issues and promote effective natural resource management at the local level.

Health: The PL 480 II Food Security Program also targets women's and children's health issues. Through supporting health education and the distribution of nutritional supplements to pregnant and nursing mothers, the U.S. is working to reduce the infant mortality rate in the Gambia. Peace Corps will also continue to work in the area of women's health.

Performance Evaluation:

- Improve the quality of life of the neediest families in the Gambia. A formal evaluation of the Food Security Program is scheduled at the end of January 1999.

- Increased education on women's and children's health issues. The formal evaluation of the Food Security Program will include an examination of progress in these areas.

Key Indicators for FY 2000 Performance:

- A net increase of 5,000 literate women.
- Increased cash income and food availability amongst the neediest.
- Increase in the number of sesame buyers and higher income levels of sesame producers.
- In conjunction with other donors and programs, a 10% decrease in the infant mortality rate.
- Increased awareness of women's and children's health issues.

THE GAMBIA
FUNCTION 150 RESOURCES
($ in thousands)

Appropriations Accounts by Strategic Goal	Actual FY 1998	Estimate FY 1999	Request FY 2000
Economic Development	**2,099**	**2,164**	**2,379**
Title II	2,099	2,164	2,379
Total	***2,099***	***2,164***	***2,379***

Appropriations Accounts	Actual FY 1998	Estimate FY 1999	Request FY 2000
Title II	2,099	2,164	2,379
Total	***2,099***	***2,164***	***2,379***
Other Accounts			
D&CP	1,344	1,286	1,352
ECE	4	5	5
Peace Corps	1,292	1,202	1,221
Total	***2,640***	***2,493***	***2,578***
GAMBIA, THE FUNCTION 150 RESOURCES GRAND TOTAL	***4,739***	***4,657***	***4,957***

Ghana

($ in thousands)

National Interests: The primary U.S. interest in Ghana is the consolidation of democracy. Other interests include economic prosperity and global issues such as environmental protection and adequate health services. Ghana's readiness to act as a proponent of regional stability results in reduced demands for humanitarian assistance in affected West African countries. Ghana's impressive market reforms have resulted in dramatically increased commercial exchanges with the U.S. and establish the potential for further growth. Ghana is already the third largest U.S. trading partner in sub-Saharan Africa, behind South Africa and Nigeria. The United States exported over $336 million in goods to Ghana in 1998, mostly in the machinery, building materials, processed foods, energy services and vehicle sectors.

Strategic Goals and Supporting Programs for FY 2000:

Regional Stability: Continued direct support to Ghana's military through International Military Education and Training (IMET), African Crisis Response Initiative (ACRI), and Foreign Military Financing Grants, supported by an effective public outreach program, will help keep Ghana's political and military leaders constructively engaged in peacekeeping activities. Ghana would be eligible in FY 2000 to receive grant Excess Defense Articles (EDA) under Section 516 of the Foreign Assistance Act. Ghana has long contributed forces to peacekeeping efforts worldwide and EDA, such as vehicles, radios, field equipment and clothing, would help Ghana continue to participate in peacekeeping operations. $420

Open Markets: ECE exchanges will support efforts to persuade Ghana to further open its markets for goods and services to U.S. suppliers.

Economic Development: USAID, Peace Corps, and PL 480 II programs will focus on raising Ghanaian living standards and encouraging engagement in the modern economic sector to help stimulate demand for U.S. goods and services. $34,304

Democracy: USAID Development Assistance programs, supported by ECE exchange programs, and the regional Democracy and Human Rights Fund will promote broad-based civil society participation in the democratic process, strengthen parliamentary institutions, and encourage good governance and freedom of the press. $900

Environment: USAID Development Assistance funds and Peace Corps programs will promote conservation of Ghana's forests and environmental education and will encourage eco-tourism activities that are both environmentally sound and economically productive. $2,000

Population: USAID programs will, as part of an overall effort to improve family health, support the availability of family planning services. $5,900

Health: USAID Development Assistance and Peace Corps will support programs to promote family health and child survival and to fight infectious diseases through education, prevention, and direct intervention. $7,500

Performance Evaluation:

- Support Ghanaian democracy based on rule of law, respect for human rights, open political dialogue, and apolitical role of the military. President Rawlings publicly stated his intention to abide by the constitution and not run for a third term in the year 2000 election. Political parties have freely begun to campaign although political dialogue remains polemical. Enhanced human rights legislation has been passed for women and children; human rights NGOs operate freely. The military remains committed to the constitution and civilian rule.

- Encourage Ghana to expand its regional security role, including enhancement of its capabilities to contribute to regional and international peacekeeping operations. Ghana remains engaged in resolving regional crises through diplomacy, and its peacekeeping forces are engaged in Liberia and Sierra Leone. Ghanaian military forces successfully completed initial and follow-on battalion level ACRI training. In addition, Ghana has plans to train a second battalion and offered a brigade headquarters staff for ACRI efforts. However, Ghana's ability to expand its peacekeeping operations remains handicapped by severe budgetary problems.

Key Indicators for FY 2000 Performance:

- Continued engagement of Ghanaian peacekeeping forces in regional conflicts.
- Ghana signs General Agreement on Trade in Services relating to telecommunications.
- Increased level of U.S. exports to Ghana.
- Open playing field in year 2000 election.
- Decrease in population and infant mortality rates.

GHANA
FUNCTION 150 RESOURCES
($ in thousands)

Appropriations Accounts by Strategic Goal	Actual FY 1998	Estimate FY 1999	Request FY 2000
Regional Stability	**288**	**400**	**420**
IMET	288	400	420
Economic Development	**35,234**	**37,426**	**34,304**
DA	20,800	18,143	18,450
Title II	14,434	19,283	15,854
Democracy	**1,500**	**1,500**	**900**
DA	1,500	1,500	900
Environment	**2,000**	**2,800**	**2,000**
DA	2,000	2,800	2,000
Population	**6,000**	**6,175**	**5,900**
DA	6,000	6,175	5,900
Health	**7,931**	**8,303**	**7,500**
DA	7,931	8,303	7,500
Total	***52,953***	***56,604***	***51,024***

Appropriations Accounts	Actual FY 1998	Estimate FY 1999	Request FY 2000
DA	38,231	36,921	34,750
IMET	288	400	420
Title II	14,434	19,283	15,854
Total	***52,953***	***56,604***	***51,024***
Other Accounts			
D&CP	3,790	4,456	5,802
ECE	1,020	1,081	1,114
IIP	1,157	1,070	-
Peace Corps	2,791	2,896	2,879
Total	***8,758***	***9,503***	***9,795***
GHANA FUNCTION 150 RESOURCES GRAND TOTAL	***61,711***	***66,107***	***60,819***

Guinea

($ in thousands)

National Interests: The primary U.S. interest in Guinea is humanitarian. Other U.S. interests include democracy and global issues. Guinea plays a key role in furthering regional stability in West Africa. Humane treatment of refugees is a key U.S. policy objective for which Guinea has provided admirable support. Guinea's military contributes to regional security operations, supporting U.S. efforts to ensure regional stability.

Strategic Goals and Supporting Programs for FY 2000:

Regional Stability: Guinea's armed forces have played a vital role in ensuring stability in the region, particularly in Sierra Leone. The International Military Education and Training (IMET) program in Guinea exposes the Guinean military officers to U.S. training, professionalism, and concern for human rights. Guinea will be eligible in FY 2000 to receive grant Excess Defense Articles (EDA) under Section 516 of the Foreign Assistance Act. EDA geared to support of the Navy, in the way of spare parts and communications equipment for the four patrol boats previously supplied by the U.S., and personal equipment and clothing for Guinea's small Army will assist the IMET-trained officers help professionalize the Guinean military and sustain it as an apolitical force. $150

Economic Development: USAID and U.S. Mission programs encourage the reform of commercial law, better governmental management, and privatization. PL 480 II and Peace Corps programs will assist with development at the community level. $8,467

Democracy: The U.S. Mission, through USAID and ECE exchange and information programs, will continue to encourage democratization, the building of civil society, and development of an independent press. $2,900

Humanitarian Assistance: The Government of Guinea has continued to accept refugees from conflicts in neighboring nations. Peace Corps volunteers work with refugees to assist them with readjustment and repatriation at the appropriate time.

Environment: USAID environmental programs encourage community-based natural resource management and enhance farmers' ability to engage in sustainable agriculture. Peace Corps environment programs teach conservation and the proper use of natural resources at the grassroots level through community projects $4,000

Population: The U.S. Mission through USAID and the Peace Corps works to increase access to family planning services and availability of contraceptives in the public and private sectors. Stabilizing Guinea's population will reduce human suffering and social instability. $2,800

Health: Working through USAID and the Peace Corps, the U.S. Mission improves awareness of AIDS and other infectious diseases and works to prevent their spread.

$2,800

Performance Evaluation:

- Improved human rights practices, including sanctions against violators of existing (minimal) protection. Guinea has moved forward on human rights, though much remains to be done. The press has become freer and more independent, though the government continues to dominate the electronic media. Some government officials have been sanctioned and fired for human rights violations.

- Free and open debate in a National Assembly which acts as a distinct institution of the GOG. The National Assembly has become increasingly independent of the Executive branch. The Speaker of the National Assembly has become an independent political figure who often challenges the executive and other government branches.

- A more disciplined military which respects the civilian government, can meet Guinea's security needs and can engage in civic programs to provide humanitarian assistance to the population. The military has played a constructive role in providing order and security for Guinea's refugee population. Guinea's Armed Forces actively participated in ECOMOG operations in Sierra Leone, and were a key stabilizing factor in that nation.

- Movement toward an independent, honest judicial system. Some progress has been made in fighting corruption, and the judiciary has shown signs of greater independence, though much remains to be done.

Key Indicators for FY 2000 Performance:

- Continued improvement in basic literacy of the population.
- Improved local elections in 1999 and national legislative elections in 2000.
- A more professional military characterized by trained and disciplined officers and troops and a higher quality police force.
- Improved basic health of the population, with decreased infant and maternal mortality.
- Continued active participation in regional peacekeeping organizations and operations.

GUINEA
FUNCTION 150 RESOURCES
($ in thousands)

Appropriations Accounts by Strategic Goal	Actual FY 1998	Estimate FY 1999	Request FY 2000
Regional Stability	**70**	**150**	**150**
IMET	70	150	150
Economic Development	**7,206**	**8,248**	**8,467**
DA	5,780	6,000	5,800
Title II	1,426	2,248	2,667
Democracy	**2,500**	**1,800**	**2,900**
DA	2,500	1,800	2,900
Environment	**2,920**	**4,000**	**4,000**
DA	2,920	4,000	4,000
Population	**3,000**	**2,375**	**2,800**
DA	3,000	2,375	2,800
Health	**2,700**	**2,786**	**2,800**
DA	2,700	2,786	2,800
Total	***18,396***	***19,359***	***21,117***

Appropriations Accounts	Actual FY 1998	Estimate FY 1999	Request FY 2000
DA	16,900	16,961	18,300
IMET	70	150	150
Title II	1,426	2,248	2,667
Total	***18,396***	***19,359***	***21,117***
Other Accounts			
D&CP	3,881	3,634	3,822
ECE	108	122	125
Peace Corps	2,239	2,257	2,259
Total	***6,228***	***6,013***	***6,206***
GUINEA FUNCTION 150 RESOURCES GRAND TOTAL	***24,624***	***25,372***	***27,323***

Guinea Bissau

($ in thousands)

National Interests: The primary U.S. interest in Guinea-Bissau is democracy. Other interests include humanitarian, and global issues. Guinea-Bissau is in the process of implementing a peace settlement and putting an end to a civil conflict that has damaged the country's infrastructure and displaced over 200,000 persons. The conflict has involved Guinea-Bissau's neighbors and remains a potentially serious threat to regional stability. A restored, economically viable Guinea-Bissau will pose less of a threat to regional stability and will require fewer international humanitarian resources.

Strategic Goals and Supporting Programs for FY 2000:

Regional Stability: Guinea-Bissau is recovering from a civil conflict in which elements of the military rebelled against civilian authorities. International Military Education and Training (IMET) programs will encourage an understanding within the Guinea-Bissau military of the proper role of the military in a modern democratic society. Guinea Bissau will be eligible to receive grant Excess Defense Articles (EDA) in FY 2000 under Section 516 of the Foreign Assistance Act. Such support will assist with efforts to enhance the ability of the Guinea-Bissau military to locate and remove landmines, and to restructure and professionalize their military following a period of instability.$50

Performance Evaluation:

- Create and reinforce a professional military that is supportive of democracy and human rights. The majority of Guinea-Bissau's present military participated in an effort to oust Guinea-Bissau's elected President. The military has, however, indicated that it is willing to support the restoration of democratic institutions and return to the barracks. Negotiations to effect these results are in process.

- Encourage Guinea-Bissau to support conflict resolution, including participation in international peacekeeping. The recent conflict has rendered Guinea-Bissau a recipient of international peacekeeping. Both contending parties have demonstrated their readiness to work with outside mediators to bring an end to the conflict.

Key Indicators for FY 2000 Performance:

- The military returns to the barracks and allows government institutions to function without interference.
- Private entrepreneurs resume their activities and trade and investment increase.
- NGOs engage in election registration activities; international monitoring is allowed.
- The Government of Guinea-Bissau participates in a Humanitarian De-mining Program.

GUINEA-BISSAU
FUNCTION 150 RESOURCES
($ in thousands)

Appropriations Accounts by Strategic Goal	Actual FY 1998	Estimate FY 1999	Request FY 2000
Regional Stability	**64**	**125**	**50**
IMET	64	125	50
Total	***64***	***125***	***50***

Appropriations Accounts	Actual FY 1998	Estimate FY 1999	Request FY 2000
IMET	64	125	50
Total	***64***	***125***	***50***
Other Accounts			
D&CP	1,513	1,250	1,557
ECE	8	9	9
Peace Corps	547	-	-
Total	***2,068***	***1,259***	***1,566***
GUINEA-BISSAU FUNCTION 150 RESOURCES GRAND TOTAL	***2,132***	***1,384***	***1,616***

Kenya

($ in thousands)

National Interests: The primary U.S. interest in Kenya is democracy, with economic and humanitarian interests playing key roles. Kenya is the principal point of access for U.S. military and relief operations in the strategic horn of Africa, including for Sudan and Great Lakes region. The United States also works closely with the Kenyan Government in mediating conflicts, and with Kenyan NGOs in implementing the greater horn of Africa initiative (GHAI). The traditionally apolitical Kenyan military has participated in a number of international peacekeeping operations. Kenya's continued stability depends on strong sustainable, broad-based economic growth, further expansion of Kenya's democratic space, and respect for human rights. The United States is working to meet the critical needs of Kenyans affected by the Nairobi bombing and to build capacity to address future disasters.

Strategic Goals and Supporting Programs for FY 2000:

Regional Stability: International Military Education and Training (IMET) programs strengthen U.S.- Kenyan military cooperation and assist in maintaining the professionalism of Kenya's military and its commitment to civilian rule, which is a stabilizing force in the horn. This program is complemented by diplomatic efforts to support regional stability by maintaining access to Kenyan seaports and airports for humanitarian and military purposes. The United States also encourages Kenya to pursue its mediation of the Sudan and other regional crises, and uses IMET to enhance its ability to participate in international peacekeeping operations. Kenya will be eligible to receive grant Excess Defense Articles (EDA) in FY 2000 under Section 516 of the Foreign Assistance Act. EDA, such as F-5 engines and spare parts, vehicles, radios, and individual equipment, will enhance Kenya's military capability to participate in international peacekeeping operations. $440

Economic Development: USAID and ECE exchange and information programs encourage continued economic reform and better governance. PL 480 II and Peace Corps programs encourage increased food security through assistance to small-holder agriculture. $15,881

Democracy: In addition to diplomatic efforts, USAID, ECE exchange and information and the regional Democracy and Human Rights Fund programs encourage constitutional and other reforms that promote a more open political process and the rules of law. These programs also strengthen civic institutions and an independent media that will further Kenya's transition to a multiparty democracy. $3,000

Environment: USAID and Peace Corps environment programs raise awareness regarding effective natural resource management and support biodiversity. $2,900

Population: USAID population programs support family planning and raise awareness of the implications of continued high population growth rates. $6,400

Health: USAID and Peace Corps programs assist with HIV/AID prevention and basic health services. $6,000

Performance Evaluation:

- Continued economic reform and increased trade with the U.S. During his recent trip to Kenya, Commerce Secretary Daley noted that the economic climate was improving, that the government had liberalized almost the entire regulatory environment and that some indicators, such as declining interest rates, were positive. Kenya was also selected as the first country to participate in open skies negotiations, which will strengthen aviation ties with the United States.

- Progress on broadening the political space. In 1998, Kenya's parliament passed an Act establishing a Constitutional Commission to review and update Kenya's predominantly single-party constitution. Several members of civil society -- including representatives of women's and religious groups -- have been selected to participate on the commission along with political party members.

- Kenyan military's continued professionalism and apolitical stance. The IMET program continued to strengthen the Kenyan military's commitment to professionalism and civilian rule.

- Continued Kenyan interest in and increased proficiency for international peacekeeping activities. Credit is due to President Moi for his concerned efforts to broker a peace settlement between the government and the rebels in Sudan. Kenyan troops also participated in MINURCA, a UN-sponsored peacekeeping operation in the Western Sahara.

Key Indicators for FY 2000 Performance:

- The Kenyan military continues to assist with regional peacekeeping activities.
- The political space continues to broaden as civic groups and the independent press operate with fewer constraints.
- Kenya makes progress on economic reform, anti-corruption and privatization.
- Population growth rates decrease.
- Sound environmental practices increase.

KENYA
FUNCTION 150 RESOURCES
($ in thousands)

Appropriations Accounts by Strategic Goal	Actual FY 1998	Estimate FY 1999	Request FY 2000
Regional Stability	**443**	**400**	**440**
IMET	443	400	440
Economic Development	**29,358**	**12,474**	**15,881**
DA	5,000	4,000	8,600
Title II	24,358	8,474	7,281
Democracy	**2,100**	**2,500**	**3,000**
DA	2,100	2,500	3,000
Humanitarian Assistance	**850**	**37,000**	**-**
ESF	850	37,000	-
Environment	**800**	**800**	**2,900**
DA	800	800	2,900
Population	**6,100**	**5,300**	**6,400**
DA	6,100	5,300	6,400
Health	**5,500**	**6,700**	**6,000**
DA	5,500	6,700	6,000
Total	***45,151***	***65,174***	***34,621***

Appropriations Accounts	Actual FY 1998	Estimate FY 1999	Request FY 2000
DA	19,500	19,300	26,900
ESF	850	37,000	-
IMET	443	400	440
Title II	24,358	8,474	7,281
Total	***45,151***	***65,174***	***34,621***
Other Accounts			
D&CP	7,697	6,053	6,366
ECE	960	1,023	1,038
Peace Corps	3,256	3,251	3,277
Total	***11,913***	***10,327***	***10,681***
KENYA FUNCTION 150 RESOURCES GRAND TOTAL	***57,064***	***75,501***	***45,302***

Lesotho

($ in thousands)

National Interests: The primary U.S. interest in Lesotho is democracy, followed by humanitarian interests. Lesotho, encircled by the industrial and agricultural heartland of South Africa, has complex interdependencies with South Africa. The outcome of a multi-party election held on May 23, 1998 after nearly three decades of authoritarian and military rule was contested, ultimately resulting in a military mutiny and opposition-led civil disorder that led to a Southern African Development Community Force (SADC) intervention to restore order. Agreement has been secured for new elections, and their success could help Lesotho become a model for small developing states of how to transition from one democratically elected government to another. In the absence of a USAID mission, the United States employs regional democracy funds to support the political development of Lesotho.

Strategic Goals and Supporting Programs for FY 2000:

Regional Stability: Internal instability in Lesotho has direct and indirect implications for the stability of South Africa. The United States supports Lesotho's increased democratization as a bulwark against such instability. International Military Education and Training (IMET) programs will help institutionalize military professionalism, discipline, civilian control of the military, and protection of human rights. $75

Economic Development: The United States encourages private-sector led sustainable economic development as a strategy for employment/wealth creation and poverty reduction through diplomacy. Peace Corps volunteers teach math, science, English, agriculture, home economics, and vocational skills in predominantly rural locations. Peace Corps Volunteers are also active in a variety of programs aimed at assisting communities in attaining self-sufficiency in food production

Environment: The United States contributes to policy discussions and program responses, where feasible, to support GOL efforts to deal with Lesotho's most pressing environmental problems. Peace Corps Volunteers will continue to work in reforestation, erosion control, donga reclamation, and environmental education and management

Health: Peace Corps programs at the grassroots level promote health awareness and sound community health practices in Lesotho.

Performance Evaluation:

- Participation of the defense force in peacekeeping operations. The ability of the Lesotho Defense Force to focus on regional goals such as peacekeeping participation was eroded by the military's unproductive involvement in Lesotho's internal difficulties. Nevertheless, GOL political and military leaders continue to support building the capacity for Lesotho forces to actively contribute to PKO operations, i.e., military police, specialist medical teams, military engineering company, etc.

- Increased Lesotho military professionalism. Through successive episodes of military insubordination and partisan intervention into governance, the GOL and LDF historically have been reluctant to discipline soldiers for wrongdoing in the interest of short term political solutions. This has reinforced the trend toward military unrest through the 1990's. IMET through the year 2000 will specifically address these internal failings in an attempt to credibly enhance military professionalism.

Key Indicators for FY 2000 Performance:

- Significant restructuring of LDF and the Lesotho security infrastructure.
- Re-engagement of parliamentary officials and local government planners to carry out structural reforms that enhance efficiency, effectiveness, and accountability within legislative institutions.
- Increased popular awareness of environmental concerns, measured by benchmarks in reforestation, erosion control.
- Increased rural food self-sufficiency.

LESOTHO
FUNCTION 150 RESOURCES
($ in thousands)

Appropriations Accounts by Strategic Goal	Actual FY 1998	Estimate FY 1999	Request FY 2000
Regional Stability	**81**	**75**	**75**
IMET	81	75	75
Economic Development	**1,040**	**-**	**-**
Title II	1,040	-	-
Total	***1,121***	***75***	***75***

Appropriations Accounts	Actual FY 1998	Estimate FY 1999	Request FY 2000
IMET	81	75	75
Title II	1,040	-	-
Total	***1,121***	***75***	***75***
Other Accounts			
D&CP	1,089	969	1,019
ECE	8	9	9
Peace Corps	1,781	1,924	1,986
Total	***2,878***	***2,902***	***3,014***
LESOTHO FUNCTION 150 RESOURCES GRAND TOTAL	***3,999***	***2,977***	***3,089***

Liberia

($ in thousands)

National Interests: Democracy is the primary U.S. interest served in Liberia. Since 1997, our humanitarian assistance has gradually declined as we have increasingly promoted democratic institutions, human rights and the rule of law as well as the development of an open, market-oriented economy that welcomes foreign investment and private initiative. A successful transition of Liberian society to a functioning democracy will assist our efforts to promote regional stability, the reduction in the demand for humanitarian assistance, and sustainable development. Other interests include law enforcement and global issues. In support of these interests, we assist Liberia with combating transnational crime, narcotics trafficking and environmental degradation.

Strategic Goals and Supporting Programs for FY 2000:

Economic Development: USAID, PL 480 II and ECE exchange and information programs will be used to support infrastructure rehabilitation and income and employment generation activities in rural areas and among displaced populations. $11,779

International Crime: ESF will support an International Criminal Investigative Training Assistance Program (ICITAP) program to rehabilitate and train police and prosecutors to operate effectively and professionally. $1,500

Environment: Education and Cultural Exchange (ECE) and information programs will help educate the government and civilian population about the necessity to preserve their biodiversity and natural resources.

Health: Liberia's modest health infrastructure was completely destroyed during the civil war. USAID health-related programs and encouragement of the government to implement legislation and regulations providing basic health care and education will reduce Liberia's dependence on U.S. humanitarian assistance programs. Economic progress will accelerate and democracy will be strengthened. $2,250

Democracy: USAID will carry out a democracy and governance program to strengthen the judicial and legislative systems. DA will assist non-governmental organizations involved in civic education, organizing election, human rights, rule of law, and the media.. $2,000

Performance Evaluation:

- Encourage democracy, good governance, human rights and the rule of law. Active and courageous non-governmental institutions (press, human rights groups, etc.) continue to operate with U.S. support. Using small amounts of DHRF funds and USAID funding, modest progress was made in developing the legislative and judicial

branches of government to balance out President Charles Taylor's dominant executive branch. The September 18-19 purge of Krahn opponents of the government brought these efforts to a halt. Those events also proved that Taylor and his government have not learned to tolerate and deal peacefully with opposition.

- Foster free market economic and financial reform. Significant progress was made early in the fiscal year. Government developed a cash-based budget, promised to privatize important parastatals, and adopted solid economic policies. These promising initiatives were stalled at the end of the fiscal year. It became clear that Government would not privatize the lucrative rice and petroleum import monopolies. Worries about security generated by the September security incidents brought new investment prospects and economic growth to a halt.

- Resettle and reintegrate refugees. Substantial numbers of Liberian refugees have returned home over the past year with UNHCR support. More would have returned if the economy had revived and provided jobs. The inadequate education and health care infrastructures were also deterrents to refugee returns. The September incidents led to a new exodus of predominantly Krahn refugees (an estimated 10,000) to neighboring countries, particularly Cote d'Ivoire.

Key Indicators for FY 2000 Performance:

- Government of Liberia contributes to the search for peace in Sierra Leone.
- Increased transparency in Government of Liberia fiscal and monetary policies.
- 5% growth of the Liberian economy.
- Increased Government of Liberia respect for core human and political rights.
- Net increase in return of Liberian refugees attracted by effective programs for resettlement and reintegration of both refugees and internally displaced persons.

LIBERIA
FUNCTION 150 RESOURCES
($ in thousands)

Appropriations Accounts by Strategic Goal	Actual FY 1998	Estimate FY 1999	Request FY 2000
Economic Development	**34,786**	**11,276**	**11,779**
DA	4,500	3,000	5,300
Title II	30,286	8,276	6,479
International Crime	**-**	**-**	**1,500**
ESF	-	-	1,500
Democracy	**2,000**	**2,000**	**2,000**
DA	2,000	2,000	2,000
Health	**1,000**	**2,771**	**2,250**
DA	1,000	2,771	2,250
Total	***37,786***	***16,047***	***17,529***

Appropriations Accounts	Actual FY 1998	Estimate FY 1999	Request FY 2000
DA	7,500	7,771	9,550
ESF	-	-	1,500
Title II	30,286	8,276	6,479
Total	***37,786***	***16,047***	***17,529***
Other Accounts			
D&CP	3,091	3,069	3,228
ECE	36	39	40
Total	***3,127***	***3,108***	***3,268***
LIBERIA FUNCTION 150 RESOURCES GRAND TOTAL	***40,913***	***19,155***	***20,797***

Madagascar

($ in thousands)

National Interests: The primary U.S. interest in Madagascar is democracy, followed by humanitarian interests and global issues. Madagascar completed a transition from over 15 years of socialist dictatorship to a multiparty democracy in 1993, but democratic institutions and civil society are still weak. Its economy, which depends on cash crops such as vanilla and coffee for foreign exchange, is based largely on agriculture but has potential in tourism and mining. U.S. efforts in Madagascar focus on promoting democracy, consolidating economic reforms so that stability is ensured, and protecting Madagascar's biologically diverse flora and fauna.

Strategic Goals and Supporting Programs for FY 2000:

Regional Security: Our strategy for consolidating democracy includes enhancing the professionalism of the Malagasy military force by providing, through International Military Education and Training (IMET), courses that reinforce respect for human rights and the rule of law, and provide guidance in the administration of military justice systems and the role of the military in a democratic society. Madagascar will be eligible in FY 2000 to receive Excess Defense Articles (EDA) on a grant basis under Section 516 of the Foreign Assistance Act of 1961, as amended. Grant EDA will support Madagascar's counter-drug maritime activities, coastal security, and enhance our bilateral military relations. $100

Economic Development: USAID programs will foster economic policy reforms and contribute to agricultural development. Peace Corps and PL 480 II programs will also contribute to sustainable economic development in rural communities. $8,195

Democracy: ECE exchanges and information programs, along with grants from the regional Democracy and Human Rights Fund will complement USAID in conducting programming aimed at consolidation of democratic institutions. $ 500

Environment: USAID and Peace Corps environmental programs will assist Madagascar to guard its precious and rare biodiversity and implement sustainable and responsible natural resource management, particularly forest management. $8,500

Population: USAID population programs in Madagascar will raise awareness of and provide assistance for family planning. $3,600

Health: USAID and Peace Corps programs will combat HIV/AIDs and promote child survival and development through community and national based programs. $3,000

Performance Evaluation:

- Smaller, healthier families. Family planning services and use exceeded expectations in 1998. Immunization coverage has increased from 57% to 78%. At the national level, Madagascar has successfully conducted a polio eradication campaign that promises to eliminate this disease. PL 480 II funding has strengthened the transition from clinic to integrated and community-based food distribution and proceeds from food monetization have launched local direct activities to improve the food security of Madagascar's most vulnerable citizens.

- Reduction of natural resource depletion/Reduction in the yearly rate of deforestation and implementation of resources leading to increased protection of endangered species. With USAID's assistance, the GOM has increased protected areas, while 144 villages have participated in community-based conservation activities. This has led to increased protection of endangered species and forested areas. In addition, an institutional framework for regional environmental assessments was piloted in 1998. This project will allow the National Office of the Environment to provide better information and advice on the implications of policy and planning decisions. Finally, in the face of one of the largest locust invasions in the country's history, USAID efforts have helped introduce environmental mitigation measures into locust control efforts.

- Vigorous private sector growth. Both politically and economically, Madagascar has been relatively stable with low inflation and GDP growth estimated at 3.9%, above the rate of population growth for the second year in a row. Commercial law reform moved ahead and included enactment of a law enabling the use of arbitration as a binding means of resolving commercial disputes. Air Madagascar's privatization was launched in December 1998. Increasingly, fraud and corruption are being discussed in the press, on the GOM-Private sector agenda, etc. Earlier this year, the Vice Prime Minister published lists of people who obtained irregular tax exemptions (and was reviled both for naming names and for not getting the names right). Private investment grew by an estimated 3.6% in 1998 and is projected to increase in 1999.

- Malagasy military activities that support civilian authority. The army's "Development Forces" work actively among the civilian population, providing, e.g., health services in rural areas. In 1998, the GOM put the anti-locust campaign under the Minister of Armed Forces, forming a national coordinating committee (CNLA) headed by a Brigadier General.

Key Indicators for FY 2000 Performance:

- Smaller, healthier families.
- Continued progress toward consolidating democratic institutions and practices.
- Vigorous private sector growth rewarded by new IMF and World Bank structural adjustment loans.
- Malagasy military activities that support civilian authority.
- A reduction in the yearly rate of deforestation and implementation of resources leading to increased protection of endangered species.

MADAGASCAR
FUNCTION 150 RESOURCES
($ in thousands)

Appropriations Accounts by Strategic Goal	Actual FY 1998	Estimate FY 1999	Request FY 2000
Regional Stability	**146**	**100**	**100**
IMET	146	100	100
Economic Development	**8,611**	**7,690**	**8,195**
DA	1,500	800	1,400
Title II	7,111	6,890	6,795
Democracy	**2,000**	**800**	**500**
DA	2,000	800	500
Environment	**7,000**	**7,000**	**8,500**
DA	7,000	7,000	8,500
Population	**4,000**	**3,325**	**3,600**
DA	4,000	3,325	3,600
Health	**3,000**	**3,601**	**3,000**
DA	3,000	3,601	3,000
Total	***24,757***	***22,516***	***23,895***

Appropriations Accounts	Actual FY 1998	Estimate FY 1999	Request FY 2000
DA	17,500	15,526	17,000
IMET	146	100	100
Title II	7,111	6,890	6,795
Total	***24,757***	***22,516***	***23,895***
Other Accounts			
D&CP	2,031	2,413	2,538
ECE	476	508	525
Peace Corps	1,046	1,416	1,529
Total	***3,553***	***4,337***	***4,592***
MADAGASCAR FUNCTION 150 RESOURCES GRAND TOTAL	***28,310***	***26,853***	***28,487***

Malawi

($ in thousands)

National Interests: Democracy is the primary U.S. interest in Malawi. U.S. interests in Malawi are tied first and foremost to the dramatic political transition that brought Malawi from decades of one-party autocracy to democratic, multi-party elections. Our primary interest now centers on the consolidation of these gains and the strengthening of fragile institutions essential to building an enduring democratic society. Malawi's democratic development and its economic growth go hand in hand; our assistance activities concentrate on the development of key institutions and on addressing fundamental economic and social problems that threaten Malawi's nascent democracy.

Strategic Goals and Supporting Programs for FY 2000:

Regional Stability: The U.S. International Military Education and Training (IMET) program plays a key role in promoting democratic values and aids in development of a professional, non-political military officer corps. U.S. Special Forces regularly undertake Joint Combined Exchange Training (JCET) exercises with the Malawi army, and the Malawian government views peacekeeping as a primary element of the army's mission and is an enthusiastic participant in the African Crisis Response Initiative (ACRI). Malawi will be eligible in FY 2000 to receive Excess Defense Articles (EDA) on a grant basis under Section 516 of the Foreign Assistance Act of 1961, as amended. Grant EDA will support Malawi's peacekeeping activities. Malawi continues to participate in ACRI training, which is designed to enhance the capability and effectiveness of Malawi's officers and troops for future peacekeeping activities.

$335

Economic Development: The major focus of USAID programs is to increase agricultural incomes through direct assistance to small farmers and institutional reform designed to eliminate discriminatory and exploitative practices. Peace Corps volunteers in agribusiness development and agroforestry extension work directly with farmer organizations supported by USAID. USAID is also helping to increase the enrollment of girls in primary school. The largest single concentration of Peace Corps volunteers is in secondary education. ECE provides Fulbright professors for the constituent colleges of the University of Malawi. $12,750

Democracy: USAID programs help bolster the Electoral Commission, modernize the judicial system, improve the operations of the legislature and develop non-governmental civic and human rights organizations. ECE assistance is focused on the media and in working directly with journalists and their organizations. We are also providing training to judges and magistrates and support for improved court administration, and USAID's assistance to the Electoral Commission will help fortify that entity's role as an independent overseer of elections. $1,900

Environment: The U.S. Mission is assisting the government, private sector and local communities to address the challenges of environmental degradation. USAID soil conservation and agroforestry activities together with national and on-farm environmental monitoring efforts are training community practitioners and farmers across the country to better understand and manage soil, water and forestry resources. These efforts are complemented by Peace Corps activities to improve the human resource capacity of the Park Service. $8,900

Population: Stabilizing Malawi's population growth is essential for continued development and prosperity. To reduce the fertility rate, USAID supports government and private sector family planning and education efforts focused on raising the contraceptive prevalence rate and increasing family planning services. $2,800

Health: The high incidence of HIV/AIDS infection and other diseases threaten Malawi's political and economic stability. Peace Corps volunteers and USAID programs focus on effective diagnosis and treatment of malaria, diarrhea, and acute respiratory infections among children while seeking to improve public and private health service delivery, including that related to HIV/AIDS education and prevention activities. $4,500

Performance Evaluation:

- Strengthened political role of Parliament and NGOs. The Malawian Parliament continued to operate in a democratic fashion in 1998, and enacted important legislation which elaborates procedures for Malawi's "second-round" elections in May 1999. Women continue to assert an active role in democratic Malawi, and a key Malawian NGO, supported by USAID, has empowered many women entrepreneurs.

- Respect for human rights and rule of law by an apolitical military. Since its transition to multiparty democracy in 1994, Malawi had made great strides in its respect for basic human rights, including the tolerance of a variety of religions. Many American missionaries are active throughout the country. The professional Malawian army remains a staunch guarantor of civilian authority in democratic Malawi.

- Effective participation in regional peacekeeping. Malawi's performance as the first southern African participant in the African Crisis Response initiative has been exemplary. Malawi has completed basic and sustainment ACRI training.

- Improved economic performance and effective measures to fight corruption. The Government of Malawi continues to work closely with the IMF, the World Bank, and the international donor community to implement the necessary measures to reform the Malawian economy. In recognition of the important steps it has taken thus far to rein in the corruption of the pre-1994 regime, Malawi has been invited to participate in Vice President Gore's International Anti-Corruption Conference, scheduled for February 1999 in Washington.

Key Indicators for FY 2000 Performance:

- Increased real per capita agricultural incomes.
- Percentage of laws discriminating against women amended or repealed by Parliament.
- Decreased infant and child mortality and population growth rates.
- Enhanced conservation of water, soil, and forestry resources.
- Enhanced peacekeeping capacity of the Malawi army, and its effective participation in regional peacekeeping operations.

MALAWI
FUNCTION 150 RESOURCES
($ in thousands)

Appropriations Accounts by Strategic Goal	Actual FY 1998	Estimate FY 1999	Request FY 2000
Regional Stability	**284**	**335**	**335**
IMET	284	335	335
Economic Development	**15,100**	**13,711**	**12,750**
DA	15,100	13,711	12,750
Democracy	**2,500**	**2,250**	**1,900**
DA	2,500	2,250	1,900
Environment	**9,400**	**7,900**	**8,900**
DA	9,400	7,900	8,900
Population	**4,000**	**3,000**	**2,800**
DA	4,000	3,000	2,800
Health	**6,100**	**5,267**	**4,500**
DA	6,100	5,267	4,500
Total	***37,384***	***32,463***	***31,185***

Appropriations Accounts	Actual FY 1998	Estimate FY 1999	Request FY 2000
DA	37,100	32,128	30,850
IMET	284	335	335
Total	***37,384***	***32,463***	***31,185***
Other Accounts			
D&CP	1,762	1,897	1,995
ECE	372	389	405
Peace Corps	1,926	1,963	1,987
Total	***4,060***	***4,249***	***4,387***
MALAWI FUNCTION 150 RESOURCES GRAND TOTAL	***41,444***	***36,712***	***35,572***

Mali

($ in thousands)

National Interests: The primary U.S. national interest in Mali is to strengthen democracy, and the United States has a humanitarian interest as well tied to our fundamental desire to help avert suffering. As a progressive, emerging democracy, Mali is well positioned both geographically and politically as a key player in regional relations and stability.

Strategic Goals and Supporting Programs for FY 2000:

Regional Stability: International Military Education and Training (IMET) and E-IMET training, seminars on civil-military relations and on the role of the military in a democracy will help reinforce the military's role as an institution subordinate to, and supportive of, the democratic civilian government. African Crisis Response Initiative (ACRI) follow-on training, for the previously ACRI-trained battalion, will strengthen regional conflict resolution efforts. ECE-sponsored Worldnets, symposia, speakers and IV grants enhance understanding and awareness of issues related to arms control, civil-military relations and peacekeeping. Mali will be eligible in FY 2000 to receive Excess Defense Articles (EDA) under Section 516 of the Foreign Assistance Act. EDA, such as vehicles, radios, and individual equipment, would increase Mali's capabilities to participate effectively in international peacekeeping operations. $300

Open Markets: Mali currently is a small market for U.S. trade and investment, but there is potential for considerable growth as its economy expands. ECE fora and International Visitor programs will stress the importance of free trade and economic integration.

Economic Development: Increased broad-based growth will decrease suffering, improve health and education, help avert future humanitarian crises, and reduce the need for humanitarian assistance to Mali. USAID activities address a full range of fundamental growth issues including administrative reform, economic integration, investment, trade promotion, agriculture, health care and education. ECE sponsored programs will increase understanding of the importance of macroeconomic liberalization, free trade, investment, economic integration and policy reforms. PL 480 II and Peace Corps projects in community health and agriculture improve basic social indicators. $19,505

Democracy: Consolidation of democratic institutions and practices is critical to Mali's nascent democracy. USAID projects to support decentralization and administrative accountability will be key in this regard and will be complemented by ECE programs to strengthen the independent media and improve voter education. $2,500

Environment: With the majority of its territory in the semi-arid belt of the Sahel, desertification and environmental degradation are major issues for Mali. USAID and Peace Corps both undertake projects to promote the preservation of threatened species,

encourage the conservation of fuel and water resources, and educate the population on the importance of conserving the fragile ecosystem. $5,000

Population: Lower population growth rate combined with a growing economy will result in improved standards of living for Malians. USAID will cooperate in efforts to improve reproductive education, encourage responsible reproductive behavior in youth and increase access to reproductive health services. $4,000

Health: Malaria and HIV/AIDS are critical health care issues in Mali. USAID supports the efforts of the National Institute of Health to develop and test malarial vaccines in Mali and develop extensive education and training programs in the area. USAID programs to improve access to health facilities further the fight against both diseases. Peace Corps Volunteers are involved in HIV education in secondary schools and via live radio broadcasts. $7,300

Performance Evaluation:

- Effective participation by community organizations in the political process. Postponement of communal elections scheduled for 1998 has delayed this critical litmus test for community organizations. Those urban elections which did occur in 1998 suggest that, while there has been progress, there is still substantial room for increased participation.

- A fully implemented military justice law. The military justice law was implemented.

- Demobilization and integration into the national military and re-integration into civil society of combatants on both sides of the recent communal conflict in the North. Demobilization and re-integration have been carried out with notable success.

- Participation in regional or international peacekeeping operations. Mali has participated in ACRI training and has provided a battalion, still awaiting deployment, for participation in ECOMOG operations in Sierra Leone. It has also pledged troops for the prospective peacekeeping operation in Guinea-Bissau.

- Improved access to and facilitated use of high tech information and communication services. Cellular telephone and Internet technology are widely available in the capital and increasingly so in other cities.

Key Indicators for FY2000 Performance:

- Effective and proactive role as ECOWAS Chair in regional conflict resolution and economic integration.
- Successful implementation of decentralization initiatives and administrative reform.
- Improved economic performance.

MALI
FUNCTION 150 RESOURCES
($ in thousands)

Appropriations Accounts by Strategic Goal	Actual FY 1998	Estimate FY 1999	Request FY 2000
Regional Stability	**265**	**280**	**300**
IMET	265	280	300
Economic Development	**24,769**	**17,249**	**19,505**
DA	21,100	16,827	18,500
Title II	3,669	422	1,005
Democracy	**1,000**	**1,850**	**2,500**
DA	1,000	1,850	2,500
Environment	**5,100**	**5,925**	**5,000**
DA	5,100	5,925	5,000
Population	**4,000**	**4,530**	**4,000**
DA	4,000	4,530	4,000
Health	**6,300**	**5,362**	**7,300**
DA	6,300	5,362	7,300
Total	***41,434***	***35,196***	***38,605***

Appropriations Accounts	Actual FY 1998	Estimate FY 1999	Request FY 2000
DA	37,500	34,494	37,300
IMET	265	280	300
Title II	3,669	422	1,005
Total	***41,434***	***35,196***	***38,605***
Other Accounts			
D&CP	2,756	2,640	2,776
ECE	315	338	348
Peace Corps	2,943	2,959	2,962
Total	***6,014***	***5,937***	***6,086***
MALI FUNCTION 150 RESOURCES GRAND TOTAL	***47,448***	***41,133***	***44,691***

Mauritania

($ in thousands)

National Interests: Primary U.S. interests in Mauritania include democracy and humanitarian assistance. Mauritania's support for the Middle East Peace Process (MEPP), cooperation to ensure the security of American citizens and our diplomatic presence in Nouakchott, pursuit of economic reform, strengthened democratic institutions and improved respect for human rights further U.S. national interests.

Strategic Goals and Supporting Programs for FY 2000:

Regional Stability: Mauritania will be eligible in FY 2000 to receive Excess Defense Articles (EDA) on a grant basis under Section 516 of the Foreign Assistance Act of 1961, as amended. Grant EDA will support Mauritania demining activities and infrastructure development.

Economic Development: In the absence of a bilateral USAID program, the U.S. Mission will continue to rely on modest Self-Help, PL 480 II and Peace Corps projects that contribute to sustainable development at the grassroots. $734

Democracy: The Mission will use Regional Democracy and Human Rights Fund grants and Education and Cultural Exchange (ECE) programs to promote human rights, the development of credible electoral practices, the free press and civil society.

Humanitarian Assistance: U.S. strategy focuses on providing assistance to the most vulnerable Mauritanians. An important aspect of this assistance involves NGOs. USAID/FFP PL 480 supports Doulos Community's maternal health and child feeding programs. USAID anti-locust assistance may be requested, if needed. A NADR humanitarian demining program started in 1999 and will continue in FY 2000, and Peace Corps programs provide additional humanitarian assistance. $500

Environment: Peace Corps programs that focus on agro-forestry and water sanitation projects offer education on the proper use of natural resources and the preservation of the environment.

Health: Peace Corps programs will help increase the awareness and supply of critical services to reduce infant/child and maternal mortality.

Performance Evaluation:

- Continued incremental progress toward democratic governance and civil and political rights. Mauritania made progress toward an increasingly independent press and a more vibrant human rights movement. Ever greater numbers of NGOs are working in Mauritania without government interference. These groups include the

Mauritanian Association for Human Rights and SOS-Esclaves, which supports the rights of ex-slaves.

- Stronger civil society organizations with improved skills in the areas of advocacy and civic education. Local organizations have become increasingly assertive and critical of the Mauritanian Government. The opposition press became ever bolder as it published provocative interviews by politicians and others who did not mince words in criticizing President Taya and his government.

Key Indicators for FY 2000 Performance:

- Continued progress toward democratic pluralism, good governance and respect for human rights, including a strengthened independent media.
- Continued support for the MEPP and other U.S. foreign policy interests, including counter-terrorism.
- Continued bilateral and multilateral cooperation to avoid humanitarian crises.

Mauritania
FUNCTION 150 RESOURCES
($ in thousands)

Appropriations Accounts by Strategic Goal	Actual FY 1998	Estimate FY 1999	Request FY 2000
Economic Development	**2,431**	**992**	**734**
Title II	2,431	992	734
Humanitarian Assistance	**-**	**200**	**500**
NADR-Demining	-	200	500
Total	***2,431***	***1,192***	***1,234***

Appropriations Accounts	Actual FY 1998	Estimate FY 1999	Request FY 2000
NADR	-	200	500
Title II	2,431	992	734
Total	***2,431***	***1,192***	***1,234***
Other Accounts			
D&CP	2,509	1,942	2,042
ECE	44	54	55
Peace Corps	1,415	1,448	1,472
Total	***3,968***	***3,444***	***3,569***
MAURITANIA FUNCTION 150 RESOURCES GRAND TOTAL	***6,399***	***4,636***	***4,803***

Mauritius

($ in thousands)

National Interests: U.S. national interests in Mauritius include democracy, humanitarian interests, law enforcement and global issues. U.S. national security is enhanced through the creation of a stable and secure Indian Ocean region. Terrorism has proven itself a real regional concern, as has lawlessness and international organized crime. The participation of Mauritius in international trade bodies helps to preserve U.S. trade policies globally. Ecological degradation in the Indian Ocean threatens the oceanscape throughout the world.

Strategic Goals and Supporting Programs for FY 2000:

Regional Stability: International Military Education and Training (IMET) programs in Mauritius will contribute to creating professional militaries that respect civilian rule. Mauritius will be eligible in FY 2000 to receive Excess Defense Articles (EDA) on a grant basis under Section 516 of the Foreign Assistance Act of 1961, as amended. Grant EDA will support Mauritius' counter-narcotics maritime activities and coastal security and will strengthen bilateral military relations. $50

Open Markets: ECE exchange programs encourage cooperation of Mauritius with the World Trade organizations and assist Seychelles in making reforms to join WTO.

Expand U.S. Exports: Mauritius offers market opportunities for U.S. firms. The mission will use ECE exchanges and other resources to assist U.S. firms in finding a foothold in the Indian Ocean region.

International Crime: Mauritius presents a potentially attractive target for money laundering operations. Post will provide information and technical assistance through ECE exchanges to local authorities as they deal with this potential problem.

Democracy: Democratic institutions have made progress in Mauritius. The U.S. will use ECE exchanges and the regional Democracy and Human Rights Fund to track the further development of local democracy and to support evolving institutions.

Diplomatic activities: USG officers will travel on a regular schedule to Comoros and Seychelles to represent U.S. interests there. We will also seek visits from high-level U.S. officials to the region.

Performance Evaluation:

- Increased Mauritian support in the UN and other fora. Mauritius has been supportive of U.S. efforts in international fora and organizations.

- Increased professionalism in the Mauritian military. IMET programs continued to increase the professionalism of the Mauritian military.

Key Indicators for FY 2000 Performance:

- Mauritius passes legislation allowing for increased international law enforcement cooperation.
- No coups or civil conflict.
- Faster response times are registered for warden system tests throughout the district.

MAURITIUS
FUNCTION 150 RESOURCES
($ in thousands)

Appropriations Accounts by Strategic Goal	Actual FY 1998	Estimate FY 1999	Request FY 2000
Regional Stability	**63**	**50**	**50**
IMET	63	50	50
Total	***63***	***50***	***50***

Appropriations Accounts	Actual FY 1998	Estimate FY 1999	Request FY 2000
IMET	63	50	50
Total	***63***	***50***	***50***
Other Accounts			
D&CP	1,189	1,441	1,515
ECE	261	282	291
Total	***1,450***	***1,723***	***1,806***
MAURITIUS FUNCTION 150 RESOURCES GRAND TOTAL	***1,513***	***1,773***	***1,856***

Mozambique

($ in thousands)

National Interests: The U.S. interest in Mozambique is principally humanitarian followed by promotion of democracy. We desire to maintain the peace that we helped to achieve in 1992 after a highly destructive 16-year civil war and to promote reconciliation between the former warring parties. Helping Mozambique become a stable democracy also provides the fecund environment needed to foster a thriving economy.

Strategic Goals and Supporting Programs for FY 2000:

Regional Stability: International Military Education and Training (IMET) programs will help promote civilian control of the military and develop a professional officer and non-commissioned officer corps so that Mozambique will support regional peacekeeping efforts. Mozambique will be eligible in FY 2000 to receive Excess Defense Articles (EDA) on a grant basis under Section 516 of the Foreign Assistance Act of 1961, as amended. Grant EDA will support Mozambique's demining capabilities, which are continuing to show improvement through increased Mozambican engagement and better coordination with other international donors and NGOs. $180

Economic Development: Mozambique's participation in the President's Partnership for Growth and Opportunity program, USAID programs for basic education, agricultural development and human capacity development, USAID programs to promote further economic reform that will increase development, attract investment, and reduce aid dependency, Peace Corps programs aimed at grassroots development, and ECE exchange and international information programs aim to promote sustainable economic growth and raise rural income. The Mission will provide grassroots development projects through the PL 480 II program. $38,738

Democracy: USAID public advocacy and electoral reform projects to strengthen civil society and government institutions and ECE exchange and international information programs should help Mozambique continue its remarkable success story of democratization and political reform. $2,400

Humanitarian Assistance: USG demining efforts with the Mozambican military and ECE programs to encourage dialogue among the former warring parties should help to promote peace. $1,000

Environment: USAID and Peace Corps programs will help increase sustainable management of natural resources through training of agriculturists, designing a multi-year environmental program, and supporting an integrated coastal management program. $8,500

Population: Family planning is an important component of U.S. maternal/child health efforts and an additional benefit of HIV/AIDS and STD prevention programs. USAID

family planning programs include the training of health workers and provision of contraceptives and are concentrated in highly populated provinces. $6,100

Health: USAID and Peace Corps programs will help increase the demand for, and supply of, critical services to reduce infant/child and maternal mortality. They will also assist the Mozambican Government to develop policy and improve planning and decentralization of health services in rural areas to prevent and treat disease, including stopping the spread of sexually transmitted diseases such as HIV/AIDS, and to provide war victims with prosthetics $8,400

Performance Evaluation:

- Increase rural household income through road construction, improved financial services, and increased sustainable agricultural production; provide food aid resources. The rural economy continues to improve with coarse grain production reaching self-sufficiency levels and providing a marketable surplus. The design for the Caia to Gorongosa Road was completed.

- Improve government and civil society partnership through strengthening of civil society groups (including human rights non-governmental organizations), improved judicial systems, and capacity building of political parties and the National Assembly. The National Assembly is becoming a more effective organization; progress towards the 1999 national elections continues with major parties having reached consensus on new laws governing elections and the electoral commission

- Secure U.S. investment through the negotiation and signing of a bilateral investment treaty. The U.S. and Mozambique signed a Bilateral Investment Treaty on December 1, 1998, during President Chissano's working visit to Washington. The treaty will protect U.S. investments central to the growth of the Mozambican economy.

- Increase availability of maternal/child health services to decrease infant, child, and maternal mortality and to reduce the risk of HIV/AIDS infection. The USAID program has expanded services to 70 districts in six provinces to reach 1.9 million women and 665,000 children previously not served. Primary health centers have almost doubled since 1992, but remain below requirements.

- Promote a positive and accurate image of U.S. culture and foreign policy through the recently instituted Peace Corps Volunteer (PCV) program. The first group of Peace Corps Volunteers (24) will be sworn in during January 1999. They will work with the education ministry.

Key Indicators for FY 2000 Performance:

- Mozambique undertakes thorough Commercial Code, Tax, and Customs Reform.
- Economic growth and rural income have increased.
- Parliament passes consensual general elections legislation and 1999 general elections considered free, fair, and multiparty by non-partisan observers.
- The total fertility rate and the national infant/child/maternal mortality rates have declined.
- Natural resource management has improved.

Mozambique
FUNCTION 150 RESOURCES
($ in thousands)

Appropriations Accounts by Strategic Goal	Actual FY 1998	Estimate FY 1999	Request FY 2000
Regional Stability	**178**	**180**	**180**
IMET	178	180	180
Economic Development	**43,931**	**43,638**	**38,738**
DA	14,700	16,700	20,300
Title II	24,231	20,938	18,438
Title III	5,000	6,000	-
Democracy	**2,500**	**2,700**	**2,400**
DA	2,500	2,700	2,400
Humanitarian Assistance	**1,000**	**1,500**	**1,000**
NADR-Demining	1,000	1,500	1,000
Environment	**6,100**	**5,100**	**8,500**
DA	6,100	5,100	8,500
Population	**5,500**	**4,800**	**6,100**
DA	5,500	4,800	6,100
Health	**10,596**	**11,420**	**8,400**
DA	10,596	11,420	8,400
Total	***69,805***	***69,338***	***65,318***

Appropriations Accounts	Actual FY 1998	Estimate FY 1999	Request FY 2000
DA	39,396	40,720	45,700
IMET	178	180	180
NADR	1,000	1,500	1,000
Title II	24,231	20,938	18,438
Title III	5,000	6,000	-
Total	***69,805***	***69,338***	***65,318***
Other Accounts			
D&CP	2,526	2,667	2,805
ECE	461	500	502
Peace Corps	891	1,677	1,874
Total	***3,878***	***4,844***	***5,181***
MOZAMBIQUE ***FUNCTION 150 RESOURCES GRAND TOTAL***	***73,683***	***74,182***	***70,499***

Namibia

($ in thousands)

National Interests: The primary U.S. interest in Namibia is humanitarian. Other U.S. interests include democracy, economic prosperity and law enforcement. The major challenge is to expand the economic pie in a way that benefits Namibia's historically disadvantaged majority. Namibia is also developing as a transit point for illegal narcotics traffic. Our successful humanitarian demining program has helped reduce civilian casualties from landmines and unexploded ordinance, left over from the liberation war, by over 90 percent since its inception in 1994.

Strategic Goals and Supporting Programs for FY 2000:

Regional Stability: The U.S. looks to Namibia and other African countries to provide effective peacekeeping and humanitarian relief as crises arise. The U.S. Mission will work to ensure continued training between Namibian Defense Force personnel and the U.S. Army Special Forces, both in-country and regionally, through International Military Education and Training (IMET) and other programs. Namibia will be eligible in FY 2000 to receive Excess Defense Articles (EDA) on a grant basis under Section 516 of the Foreign Assistance Act of 1961, as amended. Grant EDA will support Namibia's demining and peacekeeping activities. $175

Economic Development: Through USAID and Peace Corps programs, the U.S. will provide assistance and training to the majority of Namibians disadvantaged by apartheid, to enable them to effectively undertake an economic leadership position and thus build a firm commitment to a market economy. $6,200

Illegal Drugs: Bolstering Namibia's drug interdiction capabilities will contribute to the national interest of reducing the volume of narcotics transiting north en route to Europe and ultimately to the United States, and this is pursued through Education and Cultural Exchanges (ECE) and information programs.

Democracy: Assisting this young nation in strengthening its democratic institutions and respecting the human rights of all its citizens is consistent with our nation's core values. The U.S. will provide direct support through USAID to Parliament, NGOs, the Namibia Defense Force, journalists, and selected government officials to strengthen democratic institutions in society and promote broad-based acceptance of human rights. $1,100

Humanitarian Assistance: We will provide the Namibian Government with technical expertise and logistical support for its demining efforts through the Nonproliferation, Antiterrorism, Demining, and Related Programs (NADR) demining program to help the nation declare itself mine-safe and thus end the ongoing humanitarian cost of the liberation war. $250

Environment: The U.S. will provide assistance and training through USAID and Peace Corps programs so that more Namibians can benefit from and thus have a stake in protecting the country's unique natural resources and environment. $2,000

Performance Evaluation:

- Continued GRN commitment to the rule of law and good governance. Throughout 1998, the independent Namibian judiciary, a vocal media, and an engaged civil society continued to exert effective checks and balances on the dominant political party in Namibia.

- Strengthened political role of parliament and NGOs. Although the ruling SWAPO party enjoys an absolute majority in the Namibian Parliament, this body continues to be one where free and open debate and reasoned deliberation prevails.

- More U.S. private investment. 1998 was a banner year for the U.S.-Namibian commercial relationship. In March, Detroit-based Barden International inaugurated its multi-million dollar, right-hand drive GM vehicle conversion plant in Windhoek. This is the largest U.S. investment to date in independent Namibia.

- Continued apolitical military role. The professional and disciplined Namibian Defense Force, which has been the beneficiary of extensive U.S. military training, notably in the area of demining, has remained an ardent defender of civilian authority in democratic Namibia.

- Effective participation in regional peacekeeping. Since independence, Namibia has been active in UN-sponsored peacekeeping operations in Cambodia and in Angola.

Key Indicators for FY 2000 Performance:

- Increased real per capita economic growth, and improved income distribution among Namibians.
- Status of political rights and civil liberties improves, as listed in Freedom House's "Comparative Survey of Freedom."
- Number and area of land-mine fields and berms cleared to United Nations standards.
- Community-based micro-enterprise income increases.
- Increased number of U.S. companies doing business in Namibia.

NAMIBIA
FUNCTION 150 RESOURCES
($ in thousands)

Appropriations Accounts by Strategic Goal	Actual FY 1998	Estimate FY 1999	Request FY 2000
Regional Stability	**203**	**175**	**175**
IMET	203	175	175
Economic Development	**6,800**	**5,900**	**6,200**
DA	6,800	5,900	6,200
Democracy	**1,200**	**750**	**1,100**
DA	1,200	750	1,100
Humanitarian Assistance	**800**	**800**	**250**
NADR-Demining	800	800	250
Environment	**350**	**2,000**	**2,000**
DA	350	2,000	2,000
Total	***9,353***	***9,625***	***9,725***

Appropriations Accounts	Actual FY 1998	Estimate FY 1999	Request FY 2000
DA	8,350	8,650	9,300
IMET	203	175	175
NADR	800	800	250
Total	***9,353***	***9,625***	***9,725***
Other Accounts			
D&CP	1,520	1,828	2,445
ECE	547	574	578
IIP	407	497	-
Peace Corps	2,464	2,502	2,529
Total	***4,938***	***5,401***	***5,552***
NAMIBIA FUNCTION 150 RESOURCES GRAND TOTAL	***14,291***	***15,026***	***15,277***

Niger

($ in thousands)

National Interests:. The primary U.S. interest in Niger is humanitarian, followed by democracy. U.S. efforts in Niger are aimed at the restoration of a democratically elected civilian government, the promotion of broad-based economic growth, the promotion of regional peace and stability, and securing and implementing a Full Safeguards Agreement between Niger and the International Atomic Energy Agency (IAEA) to preclude the provision of uranium to rogue states.

Strategic Goals and Supporting Programs for FY 2000:

Economic Development: An improvement in the economic growth performance in Niger will eventually lessen the country's dependency on foreign assistance and its vulnerability to natural disasters and overtures from rogue states. Peace Corps programs to educate and improve dry season food production will help promote nutritional self-sufficiency and reduce vulnerability to natural disasters. ECE information programs on corruption and transparency will promote more efficient use of Niger's meager resources while regular dissemination of information on economic success stories will encourage sustainable development strategies.

Democracy: Regional U.S. programs for democracy and human rights will help strengthen non-governmental organizations (NGOs) and lay the groundwork for the emergence of democratic institutions. ECE exchanges will promote independence and professionalism in media and public administration.

Environment: Peace Corps programs teach conservation and the proper use of natural resources at the grassroots level through community projects.

Health: Peace Corps programs at the grassroots level promote health awareness and sound community health practices.

Performance Evaluation:

- Restoration of a democratically-elected, civilian government. The military government of Ibrahim Mainessara Bare remains in power. In July the government and the opposition agreed to cooperate and hold the country's first local elections, in February 1999, to be supervised by a newly formed Independent National Electoral Commission. Many, but not all, of the electoral reforms sought by the opposition (equitable media access being the notable exception) appear to be ongoing.

- Respect for human rights. The Government's human rights record improved in some respects, but worsened in others (e.g., broadcast censorship). Many serious problems remain.

- Improved economic performance. GDP growth for 1998 is projected to be 3.4%. The government has made some progress in administrative reform and privatization but still has far to go.

Key Indicators for FY 2000 Performance:

- Conduct of transparent, free and fair local elections in February 1999.
- Equitable access to the media for opposition parties and elimination of censorship/harassment of the independent media.
- Improved economic performance.

Niger
FUNCTION 150 RESOURCES
($ in thousands)

Appropriations Accounts by Strategic Goal	Actual FY 1998	Estimate FY 1999	Request FY 2000
Economic Development	**3,374**	-	-
Title II	3,374	-	-
Democracy	**700**	-	-
DA	700	-	-
Health	**1,500**	-	-
DA	1,500	-	-
Total	***5,574***	-	-

Appropriations Accounts	Actual FY 1998	Estimate FY 1999	Request FY 2000
DA	2,200	-	-
Title II	3,374	-	-
Total	***5,574***	-	-
Other Accounts			
D&CP	2,785	2,405	2,529
ECE	209	230	232
Peace Corps	2,145	2,102	2,041
Total	***5,139***	***4,737***	***4,802***
NIGER FUNCTION 150 RESOURCES GRAND TOTAL	***10,713***	***4,737***	***4,802***

Nigeria

($ in thousands)

National Interests: The primary U.S. interests in Nigeria are democracy and economic prosperity. Other interests include law enforcement and humanitarian assistance. Nigeria's size, population (at 120 million the most populous country in sub-Saharan Africa), political and economic influence make it a key country in the region. Nigeria is at a crucial point in its history. The widespread political and economic reforms put into place by Head of State General Abdulsalam Abubakar since he came to power in June of 1998 have increased dramatically the likelihood of sustainable democracy in Nigeria, and the ability of the USG to exert influence on the Government of Nigeria. U.S. investment in Nigeria is approximately $7 billion, mostly in the petroleum sector, and Nigeria produces almost ten percent of all oil imported into the United States. Nigerian drug trafficking organizations control courier networks which move large quantities of heroin from Asia to the United States.

Strategic Goals and Supporting Programs for FY 2000:

Regional Stability: Nigeria is a regional power and as such has played a major role in establishing and maintaining stability in Liberia and Sierra Leone. U.S. programs will concentrate on the re-professionalization of the Nigerian Armed Forces through International Military Education and Training (IMET) programs with emphasis on the role of the military in a civil society. Education and Cultural Exchange (ECE) visitor (IV) grants, academic exchanges, library and outreach programs to urge reform of economic practices that now inhibit the flow of U.S. goods into Nigeria. Assuming a peaceful transition to a democratically elected civilian government, Nigeria will be eligible in FY 2000 to receive grant EDA under Section 516 of the Foreign Assistance Act. EDA, such as vehicles, radios, medical supplies and equipment, field equipment and clothing, will help Nigeria continue to participate in peacekeeping operations, and be a positive signal of support to the new democratically elected civilian controlled government. EDA items will not be considered for transfer until the current restrictions are lifted. $425

Economic Development: Diversifying the Nigerian economy to cut its unhealthy reliance on oil for revenue and economic vitality through USAID programs is fundamental. Another priority is to diminish citizen dependence on the Nigerian Government to finance and direct economic revitalization by privatizing or at least commercializing the major parastatals. USAID basic education programs will also contribute to broad-based growth. $5,000

International Crime: Nigerian crime syndicates, many of them narco-linked, cost American victims tens of millions of dollars each year, mostly through financial fraud. With ECE exchange and information programs and regional resources, the Mission will continue to work with Nigerian law enforcement agencies to encourage and facilitate action against Nigerian criminals with U.S. targets.

Illegal Drugs: Regional resources and ECE programs will permit Nigerian law enforcement and judicial system personnel to train and develop professional relationships in the United States in order to disrupt heroin and cocaine trafficking to America.

Democracy: The United States will seek to strengthen the pillars of civil society, such as NGO's, the courts, and a free, independent media through its USAID programs. The Democracy and Human Rights Fund and ECE programs will provide training and experience in support of civil society. $4,000

Population: USAID programs will seek to increase the demand for modern contraception and increase the availability of contraceptives through private sector and NGO outlets in order to help curb the 3.1 percent population growth rate in Nigeria. $4,000

Health: Nigeria has been listed by UNICEF as one of the ten sub-Saharan countries least likely to achieve the Global Health Summit goal of 90 per cent immunization by the year 2000. USAID programs to promote the health of women and infants, as well as controlling the spread of HIV/AIDS, will contribute to our global efforts to reduce the spread of infectious diseases. USAID programs to improve basic health care will support our strategic goal of economic development in Nigeria. $7,000

Performance Evaluation:

- Respect of fundamental human rights and the independence of the judiciary. Since June 1998, General Abubakar has released political prisoners, curbed abuses by the police, and appointed new judges to bring the Supreme Court and Appellate Courts up to full strength.

- Credible transition to civilian, democratic government, characterized by transparent, competitive, free and fair multiparty elections and electoral process. Nigeria's transition program is scheduled to culminate with the inauguration of a civilian President on May 29, 1999. The December 5 local elections, the first stage in this process, were judged by independent international observers to be credible.

- Effective measures to combat narcotics trafficking, money laundering, and financial fraud. Promises of improved cooperation in these areas had not yet borne fruit by the end of the year, but the quality of the dialogue improved dramatically.

- Regional peacekeeping. Nigerian armed forces remained engaged in Liberia and mounted major operations in support of the elected Government in Sierra Leone. Nigeria is also expected to contribute to an international peacekeeping force in Guinea Bissau.

- Economic reforms to improve economic performance The dual exchange rate of the Naira, which was problematic, ended with announcement of the 1999 budget. Nigeria is expected to begin an IMF-approved Staff Monitored Program in the very near future

Key Indicators for FY 2000 Performance:

- Successful completion of the transition to civilian democratic rule.
- Increased cooperation with U.S. law enforcement efforts, including renewed extraditions.
- Continued participation of the Nigerian military in regional peacekeeping efforts.
- Privatization of parastatals.
- A decrease in population growth, infant and maternal mortality rates.

NIGERIA
FUNCTION 150 RESOURCES
($ in thousands)

Appropriations Accounts by Strategic Goal	Actual FY 1998	Estimate FY 1999	Request FY 2000
Regional Stability	**-**	**-**	**425**
IMET	-	-	425
Economic Development	**-**	**-**	**5,000**
DA	-	-	5,000
Democracy	**2,000**	**4,000**	**4,000**
DA	2,000	4,000	4,000
Population	**1,500**	**2,500**	**4,000**
DA	1,500	2,500	4,000
Health	**3,500**	**6,000**	**7,000**
DA	3,500	6,000	7,000
Total	***7,000***	***12,500***	***20,425***

Appropriations Accounts	Actual FY 1998	Estimate FY 1999	Request FY 2000
DA	7,000	12,500	20,000
IMET	-	-	425
Total	***7,000***	***12,500***	***20,425***
Other Accounts			
D&CP	8,358	7,833	10,694
ECE	1,263	1,362	1,633
IIP	2,324	2,319	-
Total	***11,945***	***11,514***	***12,327***
NIGERIA FUNCTION 150 RESOURCES GRAND TOTAL	***18,945***	***24,014***	***32,752***

Rwanda

($ in thousands)

National Interests: The primary U.S. interest served in Rwanda is humanitarian. The United States' efforts in Rwanda focus heavily on helping to prevent the recurrence of genocide by supporting political economic and social conditions that promote tolerance and prosperity. We also seek to encourage regional stability. Our humanitarian interest stems from the desire to prevent massive loss of life and renewed refugees. Other interests in Rwanda include democracy, and global issues, particularly the slowing of Rwanda's population growth, which is the highest in Africa.

Strategic Goals and Programs for FY 2000:

Regional Stability: U.S support to the Government of Rwanda (GOR) and regional states through International Military Education and Training (IMET) training and the provision of appropriate material will further policy goals of eradicating extremist networks. The United States will contribute $14.5 million from the Contributions for International Peacekeeping Activities (CIPA) account in FY 2000 to support the International War Crime Tribunal – Rwanda, which seeks to bring to justice the perpetrators of the 1994 genocide. These programs will also help advance greater respect for human rights and military professionalism. Rwanda will be eligible in FY 2000 to receive Excess Defense Articles (EDA) on a grant basis under Section 516 of the Foreign Assistance Act of 1961, as amended. Grant EDA, such as vehicles, radios, and individual military clothing and equipment, will support Rwanda's demining and peacekeeping activities as well as help the government protect citizens from terrorist attacks. $14,825

Economic Development: Chronic poverty was a contributing factor to the 1994 genocide. The requested DA funds will help diversify and expand the economy through USAID programs, particularly agricultural and microenterprise projects in the rural areas, where 90% of the population reside. PL-480 II funds will support critical actions to improve food security. At the macro-level, we will contribute to the World Bank managed international debt trust fund for Rwanda enabling the GOR to target more of its budget to social services. Exchange programs will expose Rwandan businesses to U.S. business practices. $8,616

Democracy: The government plans local level elections beginning in March 1999, and is also exploring alternative mechanisms for resolving the cases of over 125,000 individuals incarcerated on genocide charges. USAID programs will support these GOR initiatives as well as training for the National Assembly. ECE exchanges will complement these efforts. $2,400

Humanitarian Assistance: New displacements have occurred as a result of the ongoing insurgency launched against the government by extremists in 1997. Needs are currently

being met though OFDA funding, but increased humanitarian assistance could become necessary. Our FY 2000 request reflects the known requirements for NADR funding to continue the very successful humanitarian demining program. USIA funds will provide support for reconciliation programs including expanded radio programs on ethnic harmony. $750

Health: High rates of HIV/AIDS infection and infant and child mortality threaten progress in Rwanda. The requested DA funding will strengthen the national AIDS program and integrate STD/HIV prevention services into the national primary health system. $3,500

Performance Evaluation:

- Resettlement and Reintegration: USG programs supported the resettlement and reintegration of over 2 million refugees. Thousands of homes were constructed/refurbished; Schools, clinics, water systems, and other critical infrastructure were rehabilitated.

- Economic Stabilization: USG contributions to the debt relief trust fund generated support from other donors and were indispensable to the establishment of a pre-ESAF program. The GOR performance in fiscal and financial management has been recognized by the IMF and the Bank.

- Judicial Assistance: USG assistance to the Law school enabled the school to train 300 new lawyers who will graduate in March 1999. USG assistance allowed Radio Rwanda to cover genocide trails at the International Tribunal in Arusha and broadcast regular reports to the Rwandan people.

- Democracy/Human Rights: GOR officials took action to curb human rights abuses by the military. The government also launched discussions with a broad range of political actors and civil society on decentralization. The parliament has begun to play a greater role in governance. Additional steps remain to be taken; most importantly, the full establishment of a national human rights and reconciliation commission as well as the conduct of elections.

Key Indicators for FY 2000 Performance:

- Holding of local elections and establishment of a transition calendar.
- Reduction in violence in the northwest and a decrease in human rights abuses.
- Increased opportunities for off-farm production and employment.
- Reduction in the rate of STD/HIV transmission.
- Completion and implementation of a new investment code and independent investment authority.

RWANDA
FUNCTION 150 RESOURCES
($ in thousands)

Appropriations Accounts by Strategic Goal	Actual FY 1998	Estimate FY 1999	Request FY 2000
Regional Stability	**7,050**	**12,300**	**14,825**
CIPA	6,577	12,000	14,500
IMET	473	300	325
Economic Development	**32,869**	**6,000**	**8,616**
DA	4,160	6,000	7,100
Title II	28,709	-	1,516
Democracy	**2,500**	**2,500**	**2,400**
DA	2,000	2,500	2,400
ESF	500	-	-
Humanitarian Assistance	**1,000**	**1,050**	**750**
NADR-Demining	1,000	1,050	750
Health	**1,340**	**2,770**	**3,500**
DA	1,340	2,770	3,500
Total	***44,759***	***24,620***	***30,091***

Appropriations Accounts	Actual FY 1998	Estimate FY 1999	Request FY 2000
CIPA	6,577	12,000	14,500
DA	7,500	11,270	13,000
ESF	500	-	-
IMET	473	300	325
NADR	1,000	1,050	750
Title II	28,709	-	1,516
Total	***44,759***	***24,620***	***30,091***
Other Accounts			
D&CP	1,663	2,458	2,585
ECE	179	199	201
Total	***1,842***	***2,657***	***2,786***
RWANDA FUNCTION 150 RESOURCES GRAND TOTAL	***46,601***	***27,277***	***32,877***

Sao Tome and Principe

($ in thousands)

National Interests: The primary U.S. interest served in Sao Tome and Principe (STP) is democracy, followed by humanitarian assistance. U.S. efforts in STP focus on political stability in order to support and safeguard our Voice of America facility and operations there. Vital underpinnings of this stability are the strengthening of democratic institutions and civilian rule and economic development of this exceptionally poor country.

Strategic Goals and Supporting Programs for FY 2000:

Regional Stability: The U.S. will press government, opposition, and community leaders in engaging government, opposition and community leaders in discussions that highlight the importance of democracy and democratic processes. This will be reinforced by military-to-military contact through IMET programs which support civilian control of the military. $75

Democracy: Voice of America and regional Democracy and Human Rights Funds contribute to U.S. diplomatic efforts to encourage the development of democratic institutions and civil society in this fragile democracy.

Performance Evaluation:

- Economic diversification: STP failed to make significant progress in diversifying its economy and meeting IMF guidelines leading to debt relief.
- Democratization: STP held peaceful and (for the region) model legislative elections in November 1998.

Key Indicators for FY 2000 Performance:

- STP qualifies for an IMF ESAF and HIPC debt relief.
- STP economy improves and allows government and military salaries to be paid in timely fashion.

SAO TOME
FUNCTION 150 RESOURCES
($ in thousands)

Appropriations Accounts by Strategic Goal	Actual FY 1998	Estimate FY 1999	Request FY 2000
Regional Stability			
IMET	74	75	75
Total	***74***	***75***	***75***

Appropriations Accounts	Actual FY 1998	Estimate FY 1999	Request FY 2000
IMET	74	75	75
Total	***74***	***75***	***75***
SAO TOME			
FUNCTION 150 RESOURCES TOTAL	***74***	***75***	***75***

Senegal

($ in thousands)

National Interests: The primary U.S. interest in Senegal is democracy followed by national security. Senegal is our most important Francophone partner in sub-Saharan Africa, a supporter of key U.S. foreign policy initiatives, and a consistent voice for moderation and compromise in multilateral and Islamic organizations. Senegal is a participant in the African Crisis Response Initiative (ACRI). By working with Senegal to professionalize its military, strengthen private sector growth and broaden democracy, the U.S. will contribute to the stability of a troubled sub-region.

Strategic Goals and Supporting Programs for FY 2000:

Regional Stability: Ensuring the health of Senegal's key security institutions, particularly its armed forces, will eliminate a potential source of regional instability and help to limit the spread of conflicts that frequently lead to humanitarian crisis. International Military Education and Training (IMET) programs will assist. Senegal will be eligible to receive Excess Defense Articles (EDA) in FY 2000 under Section 516 of the Foreign Assistance Act. Active in the African Crisis Response Initiative, EDA would be used to enhance Senegal's capabilities to participate in international peacekeeping activities. $740

Economic Development: Continued support through USAID, ECE, and Peace Corps for reform of commercial law, formation of enterprises, and access to financial services support this objective. $8,000

Democracy: USAID programs, ECE exchange and information programs and diplomacy work to strengthen civil institutions, help decentralize government, improve electoral procedures, and enhance the legal system. $2,750

Environment: USAID, the Peace Corps, and USIS are targeting local institutions, the private sector, and grass roots participation in an effort to improve Senegal's ability to manage its natural resources. $3,600

Population: Senegal's high rate of population growth continues to stress natural and social resources. Through USAID programs, the U.S. will provide technical assistance and program support to the Ministry of Health and Social Action to strengthen its ability to deliver services, particularly in rural areas. $2,700

Health: The U.S. will work through USAID and Peace Corps programs to strengthen community-managed programs for child survival, maternal and child health, and sexually transmitted diseases, particularly HIV/AIDS. $4,000

Performance Evaluation:

- Continued military-to-military contact and improved understanding. Senegalese ACRI training has proceeded and as a result, the Senegalese military is more open to the U.S. military model.

- Continued unimpeded access to airport and port facilities. Senegal continued to provide unlimited access to its port and airport facilities for U.S. armed forces for humanitarian and other missions.

- Improved military professionalism and civil responsibility. The Senegalese military benefited from ACRI training and contact with U.S. military officials. However, Senegal's military needs to strengthen its command structure and battle skills, as Senegal's problematic military intervention in Guinea-Bissau has demonstrated.

Key Indicators for FY 2000 Performance:

- Free and transparent Presidential Elections in 2000.
- Effective participation by Senegalese armed forces in regional peacekeeping.
- Diminished population growth, infant mortality, and HIV/AIDS.
- Increased U.S. exports and investments in Senegal.
- Improved natural resourace management.

SENEGAL
FUNCTION 150 RESOURCES
($ in thousands)

Appropriations Accounts by Strategic Goal	Actual FY 1998	Estimate FY 1999	Request FY 2000
Regional Stability	**815**	**735**	**740**
IMET	815	735	740
Economic Development	**6,100**	**6,400**	**8,000**
DA	6,100	6,400	8,000
Democracy	**3,300**	**2,000**	**2,750**
DA	3,300	2,000	2,750
Environment	**2,800**	**2,940**	**3,600**
DA	2,800	2,940	3,600
Population	**3,000**	**5,903**	**2,700**
DA	3,000	5,903	2,700
Health	**2,100**	**5,981**	**4,000**
DA	2,100	5,981	4,000
Total	***18,115***	***23,959***	***21,790***

Appropriations Accounts	Actual FY 1998	Estimate FY 1999	Request FY 2000
DA	17,300	23,224	21,050
IMET	815	735	740
Total	***18,115***	***23,959***	***21,790***
Other Accounts			
D&CP	4,536	4,297	4,519
ECE	1,146	1,212	1,236
Peace Corps	2,854	2,965	3,139
Total	***8,536***	***8,474***	***8,894***
SENEGAL FUNCTION 150 RESOURCES GRAND TOTAL	***26,651***	***32,433***	***30,684***

Seychelles

($ in thousands)

National Interests: U.S. national interests in the Seychelles islands include democracy, humanitarian interests, law enforcement and global issues. U.S. national security is enhanced through the creation of a stable and secure Indian Ocean region. Terrorism has proven itself a real regional concern, as has lawlessness and international organized crime of other sorts. The participation of the Seychelles in international trade bodies helps to preserve U.S. trade policies globally. Ecological degradation in the Indian Ocean threatens the oceanscape throughout the world.

Strategic Goals and Supporting Programs for FY 2000:

Regional Stability: International Military Education and Training (IMET) programs in the Seychelles will contribute to creating professional militaries that respect civilian rule. Seychelles will be eligible in FY 2000 to receive Excess Defense Articles (EDA) on a grant basis under Section 516 of the Foreign Assistance Act of 1961, as amended. Grant EDA will support the Seychelles' counter-narcotics maritime activities and coastal security efforts. $75

Open Markets: ECE exchange programs will assist the Seychelles in making reforms to join WTO.

Expand U.S. Exports: Mauritius offers market opportunities for U.S. firms. The mission will use ECE exchanges and other resources to assist U.S. firms in finding a foothold in the Indian ocean region.

International Crime: Seychelles presents a potentially attractive target for money laundering operations. Comoros, similarly, has legal weaknesses that make it vulnerable to criminal exploitation. The U.S. will provide information and technical assistance through ECE exchanges to local authorities as they deal with this potential problem.

Democracy: Democratic institutions have made progress in the Seychelles. The U.S. will use ECE exchanges and the regional Democracy and Human Rights Fund to track the further development of local democracy and to support evolving institutions.

Environment: This Consular District includes a unique ecology and opportunities for aquaculture. The U.S. will use regional Self-Help funds to help support local efforts to preserve the ecology and responsibly manage fisheries.

Diplomatic Activities: Officers in Mauritius will travel on a regular schedule to Seychelles to represent U.S. interests there. The USG will also seek visits from high-level U.S. officials to the region.

Performance Evaluation:

- Seychelles military activities that support civilian authority. Seychelles continues to make progress towards restructuring military forces and respect for civilian authority through IMET programs and a dialogue with the United States.

Key Indicators for FY 2000 Performance:

- American firms in the energy sectors gain access to the markets in the Seychelles.
- The Seychelles passes legislation allowing for increased international law enforcement cooperation.
- No coups or civil conflict.
- Faster response times are registered for warden system tests throughout the district.

SEYCHELLES
FUNCTION 150 RESOURCES
($ in thousands)

Appropriations Accounts by Strategic Goal	Actual FY 1998	Estimate FY 1999	Request FY 2000
Regional Stability	**79**	**75**	**75**
IMET	79	75	75
Total	***79***	***75***	***75***

Appropriations Accounts	Actual FY 1998	Estimate FY 1999	Request FY 2000
IMET	79	75	75
Total	***79***	***75***	***75***
Other Accounts			
ECE	4	6	6
Total	***4***	***6***	***6***
SEYCHELLES FUNCTION 150 RESOURCES GRAND TOTAL	***83***	***81***	***81***

Sierra Leone

($ in thousands)

National Interests: The primary U.S. interest in Sierra Leone is humanitarian followed by democracy and economic prosperity. The U.S. is working to help West Africa bring an end to the eight-year conflict in Sierra Leone that threatens the stability of several other states in the region and causes a massive, complex humanitarian emergency. Regional peacekeeping funds will be used to bolster U.S. diplomatic efforts. U.S. humanitarian assistance is provided by USAID, Food for Peace, State/PRM, USAID's Office of Transition Initiatives, and DOD. Other U.S. interests in Sierra Leone include democracy, which has been pursued through small regional Democracy and Human Rights Fund grants, and the ability of American citizens to live and work securely. Improving the Government's ability to manage rich natural resources, including extensive deposits of gem-quality diamonds, strategic minerals, fertile land, high-value cash crops, timber, and fisheries, would remove the source for much of the country's political instability and improve the standard of living. The Ambassador's regional Self-Help Fund disbursed $90,000 to fund small, high-impact self-help development projects in FY 1998 and we seek to continue that funding.

Strategic Goals and Supporting Programs for FY 2000:

Regional Stability: The U.S. bears one-quarter of the cost of maintaining the UN Observer Mission in Sierra Leone (UNOMISL) which monitors the implementation of the ECOWAS resolution regarding civil unrest in Sierra Leone. In FY 2000, $8.5 million from the Contributions to International Peacekeeping Activities (CIPA) will be devoted to this purpose. Sierra Leone will be eligible in FY 2000 to receive Excess Defense Articles (EDA) on a grant basis under Section 516 of the Foreign Assistance Act of 1961, as amended. Upon establishment of a cease fire agreement with the rebels, grant EDA will support the rebuilding and restructuring of Sierra Leone's military following several years of internal conflict and instability. $8,500

International Crime: ESF for International Criminal Investigative Training Assistance Program (ICITAP) training will reconstruct and reform the civilian police force in Sierra Leone. Implementation will depend upon a peaceful resolution of the civil conflict. $1,500

Performance Evaluation:

- Implementation of peace agreement between the Government and RUF rebels. The May 1997 military coup d'etat interrupted implementation of the peace accord. Regional conflict resolution and peacekeeping efforts strongly supported by the U.S. Ambassador to Sierra Leone resulted in the restoration of the democratically-elected government in early 1998. The conflict continues, however, most lately with a severe rebel attack on the capital of Freetown in early 1999.

- Demobilization and reintegration of military forces and rebels. The May 1997 military coup d'etat interrupted efforts to restructure the military and resulted in the suspension of IMET and EDA assistance to Sierra Leone.

Key Indicators for FY 2000 Performance:

- The democratically-elected government remains in power.
- Decrease in violence against civilians.
- Refugees and displaced persons return to their homes and emergency assistance decreases.
- Security forces are restructured and retrained while existing military and rebel forces are demobilized and reintegrated into civilian society.
- Economic activity increases and quality of life indicators improve.

SIERRA LEONE
FUNCTION 150 RESOURCES
($ in thousands)

Appropriations Accounts by Strategic Goal	Actual FY 1998	Estimate FY 1999	Request FY 2000
Regional Stability	**2,531**	**3,575**	**8,500**
CIPA	2,531	3,500	8,500
IMET	-	75	-
Economic Development	**32,565**	**16,094**	**-**
Title II	32,565	16,094	-
International Crime	**-**	**-**	**1,500**
ESF	-	-	1,500
Total	***35,096***	***19,669***	***10,000***

Appropriations Accounts	Actual FY 1998	Estimate FY 1999	Request FY 2000
CIPA	2,531	3,500	8,500
ESF	-	-	1,500
IMET	-	75	-
Title II	32,565	16,094	-
Total	***35,096***	***19,669***	***10,000***
Other Accounts			
D&CP	1,555	1,626	1,710
ECE	36	38	39
Total	***1,591***	***1,664***	***1,749***
SIERRA LEONE FUNCTION 150 RESOURCES GRAND TOTAL	***36,687***	***21,333***	***11,749***

Somalia

($ in thousands)

National Interests: The primary U.S. interest in Somalia is humanitarian, along with democracy. Strategic objectives of the United States are at stake because of the country's chaotic state and the potential it holds as a platform for regional and international destabilizing elements. Somalia's long, un-policed border opens onto Ethiopia, Kenya and Djibouti. Access across the Indian Ocean to Yemen expands the potential threat.

Strategic Goals and Supporting Programs for FY 2000:

Humanitarian Assistance: NADR demining funds will assist in eliminating the threat of landmines which hampers the rural farming and grazing so necessary for subsistence and stability. In addition, the United States will be providing a humanitarian assistance program in Somalia, managed by the USAID REDSO in Nairobi, Kenya, and will pursue reconciliation through regional funds that go to the Intergovernmental Authority for Development (IGAD). $1,500

Performance Evaluation:

- Preventing severe food shortages. USG contributions in emergency and humanitarian assistance helped divert a humanitarian crisis.
- Continued reconciliation efforts among Somali clans and factions. "Somaliland" continued to nurture democratic institutions. IGAD sponsored several reconciliation conferences and a fact-finding mission to Somalia

Key Indicators for FY 2000 Performance:

- Continued food security in Somalia.
- Repatriation of refugees from Ethiopia.

SOMALIA
FUNCTION 150 RESOURCES
($ in thousands)

Appropriations Accounts by Strategic Goal	Actual FY 1998	Estimate FY 1999	Request FY 2000
Economic Development	**11,623**	**6,763**	**-**
DA	2,700	-	-
Title II	8,923	6,763	-
Democracy	**-**	**500**	**-**
DA	-	500	-
Humanitarian Assistance	**346**	**1,000**	**1,500**
NADR-Demining	346	1,000	1,500
Health	**1,300**	**1,000**	**-**
DA	1,300	1,000	-
Total	***13,269***	***9,263***	***1,500***

Appropriations Accounts	Actual FY 1998	Estimate FY 1999	Request FY 2000
DA	4,000	1,500	-
NADR	346	1,000	1,500
Title II	8,923	6,763	-
Total	***13,269***	***9,263***	***1,500***
Other Accounts			
D&CP	25	87	91
Total	***25***	***87***	***91***
SOMALIA (CLOSED) FUNCTION 150 RESOURCES GRAND TOTAL	***13,294***	***9,350***	***1,591***

South Africa

($ in thousands)

National Interests: Both democracy and U.S. economic prosperity are at stake in South Africa. South Africa's political stability is key to the stability of the region, and the United States is the largest investor in South Africa. Other U.S. interests in South Africa include law enforcement, humanitarian assistance, and American citizens and borders. A successful transition will mean enhanced prospects for increased U.S. trade and investment, relative safety for Americans travelling in South Africa, and controllable borders in the fight against international crime and narcotics trafficking.

Strategic Goals and Supporting Programs for FY 2000:

Regional Stability: Using International Military Education and Training (IMET) and Education and Cultural Exchange (ECE) programs, the United States encourages South Africa to exert leadership commensurate with its size, strength and population. South Africa will be eligible in FY 2000 to receive Excess Defense Articles (EDA) on a grant basis under Section 516 of the Foreign Assistance Act of 1961, as amended. Grant EDA will support South Africa's peacekeeping activities and enhance our cooperative relationship. $800

Open Markets: Relevant ministries do not have the capacity to follow all WTO issues. Therefore, diplomacy and ECE exchange and information programs will target key government, business, and chamber of commerce officials to actively support multilateral rule-based trade initiatives in the WTO and persuade other countries to support them as well.

Expand U.S. Exports: The United States seeks lower barriers to U.S. firms in the defense sector by reducing apartheid era distrust and establishing contacts through ECE exchange programs.

Economic Development: USAID and Peace Corps programs invest in education, health care, private sector development, and delivery of housing and related human services to encourage broad-based growth. These efforts assist the new government to restructure the apartheid system and aid the previously disadvantaged majority to increase their participation in civil society and the economy. ECE exchange and information programs increase the capacity of South Africans responsible for managing these programs. $22,150

International Crime: ECE sponsors programs to raise public awareness of the threats posed by international crime.

Illegal Drugs: U.S. programs, including ECE exchange programs, encourage the government to accede to UN protocols, conduct joint operations with South African

counterparts, recommend training programs to them, and raise public awareness of the narcotics problem.

Democracy: By promoting human rights, the rule of law, and conflict resolution, USAID programs strengthen democratic institutions and processes, including assisting the government in the establishment of an efficient, effective court system to help fight crime. $14,550

Environment: Helping South Africa pursue environmentally sustainable, market-based development will assist it in achieving other goals, such as broad-based growth and health. USAID and Peace Corps programs include training and technical assistance in energy-efficiency, solid waste management, water and sanitation systems as well as environmental impact assessments and reviews. $5,600

Population: USAID population programs reduce fertility rates by increasing access to, and the quality of, reproductive health support. $1,200

Health: USAID and Peace Corps programs focus on access to primary health care. USAID programs also address the HIV/AIDS epidemic through preventive services and mitigation strategies. USAID also supports the Center for Disease Control, which provides an advisor to the Ministry of Health. $3,900

Performance Evaluation:

- Respect for human rights, equitable administration of justice, peaceful resolution of societal conflicts, participation of NGOs and other elements of civic society in policy development. The Truth and Reconciliation Commission (TRC), partially funded by USAID democracy programs, completed its hearings and submitted its report showing remarkable impartiality. NGOs have played considerable roles in monitoring and assisting legislative bodies in drafting legislation, such as the organized crime bill.

- Increased access to shelter and urban services for the historically disadvantaged population. USG programs provided thousands of credit housing loans for disadvantaged people (87,882 in 1996-7), resulting in greater numbers of disadvantaged South Africans being housed.

- More equitable, sustainable primary health care delivery system accessible to all South Africans. Continued USG investment in South Africa's health care system and HIV/AIDS prevention programs have increased access for thousands of South Africans.

- Expansion of U.S.-South Africa defense relationship. In 1998 the U.S. programmed three Joint Combined Exercise and Training (JCET) programs, the first in a democratic South Africa. In addition to multiple exchange visits among military

officers there were increased IMET students in the U.S. These programs have begun to break through some of the distrust remaining from the apartheid era.

- Designation of appropriate SANDF peacekeeping role, participation and/or support for peacekeeping, and completion of SANDF integration. South Africa participated in September 1998 in the SADC intervention in Lesotho to restore order and the rule of law. The SAG cabinet has recently completed a white paper on South Africa's peacekeeping role indicating recognition of South Africa's role as a regional stabilizer. Integration of former South Africa Defense Forces with liberation forces into the South African National Defense Force is structurally complete, and 1998 saw a new chief of SANDF appointed.

Key Indicators for FY 2000 Performance:

- Increased military-to-military exercises and exchanges.
- SAG leadership to shape constructive security and non-proliferation policies within NAM and SADC.
- Increased level of U.S. exports to South Africa and progress on a Trade and Investment Framework Agreement and increased foreign direct investment to the southern African region.
- Improved Human Development Index Figures for the historically disadvantaged population, including increased access to primary health care and increased capacity to deliver HIV/AIDS prevention and treatment.
- Finalization of a Mutual Legal Assistance Treaty and joint training of 100 investigators and prosecutors.
- Improved management of waste, water, and other natural resources.

SOUTH AFRICA
FUNCTION 150 RESOURCES
($ in thousands)

Appropriations Accounts by Strategic Goal	Actual FY 1998	Estimate FY 1999	Request FY 2000
Regional Stability	**804**	**850**	**800**
IMET	804	850	800
Economic Development	**39,250**	**14,731**	**22,150**
DA	39,000	14,731	22,150
ESF	250	-	-
Democracy	**14,500**	**14,200**	**14,550**
DA	14,500	14,200	14,550
Environment	**5,500**	**8,575**	**5,600**
DA	5,500	8,575	5,600
Population	**3,500**	**2,000**	**1,200**
DA	3,500	2,000	1,200
Health	**7,600**	**7,500**	**3,900**
DA	7,600	7,500	3,900
Total	***71,154***	***47,856***	***48,200***

Appropriations Accounts	Actual FY 1998	Estimate FY 1999	Request FY 2000
DA	70,100	47,006	47,400
ESF	250	-	-
IMET	804	850	800
Total	***71,154***	***47,856***	***48,200***
Other Accounts			
D&CP	11,486	13,677	14,384
ECE	3,269	3,676	3,785
Peace Corps	1,997	2,411	2,518
Total	***16,752***	***19,764***	***20,687***
SOUTH AFRICA FUNCTION 150 RESOURCES GRAND TOTAL	***87,906***	***67,620***	***68,887***

Swaziland

($ in thousands)

National Interests: It is in the U.S. national interest to promote peaceful constitutional reform, economic growth, and evolutionary democratization in Swaziland –the region's only remaining non-party state and executive monarchy.

Strategic Goals and Supporting Programs for FY 2000:

Regional Stability: Continuing the International Military Education and Training (IMET) program for qualified commissioned and non-commissioned officers will develop a fully-trained Swazi Defense Force subordinate to civilian authority respectful of human rights, that can assist with peacekeeping, disaster preparedness, and demining activities throughout southern Africa. $75

Expand U.S. Exports: ECE exchanges and information programs expose Swazis to the U.S. private sector – its requirements for investment and the products and services useful to Swaziland.

Open Markets: ECE exchanges and information programs expose Swazis to the type of infrastructure that will facilitate the open markets needed for economic prosperity.

Illegal Drugs: ECE exchanges and information programs allow us to help generate the support of high-level Government officials and other interested persons in combating narcotics trafficking.

Democracy: ECE exchanges and information programs are key to promoting democracy, transparent and accountable governance, and respect for human rights to ensure Swaziland's political stability and economic growth.

Humanitarian Assistance: NADR demining programs will raise awareness of the dangers of landmines and will help eliminate landmines in Swaziland.

Environment: ECE exchanges and international information programs are key to conservation and biodiversity.

Performance Evaluation:

- Bring future and present Swazi leaders to the U.S. through academic grants and the international visitors program to acquaint leaders with working democratic institutions, international labor standards, intellectual property rights, and with the telecommunication sector. USIS programs were on target in FY 1998. Through a tripartite consensus, the Swazi Government made progress towards passing labor legislation that will bring it into full conformity with international labor conventions.

- Provide information to the Swazi business and public sectors through USIA speakers' programs, web site, and international visitors program to acquaint them with the U.S. business community and with environmental programs. USIA helped arrange a commercial visit to several U.S. cities for the Prime Minister who was seeking major foreign investors.

- Develop and implement a program to clear the minefield on the Swaziland-Mozambique border and provide demining training to members of the Swazi Defense Force who can use this skill to assist with similar activities in any future regional peacekeeping operations. FY 1998 monies are in a trust fund awaiting the determination of proper equipment to purchase.

- Continue IMET instruction on professionalism and effective defense resource management. The professionalism of the Swazi defense force, its subordination to civilian authority and respect for human rights were recognized by former EUCOM DCINC Gen. James Jamerson as among the best in Africa.

Key Indicators for FY 2000 Performance:

- The Swazi Government revises its industrial relations and intellectual property rights legislation.
- The Swazi press reports favorably on U.S. policies and mission activities.
- The number of landmines along the Swazi-Mozambique border decreases.
- The yearly total of narcotics confiscations increase.
- Swaziland updates its counter-narcotics legislation.

SWAZILAND
FUNCTION 150 RESOURCES
($ in thousands)

Appropriations Accounts by Strategic Goal	Actual FY 1998	Estimate FY 1999	Request FY 2000
Regional Stability	**93**	**75**	**75**
IMET	93	75	75
Humanitarian Assistance	**210**	**-**	**-**
NADR-Demining	210	-	-
Total	***303***	***75***	***75***

Appropriations Accounts	Actual FY 1998	Estimate FY 1999	Request FY 2000
IMET	93	75	75
NADR	210	-	-
Total	***303***	***75***	***75***
Other Accounts			
D&CP	1,242	1,222	1,285
ECE	164	176	183
Total	***1,406***	***1,398***	***1,468***
SWAZILAND FUNCTION 150 RESOURCES GRAND TOTAL	***1,709***	***1,473***	***1,543***

Tanzania

($ in thousands)

National Interests: The principal U.S. interest in Tanzania is democracy, pursued through the reinforcement of Tanzania's political stability, enabling Tanzania to continue its role as mediator of regional disputes. An island of calm in the turbulent Great Lakes region, Tanzania is host to thousands of refugees and a leading broker for regional reconciliation. U.S. assistance in fostering broad-based, market-driven economic growth will form a lasting bulwark against instability. The bombing of the U.S. Embassy in August 1998 underscored the need to expand our counter-terrorism relationship with Tanzania. Using regional ATAP funds, the Mission will build upon the excellent bilateral cooperation forged in the wake of the bombing to provide training for Tanzanian security officials to improve tracking of potential terrorist threats against U.S. interests.

Strategic Goals and Supporting Programs for FY 2000:

Regional Stability: A stable Central Africa will reduce requirements for U.S. peacekeeping forces and/or massive humanitarian disasters as a result of ethnic violence and large-scale refugee flows. International Military Education and Training (IMET) will encourage the Tanzanian Government to continue its constructive engagement in resolving regional conflict. Tanzania will be eligible in FY 2000 to receive Excess Defense Articles (EDA) on a grant basis under Section 516 of the Foreign Assistance Act of 1961, as amended. Grant EDA, such as vehicles, radios, and individual military clothing and equipment, will help support Tanzania's peacekeeping activities. $200

Economic Development: USAID programs that support free-market reforms and support to emerging entrepreneurs will contribute to private sector-led sustainable growth, contributing to both Tanzanian and U.S. prosperity. Peace Corps programs contribute to sustainable growth at the grassroots level. $5,950

Democracy: USAID programs to help establish an improved judiciary and strong civil society will enhance Tanzania's constructive role in regional conflict resolution. $2,500

Environment: Working with the Tanzanian Government, the U.S. can protect unique natural resources and tap into Tanzania's vast ecotourism potential through USAID and Peace Corps programs. Such measures will buttress other U.S. goals by supporting broad-based economic growth and regional stability. $3,800

Population: Curbing Tanzania's growth rate through USAID programs will contribute directly to the U.S. national goal of stabilizing world population growth and complement our strategic goal of increasing economic development in Tanzania. $3,900

Health: Expanding basic health education, access to primary health care, and use of HIV/AIDS preventive measures through USAID and Peace Corps programs contributes to reducing the spread of disease. $7,300

Performance Evaluation:

Continuing Support for Regional Security: Tanzania hosted the Burundi peace negotiations in Arusha and President Mkapa was called upon to help bring about peace talks in the Democratic Republic of the Congo. Tanzania participated successfully in an Africa Crisis Response Initiative exercise with the U.S., Uganda, and Kenya.

Population Growth Rate Remains High: Tanzania's growth rate remained above 2.5% and the contraceptive prevalence rate has leveled off since 1996. New strategies aim at reaching a nationwide audience and coordinating with donors to avoid duplication.

Potentially Dangerous Impasse Persists on Zanzibar: There were serious discrepancies in Zanzibar in the 1995 elections and the U.S. and other donors have halted most assistance to Zanzibar as a result. Donors have little opportunity to effect change in this highly charged climate.

Key Indicators for FY 2000 Performance:

- Extent of privatization of state enterprises and performance by privatized companies.
- Level of Tanzanian support for U.S. environmental initiatives.
- Population growth rate and incidence of HIV/AIDS.
- Number of refugees voluntarily repatriated and resettled.
- Continued development of democratic institutions, civic organizations and the free press.

TANZANIA
FUNCTION 150 RESOURCES
($ in thousands)

Appropriations Accounts by Strategic Goal	Actual FY 1998	Estimate FY 1999	Request FY 2000
Regional Stability	**185**	**150**	**200**
IMET	185	150	200
Economic Development	**12,623**	**6,250**	**5,950**
DA	2,000	6,250	5,950
Title II	10,623	-	-
Democracy	**2,500**	**2,150**	**2,500**
DA	2,500	2,150	2,500
Humanitarian Assistance	**150**	**9,231**	**-**
ESF	150	9,231	-
Environment	**4,000**	**2,500**	**3,800**
DA	4,000	2,500	3,800
Population	**3,800**	**3,850**	**3,900**
DA	3,800	3,850	3,900
Health	**7,400**	**6,900**	**7,300**
DA	7,400	6,900	7,300
Total	***30,658***	***31,031***	***23,650***

Appropriations Accounts	Actual FY 1998	Estimate FY 1999	Request FY 2000
DA	19,700	21,650	23,450
ESF	150	9,231	-
IMET	185	150	200
Title II	10,623	-	-
Total	***30,658***	***31,031***	***23,650***
Other Accounts			
D&CP	3,143	3,315	3,486
ECE	866	909	910
Peace Corps	2,132	2,280	2,337
Total	***6,141***	***6,504***	***6,733***
TANZANIA FUNCTION 150 RESOURCES GRAND TOTAL	***36,799***	***37,535***	***30,383***

Togo

($ in thousands)

National Interests: U.S. interests in Togo center on promoting democratization, which will contribute to domestic stability and economic growth as well as regional peace. With extremely limited program resources in the absence of a USAID mission, the U.S. Embassy also works to promote broad-based economic growth to improve living standards, health conditions and Togo's eventual potential as a commercial partner.

Strategic Goals and Supporting Programs for FY 2000:

Economic Growth: Peace Corps programs help restore economic growth by educating and by reducing environmental degradation and the spread of infectious diseases. ECE exchange programs will highlight strategies advocated by international financial institutions for sustainable development and the benefits of market-based economic reforms.

Democracy: ECE exchange programs will strengthen democratic institutions, the rule of law, creation of an apolitical military, and respect for human rights.

Environment: The U.S. will work through Peace Corps environmental programs to support responsible local use of natural resources and protection of the environment.

Health: Through Peace Corps programs, the U.S. Mission will contribute to grassroots health projects and education.

Performance Evaluation:

- Evidence that the Togolese military is respecting the human rights of the civilian population: Members of the Togolese military interfered in the June 1998 Presidential elections, destroying ballots from some districts before they could be counted. Credible evidence pins responsibility on members of the military for attacks August 16 on the headquarters of one opposition party and on the homes of several opposition politicians.

- Evidence that the Togolese military is maintaining a responsible dialogue with civilian leaders and civilian authority: The Togolese military, which continues its close ties to President Eyadema, has not maintained responsible dialogue with civilian leaders and civilian authorities, especially members of the political opposition.

Key Indicators for FY 2000 Performance:

- Privatization of state-owned enterprises and increased economic growth.
- Continued access by Mission officers to government, media, political parties and academia.
- Objective press coverage of U.S. policies and activities in the local media.
- Open and free elections.
- NGOs and the independent media operate free of government harassment.

TOGO
FUNCTION 150 RESOURCES
($ in thousands)

Appropriations Accounts by Strategic Goal	Actual FY 1998	Estimate FY 1999	Request FY 2000
Regional Stability	**35**	-	-
IMET	35	-	-
Economic Development	-	-	-
Title II	-	-	-
Total	***35***	-	-

Appropriations Accounts	Actual FY 1998	Estimate FY 1999	Request FY 2000
IMET	35	-	-
Title II	-	-	-
Total	***35***	-	-
Other Accounts			
D&CP	3,028	3,338	3,510
ECE	326	348	361
Peace Corps	1,735	1,875	1,879
Total	***5,089***	***5,561***	***5,750***
TOGO FUNCTION 150 RESOURCES GRAND TOTAL	***5,124***	***5,561***	***5,750***

Uganda

($ in thousands)

National Interests: The principal national interest of the United States in Uganda is democracy followed by economic prosperity and humanitarian response. Uganda is becoming a model for other African nations in health, education, and economic reform. Uganda is now a critical partner in responding to conflicts and tensions in the Great Lakes and Horn of Africa regions. USAID and the State Department provide assistance when the magnitude of a disaster exceeds the Ugandan Government's capacity to respond.

Strategic Goals and Supporting Programs for FY 2000:

Regional Stability: Uganda is a critical participant in efforts to enhance stability in Central and East Africa. The U.S. has deployed forces in Uganda twice in the last four years to support humanitarian initiatives in the Great Lakes region. International Military Education and Training (IMET) programs will help to further professionalize the Ugandan military, which has already been downsized under a successful UN program. Uganda also participates in African Crisis Response Initiative (ACRI) training, which will help them play a constructive and professional role in regional peacekeeping. Uganda will be eligible in FY 2000 to receive Excess Defense Articles (EDA) on a grant basis under Section 516 of the Foreign Assistance Act of 1961, as amended. Grant EDA will support Uganda's ability to participate in international peacekeeping operations, and to counter threats emanating from Sudan. $400

Economic Development: A transparent, productive Ugandan economy will have a positive impact on regional integration and will contribute to U.S. commercial interests in East and Central Africa. The U.S. will support continued economic reform, particularly of the financial sector, and address infrastructure shortfalls in energy, roads, and telecommunications through diplomacy and USAID programs. USAID, PL 480 II and Peace Corps programs will also contribute to grassroots agricultural development. $34,281

Democracy and Human Rights: Democratization is an important element in establishing long-term political stability, reinforcing the rule of law, and permitting sustained economic growth in a country critical to regional stability. Through diplomacy and USAID programs, the Mission will support multiparty democracy, judicial and legislative capabilities, the position of women, appropriate civil-military relations, and promote human rights. $1,700

Environment: The conservation of Uganda's unique environment will reduce long-term threats to the global environment, particularly loss of biodiversity and climate change. The Embassy will work through diplomacy, USAID programs and Peace Corps programs to improve resource management and to strengthen the Ugandan Government's institutional framework for wildlife administration. $8,600

Population: Uganda's rapidly growing population creates undue pressure on land, schools, health services and other social sectors, threatening overall economic growth. USAID population programs raise awareness of family planning and provide support services to help lower the population growth rate. $5,400

Health: Uganda is the epicenter of the HIV/AIDS epidemic and has one of the highest incidences of malaria infection in the world. USAID and Peace Corps health programs aim to decrease the incidence of HIV/AIDS and other infectious diseases, as well as supporting basic health initiatives. The Embassy will continue to engage in HIV education and provide diplomatic support to Centers for Disease Control research projects. $8,200

Performance Evaluation:

Bilateral Relations Enhanced: Bilateral relations were strengthened by the visits of the President and Mrs. Clinton, the visit of the Secretary of State, and the Rangel Presidential Trade Mission.

Regional Security: Presidents Clinton and Museveni hosted a summit of regional leaders at Entebbe to highlight the need for African cooperation on security issues. Uganda's involvement in the Congo conflict complicated efforts to promote Ugandan participation in regional peacekeeping activities.

Key Indicators for FY 2000 Performance:

- Level of Ugandan cooperation in regional peace efforts.
- Value of new U.S. and other foreign investments in Uganda.
- Level of understanding of U.S. views on democracy by local political figures and Ugandan public, and progress toward multiparty democracy.
- Population levels of key indicator plant and animal species.
- Population growth rates decline.
- Incidents of HIV/AIDS decreases.

UGANDA
FUNCTION 150 RESOURCES
($ in thousands)

Appropriations Accounts by Strategic Goal	Actual FY 1998	Estimate FY 1999	Request FY 2000
Regional Stability	**357**	**400**	**400**
IMET	357	400	400
Economic Development	**56,137**	**31,152**	**34,281**
DA	25,140	21,527	25,950
Title II	30,997	9,625	8,331
Democracy	**2,000**	**2,300**	**1,700**
DA	2,000	2,300	1,700
Environment	**50**	**6,725**	**8,600**
DA	50	6,725	8,600
Population	**5,900**	**5,580**	**5,400**
DA	5,900	5,580	5,400
Health	**11,674**	**10,310**	**8,200**
DA	11,674	10,310	8,200
Total	***76,118***	***56,467***	***58,581***

Appropriations Accounts	Actual FY 1998	Estimate FY 1999	Request FY 2000
DA	44,764	46,442	49,850
IMET	357	400	400
Title II	30,997	9,625	8,331
Total	***76,118***	***56,467***	***58,581***
Other Accounts			
D&CP	3,465	2,806	2,951
ECE	577	614	632
Peace Corps	1,397	1,543	1,570
Total	***5,439***	***4,963***	***5,153***
UGANDA FUNCTION 150 RESOURCES GRAND TOTAL	***81,557***	***61,430***	***63,734***

Zambia

($ in thousands)

National Interests: The primary U.S. interest in Zambia is democracy, followed by humanitarian interests and, potentially, economic prosperity. If Zambia succeeds in building a stable democracy, it will have a positive influence on a region of growing economic and political importance to the United States. Zambia has been in the forefront of mediating peaceful resolutions of the Angolan and Congolese conflicts.

Strategic Goals and Supporting Programs for FY 2000:

Regional Stability: A secure, stable southern Africa with a growing economy will provide the enabling environment for a stable, developing democracy in Zambia that will not require U.S. foreign aid and humanitarian relief. The U.S. will continue to help Zambia professionalize its military through International Military Education and Training (IMET) and to support Zambia in its efforts to work with neighboring states to keep the peace and improve conditions in the region. Zambia will be eligible in FY 2000 to receive Excess Defense Articles (EDA) on a grant basis under Section 516 of the Foreign Assistance Act of 1961, as amended. Grant EDA will support Zambia's peacekeeping activities. $150

Economic Development: An efficiently functioning and growing economy is Zambia's best long-term hope to reduce chronic poverty and alleviate suffering from malnutrition and disease. The U.S. will directly support market-oriented reforms through USAID and Peace Corps projects to increase the productive participation of rural enterprises and communities in the national economy, and reduce the State's role in the economy. $8,550

Democracy: The U.S. will actively support Zambian efforts, both governmental and non-governmental, to strengthen and deepen democracy and good governance in the country. Our USAID democracy program will focus on the pillars of democracy: transparent electoral processes, an independent judiciary, respect for rule of law, freedom of the press, freedom of assembly, and respect for internationally recognized human rights. $1,300

Environment: The U.S. will support Zambia's efforts to reverse environmental degradation by focusing on building local capacity to accelerate implementation of environmental reforms through USAID and Peace Corps programs. $1,200

Population: Stabilizing Zambia's population growth is essential for the country's continued development and prosperity. The U.S. will support Zambia's efforts to reduce fertility rates in country, working extensively through USAID projects at the grassroots level throughout Zambia. $3,200

Health: USAID and Peace Corps will support improved family and public health, sanitation, and HIV/AIDS prevention and control. This includes water and sanitation activities which improve general health and quality of life at the community level. The "integrated" approach to health seeks to provide quality care as close to the family as possible. $8,100

Performance Evaluation:

- Progress in consolidating democracy and respect for human rights and the rule of law. Due in large part to U.S. pressure and pressure from civil society and the independent press, both of which have been heavily supported by the United States, the Zambian Government released former President Kanuda from house arrest where he was held from an alleged October 1997 coup attempt until June 1998.

- Independence of the judiciary and effective measures to fight corruption. The professional and highly-trained Zambian judiciary continues to exhibit a remarkable degree of independence from the strong Zambian executive and legislative branches of government, and an overall respect for rule of law. The Zambian Government's Anti-Corruption Commission (ACC) was a proactive watchdog, seeking to identify instances of possible wrongdoing.

- Improved health indicators (e.g., increased child survival, decreased incidence of HIV/AIDS, decrease in population growth rate). Decentralization is working in the health care sector in Zambia, as more Zambians are enjoying easier access to medical care. HIV/AIDS remains a major health concern for Zambia.

- Privatization of large state firms and increased U.S. investment. Zambia's economic reforms and commitment to privatization in the 1990's have been exceptional. A number of privatization have occurred to date, notably in the mining, agricultural, and transportation sectors.

- Continued apolitical military role and effective participation in regional peacekeeping. The professional Zambian military continued to respect its civilian leadership. Zambian President Chiluba undertook to lead African diplomatic efforts to resolve the Congo conflict.

Key Indicators for FY 2000 Performance:

- Continued peace with Angola and Congo.
- The number of registered Zambian voters and voter participation in elections increases.
- Reductions in the percentage of the population below the poverty line.
- Complete privatization of Zambia Consolidated Copper Mines.
- Improved education and health standards of Zambians, as measured by the World Bank annual "World Development Indicators."

ZAMBIA
FUNCTION 150 RESOURCES
($ in thousands)

Appropriations Accounts by Strategic Goal	Actual FY 1998	Estimate FY 1999	Request FY 2000
Regional Stability	**143**	**150**	**150**
IMET	143	150	150
Economic Development	**8,755**	**8,293**	**8,550**
DA	6,511	6,050	8,550
Title II	2,244	2,243	-
Democracy	**700**	**1,850**	**1,300**
DA	700	1,850	1,300
Environment	**1,300**	**2,000**	**1,200**
DA	1,300	2,000	1,200
Population	**3,500**	**2,550**	**3,200**
DA	3,500	2,550	3,200
Health	**7,300**	**7,982**	**8,100**
DA	7,300	7,982	8,100
Total	***21,698***	***22,825***	***22,500***

Appropriations Accounts	Actual FY 1998	Estimate FY 1999	Request FY 2000
DA	19,311	20,432	22,350
IMET	143	150	150
Title II	2,244	2,243	-
Total	***21,698***	***22,825***	***22,500***
Other Accounts			
D&CP	2,972	2,856	3,004
ECE	458	490	502
Peace Corps	2,186	2,240	2,251
Total	***5,616***	***5,586***	***5,757***
ZAMBIA FUNCTION 150 RESOURCES GRAND TOTAL	***27,314***	***28,411***	***28,257***

Zimbabwe

($ in thousands)

National Interests: The principal U.S. interests in Zimbabwe is democracy followed by global issues, particularly Health. Democratic reform will also contribute to regional economic prosperity and security and help Zimbabwe to address its acute HIV/AIDS problem, which is likely to have a long-term impact on sustainable economic growth.

Strategic Goals and Supporting Programs for FY 2000:

Regional Stability: An International Military Education and Training (IMET) program will serve to reinforce the Zimbabwean Defense Forces' (ZDF) commitment to civilian rule. IMET training for senior ZDF officers will facilitate the Zimbabwean Government's efforts to "right size" the ZDF to a more efficient force. Zimbabwe will be eligible in FY 2000 to receive Excess Defense Articles (EDA) on a grant basis under Section 516 of the Foreign Assistance Act of 1961, as amended. Grant EDA will support Zimbabwe's peacekeeping efforts. $300

Open Markets: As the second largest southern African economy, a stable and prosperous Zimbabwe is crucial to stability and prosperity in the region. Through its ECE exchange and information programs, the United States is encouraging transparency on public tenders, privatization of state-owned corporations, and elimination of tariff and non-tariff barriers to U.S. goods and services.

Expand U.S. Exports: Through ECE business programs and public diplomacy, the U.S. will identify and develop business opportunities in Zimbabwe.

Economic Development: Through USAID programs, the United States will continue to promote sound macroeconomic policies, broaden ownership in a growing economy, strengthen natural resources management for sustainable development in rural areas, and continue activities that improve the quality of and access to health and education facilities in rural areas. $3,500

Democracy: USAID programs will help to consolidate democracy and respect for human rights by enhancing citizens' awareness of rights and responsibilities, facilitating opportunities for participation in economic and political decision-making, and opening new channels of communication and debate between the GOZ and citizens. Assistance will provide expertise in formulating an approach to land policy reform that is constitutional, transparent, and financially feasible. $1,500

Humanitarian Assistance: The United States provides humanitarian assistance to reduce the economic costs of natural disasters, such as severe drought, and NADR programs to reduce the tragic legacy of landmines from the liberation struggle. $750

Environment: Peace Corps programs provide assistance to grassroots communities, raising awareness of environmental issues and working to improve the conservation of natural resources.

Population: USAID programs increase awareness of the implications of rapid population growth and continue to support successful family planning. $2,000

Health: Zimbabwe is plagued with one of the highest HIV/ AIDS infection rates in the world. USAID and Peace Corps health assistance is aimed both reducing the spread of the disease, and raising public awareness of the impact of HIV/AIDS on Zimbabwean society, the economy and the region. $2,200

Performance Evaluation:

- Increased U.S. Exports to Zimbabwe. USG advocacy helped to generate more than $24 million in U.S. exports, exceeding the targeted goal of a 2 percent increase.

- Strengthened Potential for Sustainable Rural Development. Zimbabwe has broadened ownership of productive assets. U.S. assistance has helped to expand a mortgage financing system to include the very poor, triple the credit available to micro-entrepreneurs, and improve the availability of loan guarantees for small and medium enterprises. Zimbabwe pledged to implement land in accordance with Zimbabwe's Land Acquisition Act of 1992.

- Democracy. The Zimbabwe-American Development Foundation (ZADF) – an endowed mechanism – was established to promote democracy and broad-based growth after direct development assistance eventually is phased out.

- Enhanced Capacity of the Legislative Branch of Government. The U.S. successfully launched a study tour program to help Parliamentarians gain a clearer understanding of the role that Parliament can play in a balanced system of government.

Key Indicators for FY 2000 Performance:

- GOZ concludes with the IMF an Economic Structural Adjustment Facility (ESAF) in support of Zimbabwe's Program for Economic and Social Transformation (ZIMPREST), which assists in removing tariff and other barriers to trade, and implements sound fiscal strategies.
- Increased levels of U.S. exports to Zimbabwe.
- GOZ formulates and implements a transparent and legal approach to land policy reform.
- Parliament implements recommendations of the Parliamentary Reform Committee to improve operations of the legislature and increase public access to the legislative process.
- GOZ adoption of a more vigorous HIV/AIDS prevention policy.

ZIMBABWE
FUNCTION 150 RESOURCES
($ in thousands)

Appropriations Accounts by Strategic Goal	Actual FY 1998	Estimate FY 1999	Request FY 2000
Regional Stability	**336**	**300**	**300**
IMET	336	300	300
Economic Development	**1,800**	**3,450**	**3,500**
DA	1,800	3,450	3,500
Democracy	**1,700**	**2,500**	**1,500**
DA	1,700	2,500	1,500
Humanitarian Assistance	**800**	**743**	**750**
NADR-Demining	800	743	750
Environment	**2,900**	**-**	**-**
DA	2,900	-	-
Population	**3,500**	**1,000**	**2,000**
DA	3,500	1,000	2,000
Health	**1,950**	**1,550**	**2,200**
DA	1,950	1,550	2,200
Total	***12,986***	***9,543***	***10,250***

Appropriations Accounts	Actual FY 1998	Estimate FY 1999	Request FY 2000
DA	11,850	8,500	9,200
IMET	336	300	300
NADR	800	743	750
Total	***12,986***	***9,543***	***10,250***
Other Accounts			
D&CP	2,873	3,319	3,490
ECE	734	780	792
Peace Corps	1,391	1,792	1,803
Total	***4,998***	***5,891***	***6,085***
ZIMBABWE FUNCTION 150 RESOURCES GRAND TOTAL	***17,984***	***15,434***	***16,335***

African Crisis Response Initiative (ACRI)

($ in thousands)

National Interests: The primary U.S. interest served by the African Crisis Response Initiative are humanitarian assistance, development of democratic institutions. Conflict and instability pose an immediate threat to Africa's economic and political progress. ACRI is a training initiative intended to enhance the capacity of selected African militaries to respond effectively to peacekeeping or humanitarian relief operations on the continent.

Strategic Goals and Supporting Programs for FY 2000:

Regional Stability: ACRI's long-term objective is to create a self-sustaining peacekeeping capacity of between 10,000 to 12,000 African military personnel ready to respond to peacekeeping and humanitarian crises. ACRI's emphasis is on training based on a common peacekeeping doctrine and the supply of common communications equipment, which will enable the units to work more effectively together. ACRI partners to date are Senegal, Uganda, Malawi, Mali, Ghana and Benin. Training in Côte d'Ivoire will commence during FY 1999.

Continued funding for ACRI will support follow-on training for the original battalions, initial training for new participants, and additional battalions among our original contributors. Also, command and control procedures, as well as instruction for peacekeepers at the battalion and brigade levels, will be developed. Maintaining peacekeeping skills, enhancing the ability of ACRI participants to operate in a multilateral environment, and encouraging broad-based peacekeeping cooperation throughout Africa will be critical challenges facing us in FY 2000 as we pass the half-way mark of our five-year ACRI program. To support these activities, we are requesting $15 million in FY 2000 PKO and $5 million in FY 2000 FMF. $20,000

Performance Evaluation:

- Increased capability to participate in United Nations or regional peacekeeping operations. ACRI has developed a program of instruction adopted from standardized U.S., NATO, British, French, Nordic and UN peacekeeping doctrine. During initial battalion training, U.S. Army Special Forces instructors have successfully trained personnel from six African countries to common baseline standards to promote interoperability in peacekeeping and humanitarian relief operations. An ACRI-trained contingent from Senegal demonstrated its capacity to participate in regional peacekeeping operations through its participation in the French-sponsored multinational peacekeeping exercise at Guidimakha in February 1998.

- An improved capability for selected African countries to better respond to regional humanitarian crises. ACRI has provided training and non-lethal equipment (primarily

(primarily standardized communications gear) to over 4,200 peacekeepers from six African militaries: Senegal, Uganda, Malawi, Mali, Ghana and Benin. All ACRI partners must have a demonstrated commitment to peacekeeping and to democratic, civilian government. Follow-on training to maintain and further develop a self-sustaining peacekeeping capacity and to enhance the ability of ACRI partners to operate in a multilateral environment commenced in 1998.

- A reduction in U.S. outlays for humanitarian relief in conflict-driven, crisis situations in Africa. The ACRI program of instruction exposed the host militaries to the wide range of humanitarian relief organizations they must be prepared to coordinate with in performing peacekeeping and humanitarian assistance missions. Recipients of ACRI training are now committed to increasing both the level and character of involvement of non-governmental, private voluntary and international organizations and are thus now better prepared to respond to complex humanitarian emergencies.

Key Indicators for FY 2000 Performance:

- New program participants complete initial training cycle and begin longer-term follow-on training.
- Revised follow-on training program implemented using contractors and U.S. Army Special Forces instructors.
- Development of command and control procedures and instructions for peacekeepers at the battalion and brigade levels.

AFRICA CRISIS RESPONSE INITIATIVE (ACRI)

FUNCTION 150 RESOURCES

($ in thousands)

Appropriations Accounts by Strategic Goal	Actual FY 1998	Estimate FY 1999	Request FY 2000
Regional Stability	**22,000**	**20,000**	**20,000**
FMF-G	12,000	5,000	5,000
PKO	10,000	15,000	15,000
Total	***22,000***	***20,000***	***20,000***

Appropriations Accounts	Actual FY 1998	Estimate FY 1999	Request FY 2000
FMF	12,000	5,000	5,000
PKO	10,000	15,000	15,000
Total	***22,000***	***20,000***	***20,000***
AFRICA CRISIS RESPONSE INITIATIVE (ACRI) FUNCTION 150 RESOURCES GRAND TOTAL	***22,000***	***20,000***	***20,000***

Africa Regional Democracy Fund

($ in thousands)

National Interests: The primary U.S. interest served by the Africa Regional Democracy Fund is democracy followed by humanitarian, economic and security interests. The United States seeks to assist African democratization in recognition of the stabilizing force such transformation imparts. Through democratization, humanitarian crises resulting from deadly struggles for political power, which cost the United States billions of dollars annually, may be avoided. U.S. business interests may only flourish where stable governments exist to promote suitable investment environments. A host of transnational concerns ranging from terrorism, crime, and drug trafficking to weapons proliferation, environmental degradation and spread of disease are best combated by responsible and transparent governance.

Strategic Goals and Supporting Programs for FY 2000:

Democracy: The United States will pursue a two-pronged approach to African democratization which recognizes that many of the impressive transformations begun in the early 1990's remain in need of substantial support, and many other countries require concerted effort to encourage initial steps toward reform. A sustained and substantial commitment of U.S. resources and diplomatic capital is required as African states struggle to shed authoritarian practices and establish democratic institutions and a democratic culture. Sufficient resources also ensure that the U.S. remains flexible and prepared to respond to emerging opportunities such as Nigeria.

The United States will support post-conflict reconstruction, successful transitions to democracy, and the consolidation of fully democratic institutions and practices through the coordinated use of programs funded by Development Assistance, Economic Support Funds, USIA, and the Africa Development Foundation. Among Economic Support Funds programs, the Countries in Transition Fund will complement the objectives of the Africa Regional Democracy Fund in countries emerging from sustained crises. Through provision of technical assistance, equipment, education, and financial support, the United States will help strengthen respect for human rights, multiparty pluralism, transparent governance, civil society, an independent judiciary, and an assertive independent media. Attention to coordination with other donors will help ensure that U.S. resources achieve maximum results with minimum duplication. $9,000

Performance Evaluation:

Note: Some FY1998 ESF programs are on hold or just now getting under way.

- Legislation which is responsive to and representative of constituent interests. Provided technical assistance that enabled Swaziland to legalize labor unions and other non-government organizations, removing the source of GSP complaints and achieving a major step forward in freedom of assembly. Strengthened the capabilities

of Cote d'Ivoire's legislature, leading to the accord between the ruling party and opposition that is creating an elected Senate and other constitutional changes that augur well for peaceful national elections in 2000.

- Regular elections which offer a true choice for voters, a transparent process and the involvement of parties and civil society at all stages of the electoral process. Provided key support to the first stages of the transition election process in Nigeria, and will continue to support so long as conditions warrant. Provided analysis and technical support that identified problems in Mozambique's June 1998 local elections, problems that continuing USG-funded technical is helping Mozambique to address by the time of national elections in October 1999.

Key Indicators for FY 2000 Performance:

- Follow-on elections in Cote d'Ivoire, Ghana, and other countries judged "free and fair" by independent domestic election observers and the international community, including the United States.
- Basic freedoms and human rights of citizens enumerated in Constitution and legislation, and freedom of assembly, association and speech increasingly respected in practice.
- Independently functioning judiciaries and legislatures.
- Media freely critical of government policies without fear of retribution, and increasingly sustained, informed voter participation.
- An increase in multiparty pluralism and democratic processes in those countries that have not yet held "free and fair" elections.

AFRICA REGIONAL DEMOCRACY FUND
FUNCTION 150 RESOURCES
($ in thousands)

Appropriations Accounts by Strategic Goal	Actual FY 1998	Estimate FY 1999	Request FY 2000
Democracy	**5,000**	**15,000**	**9,000**
ESF	5,000	15,000	9,000
Total	***5,000***	***15,000***	***9,000***

Appropriations Accounts	Actual FY 1998	Estimate FY 1999	Request FY 2000
ESF	5,000	15,000	9,000
Subtotal by Strategic Goal	***5,000***	***15,000***	***9,000***
Africa Regional Democracy Fund FUNCTION 150 RESOURCES GRAND TOTAL	***5,000***	***15,000***	***9,000***

Africa Regional Peacekeeping (PKO)

($ in thousands)

National Interests: The primary U.S. interest served by the Africa Regional Peacekeeping Fund is humanitarian. Democracy, economic and humanitarian interests are served as well. Regional instability and conflict pose the greatest immediate threat to U.S. economic and political interests in sub-Saharan Africa, and to Africa's own economic and political progress, humanitarian well-being, refugees and internally displaced persons. Conflict also creates a demand for arms and a proliferation of conventional weapons that invariably spills over to adjoining areas, compounding the problem. Failure to aggressively address regional stability in Africa places the programs that support other U.S. strategic goals at risk, increasing the cost and challenge of implementing them.

Strategic Goals and Supporting Programs for FY 2000:

Regional Stability: Africa Regional Peacekeeping funds provide a modest means of supporting African conflict resolution and peacekeeping operations without the involvement of U.S. military forces on the ground. The U.S. will continue to work closely with other donors, the United Nations, OAU, and sub-regional organizations to develop and strengthen African capacities to mediate, prevent, intervene, manage, and resolve regional crises and conflicts. Our PKO funds will be used to support African peacekeeping operations and conflict resolution as they unfold in situations such as Eritrea/Ethiopia, Liberia, Sierra Leone, Guinea-Bissau, Burundi, and the Democratic Republic of the Congo, and to enable U.S. support for post-conflict initiatives. Our efforts to encourage complementary unilateral peacekeeping initiatives by the French, British, Danes, and others will also continue. $13,000

Performance Evaluation:

- Increase commitment of African States to participate in conflict resolution and peacekeeping activities. Nigeria, Guinea, Ghana, Senegal, Angola, Zimbabwe, Chad, Namibia, South Africa, and Botswana participated in non-United Nations conflict resolution and peacekeeping activities in Africa during FY 1998. A large number of African countries also contributed forces for United Nations peacekeeping operations world-wide.

- Increase effectiveness of actual peacekeeping operations. The Economic Community of West African States Cease-fire Monitoring Group (ECOMOG) participated in successful peacekeeping operations in Liberia, and Sierra Leone, and committed to support the cease-fire agreement in Guinea-Bissau in FY 1998. Members of the Southern African Development Community (SADC) participated in successfully restoring order to Lesotho, and prevented the overthrow of the Government of the Democratic Republic of the Congo.

- Obtain wider and more effective African participation in sub-regional, regional and/or United Nations peacekeeping operations. The United Nations, Organization of African Unity, ECOMOG, and SADC all participated in negotiations, peacekeeping, and conflict resolution efforts that included Comoros, Ethiopia, Eritrea, Democratic Republic of Congo, Liberia, Sierra Leone, Guinea-Bissau, Central African Republic, Angola, Burundi, and Lesotho in FY 1998.

Key Indicators for FY 2000 Performance:

- Multilateral peacekeeping exercises and operations with SADC, ECOWAS, and EAC.
- Non-African peacekeeping participation, contributions, training, and exercises in Africa.
- Donor coordination efforts in practical aspects of conflict prevention, management, and resolution efforts aimed at enhancing African capabilities.

AFRICA REGIONAL PEACEKEEPING (ARP)
FUNCTION 150 RESOURCES
($ in thousands)

Appropriations Accounts by Strategic Goal	Actual FY 1998	Estimate FY 1999	Request FY 2000
Regional Stability	**7,130**	**4,000**	**13,000**
PKO	7,130	4,000	13,000
Total	***7,130***	***4,000***	***13,000***

Appropriations Accounts	Actual FY 1998	Estimate FY 1999	Request FY 2000
PKO	7,130	4,000	13,000
Total	***7,130***	***4,000***	***13,000***
AFRICA REGIONAL PEACEKEEPING (ARP) FUNCTION 150 RESOURCES GRAND TOTAL	***7,130***	***4,000***	***13,000***

Countries in Transition Fund

($ in thousands)

National Interests: The U.S. interests served by the Countries in Transition Fund (CIT) include democracy and humanitarian assistance. Ultimately the CIT serves economic prosperity, particularly in those countries which provide critical energy resources to the United States like Nigeria and Angola, or which, if stable, would be recipients of increasing U.S. trade and investment, like the Democratic Republic of the Congo and Liberia. In Africa, crises and opportunities such as the transition in Nigeria occur unexpectedly. Because U.S. efforts in African countries can be undermined or positively affected by these crises and opportunities, the United States needs to be in a position to influence the course of events in key countries through timely, tangible assistance. Countries in Transition programs in FY 2000 are likely to include: the Democratic Republic of the Congo, Sierra Leone, Eritrea, Ethiopia, Guinea-Bissau, Angola, Nigeria and Liberia.

Strategic Goals and Supporting Programs for FY 2000:

Regional Stability: ESF programs that support conflict resolution efforts, reconciliation projects and crisis prevention efforts will contribute to regional stability. $8,000

Economic Development: ESF programs that stabilize the economies of countries devastated by conflicts will contribute to broad-based growth. $10,000

Democracy: ESF programs for countries in transition to democracy will provide fast-dispersing assistance to help on short notice with such things as election preparations, ICITAP law enforcement and police training programs, democratic institution building and civil society development. $10,000

Performance Evaluation:

The Countries in Transition Fund will be implemented starting in FY 2000.

Key Indicators for FY 2000 Performance:

- Crisis management and conflict resolution efforts by the United States in tandem with regional bodies such as the Southern Africa Development Community (SADC), the OAU and the Economic Community of West African States (ECOWAS), are successful or making progress due at least in part to support from the Countries in Transition Fund.
- Short-term economic stability measures funded out of Countries in Transition contribute to a successful transition to democracy in one or more countries.
- Democratic institution-building and election preparations are carried out successfully in countries emerging from conflict due at least in part to support from the Countries in Transition Fund.

COUNTRIES IN TRANSITION FUND (CIT)
FUNCTION 150 RESOURCES
($ in thousands)

Appropriations Accounts by Strategic Goal	Actual FY 1998	Estimate FY 1999	Request FY 2000
Regional Stability	-	-	**8,000**
ESF	-	-	8,000
Economic Development	-	-	**10,000**
ESF	-	-	10,000
Democracy	-	-	**10,000**
ESF	-	-	10,000
Total	-	-	***28,000***

Appropriations Accounts	Actual FY 1998	Estimate FY 1999	Request FY 2000
ESF	-	-	28,000
Total	-	-	***28,000***
COUNTRIES IN TRANSITION FUND (CIT) FUNCTION 150 RESOURCES GRAND TOTAL	-	-	***28,000***

Democracy and Human Rights Fund (DHRF) for Africa

($ in thousands)

National Interests: Democracy and human rights are primary U.S. interests served by the Democracy and Human Rights Fund. Other interests served include humanitarian and law enforcement. U.S. goals of speeding Africa's integration into the global economy, preventing humanitarian crises resulting from political and ethnic conflict, and protecting the United States from transnational threats from Africa all rely heavily on democracy's stabilizing impact. Greater adherence to democratic principles also promotes conflict resolution and sustainable economic development, as well as global goals which have direct impact on U.S. interests such as the prevention of terrorism, international crime, illegal drug trafficking, and weapons proliferation.

Strategic Goals and Supporting Programs for FY 2000:

Democracy: As the United States works to shape new partnerships with many African nations, democratic transformation remains a hallmark in efforts to speed Africa's integration into the global economy and to promote long-term stability. The United States will work diligently toward expanding the number of countries that take the bold and critical first steps toward democratic reform as well as help deepen and broaden the important commitment other countries have already made to democratic systems. For the next few years, at least, this will require more concerted diplomatic engagement and program resources.

The Democracy and Human Rights Fund (DHRF) is a unique program designed to support short-term and high-impact activities which infuse African civil society and democratic institutions with vital resources. The DHRF projects are relatively small in scale yet greatly promote African democratization through advocacy, education, and training efforts aimed at increasing human, civil, and political rights. DHRF programming is active in over 40 sub-Saharan countries, serving as the primary USG democratization program in many African countries which lack USAID missions.

The collaborative in-country efforts of U.S. State Department and USAID (if present) officers provide careful project planning and oversight in addition to strong coordination with projects sponsored by other donors. The actual projects funded are African-led initiatives which span the areas of human rights, legal and civic education, local election monitoring, women's political empowerment, and activities that promote tolerance and conflict resolution. $3,100

Performance Evaluation:

NOTE: The hundreds of individual African DHRF projects in more than 40 countries were each carefully evaluated by U.S. Embassies overseas. Evaluations are filed in the Africa Bureau at State. Many Embassies report that DHRF is their most efficient and effective democratization funding program.

- Citizen's knowledge of human and legal rights increases. African human rights NGOs in a number of countries, supported with DHRF funds, submitted reports and recommendations to their governments and reported abuses to local authorities.

- Citizen's knowledge of their roles increases. African NGO and government civic efforts in a number of countries encouraged voters to turn out and instructed citizens regarding the roles of various institutions and civil society in a democratic system.

- Judicial and legislative branches increase their independence, professionalism and efficiency. Several countries participated in DHRF-sponsored programs that provided training, reference books, and much-needed equipment for judicial and legislative branches, increasing their ability to make effective decisions.

- NGOs monitoring elections create increasingly comprehensive and persuasive reports regarding successes and flaws in the process. DHRF-funded election monitors increased the transparency of elections in several countries through reports detailing problems both on voting day and structural problems in the months leading up to elections.

Key Indicators for FY 2000 Performance:

- Progress toward follow-on elections judged "free and fair" by independent domestic election observers and the international community.
- Basic freedoms and human rights of citizens enumerated in constitutions and legislation, and freedom of assembly, association and speech increasingly respected in practice.
- Government operations and judicial proceedings conducted in a transparent and accountable manner.
- Independently functioning judiciaries established and improved.
- Media freely critical of government policies without fear of retribution, with increasingly sustained, informed voter participation.

DEMOCRACY AND HUMAN RIGHTS FUNDS FOR AFRICA
FUNCTION 150 RESOURCES
($ in thousands)

Appropriations Accounts by Strategic Goal	Actual FY 1998	Estimate FY 1999	Request FY 2000
Democracy	**3,500**	**3,100**	**3,100**
DA	3,500	3,100	3,100
Total	***3,500***	***3,100***	***3,100***

Appropriations Accounts	Actual FY 1998	Estimate FY 1999	Request FY 2000
DA	3,500	3,100	3,100
Total	***3,500***	***3,100***	***3,100***
DEMOCRACY AND HUMAN RIGHTS FUNDS FOR AFRICA (DHRF) FUNCTION 150 RESOURCES GRAND TOTAL	***3,500***	***3,100***	***3,100***

East Africa Regional Assistance

($ in thousands)

National Interests: The primary U.S. interest served by the East Africa Regional Assistance program is law enforcement. U.S. national security is also at stake, however, due to the Sudanese terrorist threat. In addition to providing safe haven for assassins and for terrorists such as Usamu bin Laden, who has focused his efforts on targeting American citizens and who has been connected to the August 1998 bombings of two U.S. embassies in Africa, Sudan supports destabilizing rebel movements that wage war with surrounding states. The funds allocated to the Front Line States assist by shoring up the security and military organizations of neighboring states, allowing them to counter terrorist and rebel activities. Other U.S. interests of supporting democracy, economic prosperity, and humanitarian response are also served by the East Africa Regional Assistance program.

Strategic Goals and Supporting Programs for FY 2000:

Terrorism: Sudan remains a destabilizing factor in the Horn of Africa and the world because of its policies and actions, ranging from support of terrorism to disruption of humanitarian assistance. The United States will provide FMF assistance to neighboring Ethiopia, Eritrea and Uganda to bolster their defense capabilities, and to help them resist terrorism and regional destabilization emanating from Sudan. $5,000

Our assistance is intended to help Sudan's neighbors which have cooperated closely with the United States on numerous regional and international issues, and will address their priority needs for defensive security assistance. This program will complement efforts by these countries to play a positive role in major regional initiatives, such as the African Crisis Response Force.

Performance Evaluation:

The program was suspended in FY 1998.

Key Indicators for FY 2000 Performance:

- East Africa Regional Assistance recipients better able to resist. neighbors' aggressive support of rebel elements in their own countries.
- Increased stability in affected regions.
- Sudan's regional and international influence further contained.
- Sudanese terrorism reduced.

EAST AFRICA REGIONAL FUND (EARF)
Function 150 Resources
($ in thousands)

Appropriations Accounts by Strategic Goal	Actual FY 1998	Estimate FY 1999	Request FY 2000
Counter-Terrorism	**5,000**	**5,000**	**5,000**
FMF-G	5,000	5,000	5,000
Total	***5,000***	***5,000***	***5,000***

Appropriations Accounts	Actual FY 1998	Estimate FY 1999	Request FY 2000
FMF	5,000	5,000	5,000
Total	***5,000***	***5,000***	***5,000***
EAST AFRICA REGIONAL FUND (EARF) FUNCTION 150 RESOURCES GRAND TOTAL	***5,000***	***5,000***	***5,000***

Education for Democracy and Development Initiative

($ in thousands)

National Interests: The U.S. interests served by the Education for Development and Democracy Initiative are most immediately and directly democracy and humanitarian. U.S. economic prosperity, however, is an interest that will be served over time, as helping to build the human capacity required for broad-based economic growth will lay a more solid foundation for U.S. trade and investment in Africa in the 21st century. Three major emphases are 1) girls education, 2) partnerships between U.S. and African – and among African -- schools, universities and professionals, and 3) local community resource centers that will serve as a platform for infusions of technology, pilot projects to improve education, and school partnerships.

Strategic Goals and Supporting Programs for FY 2000:

Open Markets/Expand U.S. Exports: A portion of USAID and ESF funding will provide exposure to market economy management skills through workshops and internships for African students and young African entrepreneurs and business people at U.S. companies in Africa. $5,000

Economic Development: USAID and ESF funds will be programmed in close consultation with African recipients primarily for school and university partnerships aimed at improving access to technology and the quality of education at all levels, and for community resource centers based in secondary schools or other existing institutions that will serve as platforms for innovative education projects and providing access to technology. $30,000

Democracy: ESF funds will be used primarily to support girls' education and mentoring projects, and for democracy and civic education partnerships designed to build policy skills and promote democratic participation in good governance. $8,000

Environment: A portion of USAID funds will be used for education projects that also promote knowledge about environmental issues and good stewardship of Africa's natural resources. $2,000

Performance Evaluation:

The implementation of Education for Development and Democracy Initiative projects funded with Economic Support Funds and Development Assistance was delayed due to congressional action. Project planning began in 1998 in close consultation with African partners.

Key Indicators for FY 2000 Performance:

- Girls' empowerment projects (scholarships, community awareness projects, mentoring, school feeding) increase girls' enrollment and skills.
- Community resource centers prove effective in providing access to technology for populations that would otherwise not have access, and in serving as a platform for education pilot projects (i.e., computer training and internet access, radio learning to improve teacher preparation and curricula, girls scholarship and mentoring programs, etc.).
- Partnerships between U.S. and African, and among African, schools and universities yield improvements in technology used for education (i.e., amount of research conducted over the internet or via CD ROM, levels of basic computer literacy, number of productive linkages between towns, cities, countries and continents, etc.).
- Partnerships between U.S. and African, and among African, schools and universities yield improvements in the quality of education (i.e., teacher preparation, curricula improvements, reciprocal community-school relationships, etc.).
- Partnerships between professionals and policymakers (journalists, legislators, judges, civil society activists, government officials) result in better and reciprocal access and communication, indications of greater institutional independence and accountability, indications of greater transparency in governance, and indications of greater popular participation in local and national political life.

EDUCATION FOR DEVELOPMENT AND DEMOCRACY (EDDI)
FUNCTION 150 RESOURCES
($ in thousands)

Appropriations Accounts by Strategic Goal	Actual FY 1998	Estimate FY 1999	Request FY 2000
Open Markets	-	-	**5,000**
DA	-	-	2,000
ESF	-	-	3,000
Economic Development	**5,000**	**36,000**	**30,000**
DA	-	26,000	26,000
ESF	5,000	10,000	4,000
Democracy	-	-	**8,000**
ESF	-	-	8,000
Environment	-	-	**2,000**
DA	-	-	2,000
Total	***5,000***	***36,000***	***45,000***

Appropriations Accounts	Actual FY 1998	Estimate FY 1999	Request FY 2000
DA	-	26,000	30,000
ESF	5,000	10,000	15,000
Total	***5,000***	***36,000***	***45,000***
EDUCATION FOR DEVELOPMENT AND DEMOCRACY (EDDI) FUNCTION 150 RESOURCES GRAND TOTAL	***5,000***	***36,000***	***45,000***

Great Lakes Justice Initiative

($ in thousands)

National Interests: The primary U.S. interest served by the Great Lakes Justice Initiative is democracy. Other interests are humanitarian and economic. In the past, the Great Lakes region has been wracked by serious communal violence, mass population displacement, and genocide. The United States has expended hundreds of millions of dollars responding to these humanitarian disasters. The benefits of a stable Great Lakes region are not only measured in saved humanitarian dollars but also in the region's potential as a significant trading partner for the United States. The Great Lakes Justice Initiative (GLJI) aimed at Congo, Rwanda, and Burundi will advance U.S. national interests by encouraging responsibility, promoting peace and reconciliation, and creating an environment conducive to democracy and economic growth.

Strategic Goals and Supporting Programs for FY 2000:

Democracy: GLJI will contribute to democracy and regional stability by strengthening the rule of law in the states of the region. It will foster rule of law through police and military judicial training, local governance strengthening and other programs. $5,000

Humanitarian Assistance: GLJI will help fund demining, demobilization of child solders, women's empowerment projects and other interventions. $5,000

Performance Evaluation:

New Initiative – No FY 1998 Programs.

Key Indicators for FY 2000 Performance:

- Improved national judicial systems in the three target countries (to include increased trained personnel, adequate infrastructure and office equipment).
- Reduced prison caseload in Rwanda stemming from 1994 genocide.
- New and effective inter-ethnic local reconciliation groups.

GREAT LAKES JUSTICE INITIATIVE (GLJI)
FUNCTION 150 RESOURCES
($ in thousands)

Appropriations Accounts by Strategic Goal	Actual FY 1998	Estimate FY 1999	Request FY 2000
Democracy	**-**	**25,000**	**5,000**
ESF	-	25,000	5,000
Humanitarian Assistance	**-**	**-**	**5,000**
ESF	-	-	5,000
Total	**-**	***25,000***	***10,000***

Appropriations Accounts	Actual FY 1998	Estimate FY 1999	Request FY 2000
ESF	-	25,000	10,000
Total	**-**	***25,000***	***10,000***
GREAT LAKES JUSTICE INITIATIVE (GLJI) FUNCTION 150 RESOURCES GRAND TOTAL	**-**	***25,000***	***10,000***

Greater Horn of Africa Initiative

($ in thousands)

National Interests: Humanitarian assistance is the primary U.S. interest served by the Greater Horn of Africa Initiative. The Greater Horn of Africa Initiative (GHAI) was launched in 1994 to reduce the costs and ameliorate the root causes of recurring crises in the sub-region.

Strategic Goals and Supporting Programs for FY 2000:

Economic Development: GHAI uses USAID funds to pursue food security objectives through regional policy and technical standards harmonization efforts. It also supports regional agricultural research and linkages to the international agricultural research institutions and works through regional economic organizations to break down trade barriers and support economic and technical cooperation among GHAI countries.

$8,500

Democracy: USAID funds for GHAI-sponsored democracy projects provide small grants for grassroots organizations and NGOs that increase popular participation in local governance. For example, DA-funded GHAI workshops and activities focus on conflict prevention, mitigation and resolution methods and skills for use at the local level. A quick-response fund has been established to support local mediation conferences. GHAI projects also network member states of the Interim Governmental Authority on Development (IGAD), a sub-regional organization, with the Famine Early Warning System (FEWS) project, as well as supporting IGAD conflict prevention and resolution work.

$4,200

Environment: USAID funded environmental projects in the Horn promote responsible management of natural transnational resources improving the availability of environmental information, and increasing policy development and program coordination in the sustainable management of coastal zones, the Nile river basin, livestock production, rangelands and Lake Victoria water hyacinth control. $700

Health: GHAI USAID health projects promote infant and child survival by teaching advanced health methods and practices to government ministries, health organizations and PVOs.

$1,600

Performance Evaluation:

- Tolerance and crisis prevention increase at the grassroots level through efforts of NGOs and citizens, as well as through diplomatic efforts and program assistance at the governmental and regional organization levels. GHAI-supported IGAD conflict prevention and resolution work led to the Sudan peace talks and Somalia peace building effort, which has enjoyed incremental success.

- Food security and early warning capabilities are enhanced through improved regional coordination activities financed in part by the GHAI program. The Famine Early Warning System (FEWS) project was found to be highly successful, producing accurate forecasts of food crises that allowed communities to prepare.

- Establish environmental linkages that improve environmental management. A major workshop on food security and environmental linkages in the Greater Horn of Africa region was held with extensive NGO and public and private sector participation. This workshop networked the latest empirical information on environment and natural resources, and developed recommendations to guide regional work by all stakeholders.

Key Indicators for FY 2000 Performance:

- Market-oriented agricultural production and marketing policies, reduced barriers to regional trade and partnerships take hold that improve agricultural techniques at a local level.
- Indigenous organizations strengthened, contributing to grassroots democratic participation.
- Effective regional mechanisms to respond to conflict are developed, and pilot activities establish best practices.
- Improved regional collaboration in management of transnational natural resources.
- Improved African capacity to implement household-level nutrition and other child survival health interventions such as immunization.

GREATER HORN OF AFRICA INITIATIVE (GHAI)
FUNCTION 150 RESOURCES
($ in thousands)

Appropriations Accounts by Strategic Goal	Actual FY 1998	Estimate FY 1999	Request FY 2000
Economic Development	**8,500**	**9,570**	**8,500**
DA	8,500	9,570	8,500
Democracy	**4,200**	**2,430**	**4,200**
DA	4,200	2,430	4,200
Environment	**700**	**700**	**700**
DA	700	700	700
Health	**1,600**	**2,300**	**1,600**
DA	1,600	2,300	1,600
Total	***15,000***	***15,000***	***15,000***

Appropriations Accounts	Actual FY 1998	Estimate FY 1999	Request FY 2000
DA	15,000	15,000	15,000
Total	***15,000***	***15,000***	***15,000***
GREATER HORN OF AFRICA INITIATIVE (GHAI) FUNCTION 150 RESOURCES GRAND TOTAL	***15,000***	***15,000***	***15,000***

Initiative for Southern Africa (ISA)

($ in thousands)

National Interests: U.S. national economic, security, and humanitarian interests are at stake in southern Africa. The United States seeks to preserve the remarkable yet still fragile progress toward economic growth and democratic stability in the region and to encourage continued progress on reform. The spread of HIV/AIDs is a major threat to our objective of broad-based growth, and, in the longer term, a threat to political stability as well. Through the Initiative for Southern Africa, which was launched in 1994 – also known as the Southern African Development Community (SADC) initiative – the United States seeks to promote equitable, sustainable economic growth in a democratic southern Africa.

Strategic Goals and Supporting Programs for FY 2000:

Economic Development: In order to attract the capital and technology required to sustain and accelerate growth and to reduce vulnerability to commodity market fluctuations, southern African countries must persevere with economic reform Priorities include implementation of sound, market-oriented economic policies and acceleration of structural reforms, particularly in privatization of public enterprises, strengthening financial sectors, and liberalizing trade and investment regimes. The Initiative for Southern Africa is intended to be African-led and stakeholder-driven and to promote new and creative modalities for providing development assistance in the sub-region. For this purpose, the Initiative will include an ESF-funded study of regional integration, a vital component of economic development. The Initiative also builds on efforts by a previous USAID Southern Africa Regional Program (SARP), which included agriculture, natural resource management, and rail and telecommunications projects. The ISA brings a new focus: small and medium indigenous business development through the Southern Africa Enterprise Development Fund. $16,515

Democracy: Although Southern Africa leads the continent in political stability, the success of conflict resolution in Mozambique continues to be offset by reversion to civil war in Angola. Democratic gains in South Africa, Namibia, and Malawi remain fragile. Zimbabwe continues to make only incremental progress in consolidating a free and open political system. Working through the Southern Africa Regional Democracy Fund, programs emphasize: building strong foundations for the rule of law; increasing respect for human rights, particularly the rights of women; fostering accountability and transparent governance; and encouraging the growth of independent judiciaries and media. $1,900

Environment: Southern Africa's vast landmass exhibits a rich biodiversity, the role of which has yet to be fully discovered and appreciated in fields such as medicine. Unfortunately, degradation of the environment has accelerated under the weight of population pressures, urbanization, and lack of resources and of trained personnel to enforce the existing laws that protect the environment. Compounding the problem of

shrinking forests, spreading deserts, and polluted water are natural disasters, civil strife, refugee migration, and spreading infectious diseases. The environmental issues of top concern are desertification, climate change, scarcity of fresh water, and biodiversity/wildlife conservation. The United States will support efforts to protect the region's unique biodiversity. In part through USAID, we will also work with host governments and regional organizations to address these priority environmental issues by: (1) encouraging governments to adopt policies and strategies for stronger environmental protection efforts; (2) Helping southern African countries coordinate efforts to address transboundary issues, including deforestation, desertification, water and land use, pollution, and wildlife conservation; and (3) engaging Southern African nations in multilateral discussions to gain their support for key international environmental agreements, particularly those on climate change, forests, and wildlife. $6,400

Performance Evaluation:

- Democracy: Supporting transitions from authoritarian rule to democratically-elected governments. Through the Southern Africa Regional Democracy Fund (SARDF), the Regional Center for Southern Africa (RCSA) has supported organizations and initiatives that have strengthened democratic values in the region. Support under SARDF has contributed to the formation of a regional human rights advocacy network, increased electronic networking among NGOs in the region, and strengthened free, independent media.

- Broad-based growth: Supporting moves toward a regional marketplace. Southern Africa is moving toward an integrated regional marketplace with a combined GDP of $175 billion. ISA has supported efforts to develop a sustained partnership between the private and public sectors and broader participation in economic activity, from the small-scale farmer to the large entrepreneur. In the financial area, for example, the USAID-funded Southern Africa Enterprise Development Fund (SAEDF) approved disbursements of $25 million to 20 enterprises in eight southern African countries to finance productive investments.

- Environment: Improving management of transboundary natural resources. SADC is implementing a regional water protocol among member states. SADC countries have grasped the dimensions of the problem and identified opportunities for assistance. For example, a USAID- funded assessment of the regional water sector in 1995 formed the basis of plans for action created by governments, donors, and non-governmental organizations (NGOs).

Key Indicators for FY 2000 Performance:

- Reduction in the number and types of barriers that impede increased trade.
- Increased quality and quantity of regional public debate on key issues.
- Adoption of selected transboundary natural resources management best practices by SADC countries.
- Increased value and volume of trade within southern Africa.
- Making transboundary protocols for water and wildlife operational within the SADC region.

INITIATIVE FOR SOUTHERN AFRICA (ISA)
FUNCTION 150 RESOURCES
($ in thousands)

Appropriations Accounts by Strategic Goal	Actual FY 1998	Estimate FY 1999	Request FY 2000
Economic Development	**20,000**	**20,900**	**16,515**
DA	20,000	18,900	15,515
ESF	-	2,000	1,000
Democracy	**3,000**	**1,000**	**1,900**
DA	3,000	1,000	1,900
Environment	**7,000**	**8,100**	**6,400**
DA	7,000	8,100	6,400
Total	***30,000***	***30,000***	***24,815***

Appropriations Accounts	Actual FY 1998	Estimate FY 1999	Request FY 2000
DA	30,000	28,000	23,815
ESF	-	2,000	1,000
Total	***30,000***	***30,000***	***24,815***
INITIATIVE FOR SOUTHERN AFRICA (ISA) FUNCTION 150 RESOURCES GRAND TOTAL	***30,000***	***30,000***	***24,815***

Organization of African Unity (OAU)

($ in thousands)

National Interests: Humanitarian interests are served by assistance to the OAU. U.S. economic prosperity and ultimately, national security are also enhanced by a vigorous and dynamic OAU capable of facilitating the resolution of armed conflicts that threaten all U.S. interests and goals in Africa as well as the security and stability of Africa itself. U.S. contributions to the OAU will focus upon maintaining the readiness of the Conflict Management Center (CMC) and observer force and supporting actual OAU efforts to facilitate the peaceful settlement of conflicts on the continent.

Strategic Goals and Supporting Programs for FY 2000:

Regional Stability: The OAU is the pre-eminent regional political organization in Africa. In the recent past it has played a significant role in efforts to resolve armed conflicts in Africa. The bulk of U.S ESF assistance to the OAU ($1,000,000) will support the OAU conflict resolution efforts. Other assistance earmarks will help support the CMC ($200,000); maintain equipment for the observer force ($100,000); assist the West Africa Small Arms Moratorium ($200,000), a 3-year renewable ban on the import, export and manufacture of light arms in western Africa; and promote a political settlement in the Great Lakes region ($500,000). $2,000

Performance Evaluation:

- Achieve high degree of capability and readiness for the CMC. The EUCOM-sponsored exercise of the CMC in April 1998 gave the Center high marks in several categories of readiness.

- Provision of venue and framework for conflict resolution negotiations. The OAU has been seeking peaceful settlements to armed conflicts in Western Sahara, Comoros, Burundi, the Democratic Republic of the Congo and Ethiopia-Eritrea.

Key Indicators for FY 2000 Performance:

- Results of EUCOM-sponsored exercise of CMC.
- Evaluation of OAU effectiveness in facilitating settlement of conflicts in Africa.
- OAU engagement in monitoring arms flows in Africa.
- OAU Conflict Management Center support for activities of sub-regional institutions and individual countries.
- Institutionalization of conflict resolution structures in sub-regional institutions and OAU.

ORGANIZATION OF AFRICAN UNITY (OAU)
FUNCTION 150 RESOURCES
($ in thousands)

Appropriations Accounts by Strategic Goal	Actual FY 1998	Estimate FY 1999	Request FY 2000
Regional Stability	**-**	**-**	**2,000**
ESF	-	-	2,000
Total	**-**	**-**	***2,000***

Appropriations Accounts	Actual FY 1998	Estimate FY 1999	Request FY 2000
ESF	-	-	2,000
Total	**-**	**-**	***2,000***
ORGANIZATION OF AFRICAN UNITY (OAU) FUNCTION 150 RESOURCES GRAND TOTAL	**-**	**-**	***2,000***

Partnership for Economic Growth and Opportunity in Africa

($ in thousands)

National Interests: The primary U.S. national interest served by The Partnership for Economic Growth and Opportunity in Africa (PEGO) is humanitarian. Other national interests served are democracy and ultimately, economic prosperity. PEGO provides the policy framework and programs that the USG will implement to pursue the Administration's highest foreign policy objective for Africa – the integration of African countries into the global economy. As an emerging market with over 700 million potential customers, and as a region that provides an increasingly large share of U.S. oil imports, Africa's importance to U.S. economic prosperity will be on the rise in the 21st Century.

Strategic Goals and Supporting Programs for FY 2000:

Open Markets: The U.S. will support the opening of markets by working to enforce African WTO obligations and by advocating, and providing assistance toward, the elimination of barriers to trade and investment. PEGO USAID programs provide incentives to improve the region's investment climate, liberalize financial services, and privatize inefficient state-owned enterprises. $15,000

Expand Exports: Complementing our goal of opening African markets, the U.S. will work with ESF programs to increase U.S. exports of goods and services to Africa, both in absolute terms and as a share of the African market. The U.S. promotes trade through Embassy and USG outreach, trade missions, technical assistance, and loan guarantees and financing through Exim Bank, OPIC, and TDA operations $2,000

Economic Development: PEGO Level II establishes a range of incentives for African countries to embrace a market-oriented policy framework and accelerate reforms. We will provide selected countries with debt relief and enhanced access to U.S. markets through the Generalized System of Preferences. In addition, the first annual U.S.-Africa Economic Cooperation Forum will raise the level of economic policy dialogue with Africa's strongest reformers to encourage their efforts at economic liberalization. USAID technical assistance will help African countries design policies to implement economic reform. $15,000

Performance Evaluation: PEGO is a new program to be implemented in FY 1999.

Key Indicators for FY 2000 Performance:

- Increased level of U.S. exports to Africa.
- Increased level of U.S. direct investment in Africa.
- Number of reforming countries experiencing increases in GDP growth rates.
- Number of countries with policies qualifying for Level II benefits and debt relief.
- Number of African airports meeting U.S. safety standards.

PARTNERSHIP FOR ECONOMIC GROWTH AND OPPORTUNITY
FUNCTION 150 RESOURCES
($ in thousands)

Appropriations Accounts by Strategic Goal	Actual FY 1998	Estimate FY 1999	Request FY 2000
Open Markets	-	**30,000**	**15,000**
DA	-	30,000	15,000
U.S. Exports	-	-	**2,000**
ESF	-	-	2,000
Economic Development	-	-	**15,000**
DA	-	-	15,000
Total	-	***30,000***	***32,000***

Appropriations Accounts	Actual FY 1998	Estimate FY 1999	Request FY 2000
DA	-	30,000	30,000
ESF	-	-	2,000
Total	-	***30,000***	***32,000***
PARTNERSHIP FOR ECONOMIC GROWTH AND OPPORTUNITY (PEGO) FUNCTION 150 RESOURCES GRAND TOTAL	-	***30,000***	***32,000***

Regional Development Fund for Africa

($ in thousands)

National Interests: Humanitarian assistance and democracy are primary U.S. interests served by the Regional Development Fund for Africa. Other interests include global issues and economic prosperity over the long term. The Regional Development Fund for Africa supplements bilateral programs to enable cross-fertilization, to support regional African organizations and to respond quickly to development challenges. The program focuses on activity and strategy development, dissemination of information, provision of technical assistance for strategy implementation, and African technical and institutional capacity building, primarily at regional and sub-regional levels.

Strategic Goals and Supporting Programs for FY 2000:

Economic Development: USAID regional programs contribute to broad-based economic growth by helping Africans develop economic policies, programs and strategies in areas as diverse as trade and investment, microenterprise, agriculture and natural resource management. $43,045

Democracy: USAID regional democracy programs focus on supporting regional and sub-regional dynamics that will contribute to the spread and consolidation of democratic governance. $6,950

Environment: USAID regional environmental programs, such as Central Africa Regional Program on the Environment (CARPE), are designed to help Africans protect a rich biodiversity and fragile ecosystems, such as rain forests, that are critical to the global environment and that span more than one country. Greenhouse gases will receive attention, as will the major water and coastal systems, and the causes and effects of desertification. National Environmental Action Plans will strengthen environmental action country-by-country. $23,000

Population: Population growth rates continue to be very high in sub-Saharan Africa. USAID regional population programs disseminate lessons learned from the most successful bilateral efforts within the region. We continue to strengthen the capacity of African governments and NGOs to increase the sustainability and quality of family planning programs. $10,500

Health: Sub-Saharan Africa continues to suffer the world's highest levels of infant and child mortality and HIV. USAID regional health programs advocate best practices to help Africans provide health services in more sustainable, efficient and productive ways and to coordinate and maximize donor inputs. Prevention and mitigation of HIV/AIDS, polio eradication, child survival and maternal health and epidemic preparedness and response and health care financing are targeted by these programs. $44,260

Performance Evaluation:

- African capacity and regional and sub-regional cooperation increase in the area of broad-based growth. Regional programs have been effective in mobilizing a critical mass of technical expertise on key approaches to policy analysis and implementation, capacity building and technical assistance. This expertise has been successfully brought to bear, including agricultural and private sector development, trade and investment, telecommunications, and regional economic integration. Regional programs have also been successful in transmitting lessons learned from the more in-depth bilateral programs in supporting the development of African regional capacity and institutions, and in improving donor coordination in regional and international fora.

- Bilateral U.S. Missions receive assistance with democracy strategy development to achieve program results. Regional democracy activities provide advisory services to USAID's East and Southern Africa missions to help shape programs dealing with the rule of law, strengthening parliaments, civil society and capacity building. In Southern Africa, Southern Africa Regional Development Fund projects continued to build regional networks and democratic norms among Southern Africa Development Community (SADC) countries.

- African capacity and regional and sub-regional cooperation increase in the area of environmental protection. The U.S. opened an environmental hub in Ethiopia and worked with SADC to form the US-SADC Forum, which will put environmental issues at the top of its agenda. CARPE activities included extensive research on forests, bush meat and biodiversity. Regional Offices have accumulated a wealth of data that should help us understand the ever-increasing demands on African rivers and watersheds. Natural resource management projects indicated that local communities have new understanding of, and desire to protect and profit from, the sustainable use of their natural resources.

- Regional institutions strengthened and African Capacity building in managing population growth. Strategies to strengthen African regional and national capacity to plan, manage, and implement family planning programs are being developed. Activities include schooling trainers for advocacy in regional institutions such as the Center for African Family Studies. The supply of economists and management experts is increasing through the development of Masters Degree Level programs in The Regional Management Training Institute in Senegal. With support from regional programs, the government of Botswana assumed full responsibility for running the nationwide social marketing program.

- Specific sector results are achieved through U.S.-sponsored health programs. In 1998, with support from regional programs, 18 countries developed multi-year national plans that follow World Health Organization (WHO) health standards; 12 countries adopted a national health strategy; 22 countries included monitoring and

evaluation plans (with recommended malaria indicators) in their malaria control strategies and action plans; and 4 countries adopted quality of care improvement programs.

Key Indicators for FY 2000 Performance:

- African institutions that promote broad-based growth are strengthened; bilateral U.S. programs achieve better results due to cross-fertilization.
- African institutions that promote democracy are strengthened; bilateral U.S. programs achieve better results due to cross-fertilization.
- African institutions that prevent environmental degradation and promote responsible use of natural resources are strengthened; bilateral U.S. programs achieve better results due to cross-fertilization.
- African institutions that work to decrease the population growth rate are strengthened; bilateral U.S. programs achieve better results due to cross-fertilization.
- African institutions that promote better health are strengthened BY support from the Countries in Transition Fund; bilateral U.S. programs achieve better results due to cross-fertilization.

REGIONAL DEVELOPMENT FUND FOR AFRICA
FUNCTION 150 RESOURCES
($ in thousands)

Appropriations Accounts by Strategic Goal	Actual FY 1998	Estimate FY 1999	Request FY 2000
Economic Development	**121,748**	**110,467**	**43,045**
DA	121,748	110,467	43,045
Democracy	**-**	**-**	**6,950**
DA	-	-	6,950
Environment	**-**	**-**	**23,000**
DA	-	-	23,000
Population	**-**	**-**	**10,500**
DA	-	-	10,500
Health	**-**	**9,000**	**44,260**
DA	-	9,000	44,260
Total	***121,748***	***119,467***	***127,755***

Appropriations Accounts	Actual FY 1998	Estimate FY 1999	Request FY 2000
DA	121,748	119,467	127,755
Total	***121,748***	***119,467***	***127,755***
REGIONAL DEVELOPMENT FUND FOR AFRICA FUNCTION 150 RESOURCES GRAND TOTAL	***121,748***	***119,467***	***127,755***

Regional Organizations Fund

($ in thousands)

National Interests: The primary U.S. national interests served by the International Organizations Fund are humanitarian response and democracy. Regional economic integration would also contribute to broad-based economic growth, democratic political development and peace and stability. However, regional organizations are institutionally weak with respect to promoting economic integration.

Strategic Goals and Supporting Programs for FY 2000:

Open markets: ESF will be used to provide technical assistance to such regional organizations as the Southern African Development Community (SADC), the East Africa Cooperation entity (EAC), the Economic Community of West Africa (ECOWAS) and the Intergovernmental Authority on Development (IGAD). ESF funds will be used specifically to strengthen the institutional capacity of the organizations themselves and to help them design the kinds of initiatives and programs that will contribute to opening markets for the purposes of regional and global economic integration. Adherence to WTO standards, and customs, border, and financial sector reforms that promote integration are some of the goals that will be pursued. $14000

Performance Evaluation:

This is a new program beginning in FY 2000.

Key Indicators for FY 2000 Performance:

- Regional Organizations (such as SADC, ECOWAS, IGAD and EAC) are institutionally strengthened so that they gain the support of member states and successfully execute programs and initiatives.
- As a result of the efforts of regional economic organizations, member states reform customs and border requirements and the financial sectors to facilitate regional and global economic integration.

REGIONAL ORGANIZATIONS FUND
FUNCTION 150 RESOURCES
($ in thousands)

Appropriations Accounts by Strategic Goal	Actual FY 1998	Estimate FY 1999	Request FY 2000
Opening Markets	-	-	**1,000**
ESF	-	-	1,000
Total	-	-	***1,000***

Appropriations Accounts	Actual FY 1998	Estimate FY 1999	Request FY 2000
ESF	-	-	1,000
Total	-	-	***1,000***
REGIONAL ORGANIZATIONS FUND FUNCTION 150 RESOURCES GRAND TOTAL	-	-	***1,000***

Safe Skies for Africa Initiative

($ in thousands)

National Interest: The Safe Skies for Africa Initiative will benefit U.S. economic prosperity and law enforcement. Africa's integration into the global economy will help increase U.S. exports and promote regional stability. The Safe Skies for Africa Initiative will foster this economic integration by improving aviation safety and security in Africa, thereby expanding opportunities for business travel and tourism. Improved airport security will also limit narcotics trafficking and weapons smuggling.

Strategic Goals And Supporting Programs for FY 2000:

The United States' role in Safe Skies is as a technical advisor and facilitator of actions to be taken by the participating African nations (Angola, Cameroon, Cape Verde, Cote d'Ivoire, Kenya, Mali, Tanzania and Zimbabwe), with assistance from the private sector, regional institutions, multilateral development banks, and international civil aviation organizations. General goals for Safe Skies are to quadruple the number of sub-Sahara countries that meet international standards for aviation safety oversight from two to eight, improve airport security at eight or twelve airports, and improve regional air navigation services. ESF funds will support interagency assessments of African airports and the development of work plans for airport improvements. ESF funds will also support an industry briefing to educate U.S. companies on the potential opportunities of Safe Skies.

Economic Development: Aviation safety oversight in three African countries will be raised to meet International Civil Aviation Organization (ICAO) standards. This will permit more African airlines to fly international air routes, thus, expanding tourism, facilitating business travel and increasing air cargo and trade opportunities. [redacted]

U.S. Exports: Plans for airport improvements and aids to navigation developed under the Safe Skies for Africa Initiative will provide commercial opportunities for U.S. companies in engineering and construction, aviation safety and security equipment, and consulting. [redacted]

Illegal Drugs: DEA, Customs and Immigration and naturalization Service will provide drug and contraband interdiction training at selected airports. [redacted]

International Terrorism: Immigration and Naturalization Service will provide immigration and border control training at selected 8-12 airports to make airports in Africa less vulnerable to exploitation by terrorist organizations. [redacted]

Performance Evaluation:

- Two countries, Cote d'Ivoire and Kenya, will receive aviation safety oversight reviews and security assessments by the FAA in 1999. Action plans will be formulated for bringing those two countries' aviation systems into compliance with ICAO standards.

Key Indicators for FY 2000 Performance:

- Increased number of African countries meeting International Civil Aviation Organization (ICAO) standards for aviation safety oversight.
- Decreased incidence of drug and contraband smuggling through African airports.
- Increased U.S. sales of aviation safety and security equipment and services to Safe Skies participant countries.

SAFE SKIES FOR AFRICA INITIATIVE (SSK)
FUNCTION 150 RESOURCES
($ in thousands)

Appropriations Accounts by Strategic Goal	Actual FY 1998	Estimate FY 1999	Request FY 2000
Open Markets	-	-	**1,400**
ESF	-	-	1,400
U.S. Exports	-	-	**250**
ESF	-	-	250
Illegal Drugs	-	-	**175**
ESF	-	-	175
Counter-Terrorism	-	-	**175**
ESF	-	-	175
Total	-	-	***2,000***

Appropriations Accounts	Actual FY 1998	Estimate FY 1999	Request FY 2000
ESF	-	-	2,000
Total	-	-	***2,000***
SAFE SKIES FOR AFRICA INITIATIVE (SSK) FUNCTION 150 RESOURCES GRAND TOTAL	-	-	***2,000***

EAST ASIA & THE PACIFIC

Bureau of East Asian and Pacific Affairs
Statement by Assistant Secretary Stanley O. Roth

Introduction

The East Asia and Pacific region accounts for nearly half the world's population, economic output and trade and plays a vital role in determining the peace, prosperity and well-being of the American people. The western Pacific region takes over thirty percent of our trade. The interests of four of the world's major powers, three of them nuclear weapons states, intersect in Northeast Asia where stable relations are critical to world peace.

For the past quarter century, the East Asia and Pacific region has been marked by rapid economic growth and general stability. The Philippines, South Korea, Thailand, Mongolia and Taiwan have moved from authoritarianism to democracy, a trend gaining strength in the region. Indonesia, Southeast Asia's largest nation, is on the important road to a democratic transition. Our military, economic, and political engagement in the region has been a key factor in creating and maintaining the environment for these positive developments. The current financial crisis threatens not only the economies of the region but also its often-fragile political institutions.

Our immediate goal is to stem financial decline, avoid protectionist policies, and encourage completion of reforms that can lead to restoration of sustainable economic growth. Our aim is to help restore economic and political stability, encourage positive trends toward more open economies and democratic governments, and ensure that internal disturbances and tensions do not spill across borders. In fact, when we assist countries such as Indonesia, we are addressing a broad range of issues, including important strategic security interests. Our longer-term goal is the President's vision of a Pacific community, which is stable, at peace and friendly to U.S. interests and values.

The programs that support our interests in the East Asia and Pacific region are borne primarily by agencies other than State: DOD funds our military presence and security assistance; our economic involvement is based primarily on trade, not economic assistance, with the private sector, IFIs, Treasury, USTR, EXIM, OPIC, and Commerce central to our policy. By comparison, we only have small pots of ESF, Development Assistance (DA), and IMET to draw on for programs. This was an appropriate approach a year ago when Asia was booming, and in large measure it still is. However, we do need to maintain current levels and should make targeted increases in some programs as described below, in order to pursue ongoing programs while responding to new realities in the region as a result of the lingering economic crisis.

During this delicate period, it is important that confidence in U.S. leadership and engagement remain firm to ensure a peaceful and stable East Asia and Pacific region that is open to American influence, American ideas, and American trade. We have never had

greater opportunities, but if we slacken our efforts, we risk ceding influence and opportunities to others.

U.S. Goals in the Region

National Security

Peace and stability in East Asia and the Pacific is critical to the security of the United States and essential to our broader regional interests. We maintain about 100,000 military personnel in the region, a presence essential to projecting American influence, maintaining the credibility of our alliances, and protecting key sea lanes. The Korean Peninsula remains one of the world's most dangerous flash points; there are a number of unresolved territorial disputes that could threaten critical sea lanes; and historical animosities persist among China, Japan, and Korea. The United States is the "honest broker," accepted as such by virtually all states of the region.

To foster stability and maintain deterrence, we have built alliance relationships with Japan, the ROK, Thailand, the Philippines and Australia and are developing varying degrees of less formal security ties with Singapore, Brunei, Indonesia and Malaysia. Our IMET programs with many of these countries as well as with many of the South Pacific island nations are important both to our mutual security and to ensuring civilian control over defense establishments.

Our alliance with Japan, and the host nation support that underwrites most of the costs of our 47,000 troops stationed there, anchors our regional military presence. We have made significant progress in strengthening U.S.-Japan security ties through the revision of the guidelines for defense cooperation and the consolidation of our bases on Okinawa, although more needs to be done in both areas. Our treaty commitments to the Republic of Korea, where 37,000 American troops are stationed, play a key role in maintaining peace on the peninsula and help create the environment for seeking more permanent solutions to the tensions on the peninsula through the KEDO program, the Four Party Talks, and North-South dialogue.

The most critical funding requirement relates to our efforts to curb nuclear proliferation on the Korean peninsula. Under the Agreed Framework, the U.S. undertook to take the lead in arranging funding for Heavy Fuel Oil (HFO) to replace the energy lost when North Korea shut down its very dangerous nuclear reactors. We seek $55 million in FY 2000 (in the NADR account) to keep this vital program on course.

For the longer term, we are playing a leading role in efforts to build a regional security framework through such institutions as the region-wide, 22-member ASEAN Regional Forum (ARF) which foster dialogue, transparency and cooperation. Such multilateral fora can be an important supplement to our bilateral security arrangements. We seek $250,000 in ESF funding to continue our support for multilateral security cooperation.

Economic Prosperity and Economic Development

Our combined trade and investment relationship with the region is second only to Europe. In trade, East Asia is number one. Our goal is to help it return to a path of economic growth and maintain the momentum toward market opening. This will ensure increased American trade and investment and create more high-paying export-oriented jobs, strengthen our companies, invigorate our economy, and reinforce our leadership in the region.

However, the current financial crisis affects every aspect of our economic, political, security, environmental and humanitarian interests in the region. East Asian prosperity, and the benefits it has brought to the United States, is severely threatened by the ongoing financial and economic instability. Our deep interests dictate that we seek ways, multilaterally and bilaterally, to arrest this decline, help restore macroeconomic stability and strengthen national financial systems.

A sustainable growth strategy also calls for effective social investment. Well-targeted programs can play a crucial role in cushioning the most vulnerable from economic dislocations and in stabilizing expenditure and confidence. The United States is developing initiatives to help governments in the region to establish sound frameworks for renewed growth. USAID will administer a multi-year crisis response plan, which will complement World Bank and Asian Development Bank programs. Within the Asia Pacific Economic Cooperation (APEC) forum, we are developing a task force on social issues to exchange information on innovative social policy practices. We are also working with the private sector to develop a privately-funded "peace corps" to share financial and managerial skills and experiences.

Recovery of the Japanese economy is crucial to East Asian recovery and we are encouraging the GOJ to undertake the economic stimulus, financial sector reforms, and market opening steps necessary to get Japan's economy back on track. More broadly, we are focusing increased efforts to support the programs of the IMF and multilateral banks, increase monitoring, and develop initiatives to improve transparency, supervision and other necessary reforms. In addition, we seek adequate resources -- both ESF and DA – to tackle the roots of the financial crisis. The $53 million we are proposing, in equal portions of ESF and DA, will provide technical assistance for institutional reform, improved governance, and greater transparency as well as assist those affected most – Thailand and Indonesia – to identify and target multilateral and other resources.

To sustain trade and investment we continue to support U.S. business through programs such as TDA, EXIM, OPIC and USAEP. We will work to open markets by reducing tariff and non-tariff barriers and eliminating investment restrictions. Regionally, we are working in APEC to implement the President's policy of liberalizing trade by sector. In broader terms, we are working to bring China and other EAP non-members into the WTO on commercially meaningful terms.

For sustained growth, markets must be built as well as opened. We are working bilaterally and through APEC to put in place policies and practices to attract the foreign investment needed to build infrastructure and safe, efficient capital markets and to eliminate regulatory barriers and regulations that limit construction of cross-border infrastructure.

Not all of the region has shared in the economic growth and pockets of underdevelopment remain in Mongolia, the South Pacific and the former Indochina countries of Cambodia, Laos and Vietnam. Mongolia, Cambodia, Laos and Vietnam are transitioning from centrally-planned to market-based economies and will continue to require foreign assistance to accelerate and smooth the process. Many of the South Pacific island nations, where we have political and security-related interests, are still struggling toward economic self-sufficiency and any concerted effort to bring about broad-based growth will require additional resources. We will put a part of the $12 million in ESF we seek for Mongolia into programs to promote privatization and other market-oriented mechanisms and to spur development in livestock and other agricultural-related industries in rural areas, where a majority of the population resides and works.

Democracy, Human Rights and Rule of Law

Societies in the region are evolving politically at a swift pace and are fertile ground for sharing our interest in human rights and the spread of democracy and rule of law. We have a three-pronged strategy, which includes use of the Regional Democracy Fund ($6 million in ESF) and a new Regional Women's Fund ($5 million in ESF) in addition to single-country programs. Through the new Regional Women's Fund, we will implement a coordinated effort to reduce violence against women and promote women's political participation as well as combat trafficking of women and children.

In places where democracy has been recently established or re-established -- the Philippines, the Republic of Korea, Taiwan, Thailand and Mongolia -- our goal is to provide support to reduce the risk of backsliding. These societies are particularly vulnerable during the current economic downturn. Hence, we will devote a portion of the $12 million for Mongolia as well as $5 million for the Philippines to deepening and broadening democratic institutions and practices.

A second group of countries are those taking tentative steps towards more open societies and fuller protection of human rights. In these we will seek to nurture democratic concepts and strengthen the rule of law. While conditions vary widely, these include Cambodia, China, Indonesia, Laos, and Vietnam, with Burma making almost no progress at all. As a signatory to the Paris Accords, the United States has an abiding interest in supporting, along with other signatories and concerned members of the international community, the conditions for enduring peace, stability and democratic development in Cambodia. The level and nature of our assistance program, for which we have requested $20 million in ESF, will depend on the Cambodian government's program toward genuine democracy and respect for human rights and on the statutory

restrictions that apply. Continuing a stepped-up effort to strengthen the fledgling democratic process in Indonesia in the wake of momentous changes in 1998, we should support and bolster Indonesia's transition to democracy over the coming years. The requested $5 million in ESF will help to underwrite our support.

Law Enforcement

To minimize the impact of international crime on the U.S. and its citizens, we seek increased actions by governments in the region to combat money laundering, other financial crimes, alien smuggling, drug trafficking, and corruption. We will work with others in the region to address more actively the issues of good governance and corruption. We are negotiating a series of mutual legal assistance treaties. In the world's leading heroin-producing region, we will work to support strategic counter-narcotics assistance to include improved cooperation in crop substitution, countering money laundering, and continued efforts to train and cooperate with regional anti-drug authorities. In this regard, we will support our International Law Enforcement Academy in Bangkok, which will train law enforcement and counter-narcotics officials from the region.

We are increasing our engagement in bilateral and multilateral activities to expand knowledge of counter-terrorism resources and methods, stimulate information sharing, and enhance cooperation during terrorist incidents.

Global Issues

The East Asia and Pacific region has some of the world's most environmentally significant assets (coral reefs throughout Southeast Asia and the Pacific, the rain forests of Borneo, Mekong River estuaries) and some of its worst environmental problems (regional forest fires, waste disposal, unsustainable logging, overcrowded mega-cities, air and water pollution). To secure a sustainable global environment, we are working with China, Korea, Japan and others in the region towards a global reduction in greenhouse gas emissions. We have actively responded to repetitive forest and coal seam fires in Southeast Asia, particularly in Indonesia, by launching a subregional initiative to address the fires' underlying causes. For FY 2000, we propose to expand that initiative (to a total of $10 million in ESF) to include sustainable development projects in forestry and coastal resource management and the reduction of greenhouse gas emissions throughout Southeast Asia and the Pacific Islands. With Japan, we are partners in "The Common Agenda," one of our most extensive programs for international cooperation on global and transnational issues. Within APEC we continue initiatives on cleaner production, clean oceans, and sustainable cities.

We are enhancing regional cooperation in the fight against infectious diseases, focusing on basic public health and improving preparedness and response capabilities. We are working to eradicate polio through the Common Agenda with Japan and in direct efforts

with China. HIV/AIDS, cholera, dengue fever, malaria, and multi-drug resistant tuberculosis are other diseases against which we are marshaling efforts.
We are advocating and supporting sustainable population policies and programs bilaterally and under the US-Japan Common Agenda. Our focus is increased adoption of voluntary and safe methods of family planning. Our ability to deal with the issue is limited by congressional restraints. We see a particularly important linkage to policies and programs to advance equal opportunities for women and girls.

EAST ASIA & PACIFIC
FUNCTION 150 RESOURCES
($ in thousands)

Appropriations Accounts by Strategic Goal	Actual FY 1998	Estimate FY 1999	Request FY 2000
Regional Stability	**6,019**	**5,525**	**9,850**
ESF	250	250	250
IMET	3,769	3,625	3,600
Asia Foundation	2,000	1,650	3,000
CIO	-	-	3,000
Weapons of Mass Destruction	**46,536**	**35,016**	**55,000**
ESF	6,506	-	-
NADR-Export Control	30	16	-
NADR-KEDO	40,000	35,000	55,000
Open Markets	**5,240**	**4,503**	**8,300**
DA	3,900	2,603	4,850
Asia Foundation	1,340	1,900	3,450
U.S. Exports	**9,333**	**9,638**	**10,608**
TDA	9,333	9,638	10,608
Global Economic Growth	**3,690**	**49,250**	**45,750**
DA	3,690	49,250	45,750
Economic Development	**233,852**	**307,104**	**316,762**
DA	64,935	70,900	84,700
ESF	3,800	5,000	39,300
FSA	-	6,000	-
ADB	13,211	13,222	13,728
ADF	150,000	210,000	177,017
CIO	1,906	1,982	2,017
Illegal Drugs	**5,500**	**6,400**	**7,000**
INC	5,500	6,400	7,000
Counter-Terrorism	**2,263**	**2,199**	**2,400**
NADR-ATA	2,263	2,199	2,400
Democracy	**30,255**	**15,177**	**42,506**
DA	7,900	2,603	4,850
ESF	15,856	6,224	27,306
IMET	1,839	1,650	1,800
Asia Foundation	4,660	4,700	8,550

Appropriations Accounts by Strategic Goal Cont.	Actual FY 1998	Estimate FY 1999	Request FY 2000
Humanitarian Assistance	**148,534**	**43,635**	**29,819**
DA	5,400	7,103	4,850
ESF	4,119	5,119	6,119
NADR-Demining	4,139	5,900	6,750
Title II	117,201	11,563	-
MRA	17,675	13,950	12,100
Environment	**41,122**	**20,835**	**29,122**
DA	21,500	2,835	4,700
ESF	19,622	18,000	24,422
Population	**7,661**	**6,054**	**5,275**
DA	7,661	6,054	5,275
Health	**14,508**	**10,511**	**15,028**
DA	7,661	6,054	5,175
ESF	6,847	4,457	9,853
Public Diplomacy	**12,000**	**12,500**	**12,500**
E-W Center	12,000	12,500	12,500
Total	***566,513***	***528,345***	***589,920***

Appropriations Accounts	Actual FY 1998	Estimate FY 1999	Request FY 2000
ADB	13,211	13,222	13,728
ADF	150,000	210,000	177,017
Asia Foundation	8,000	8,250	15,000
CIO	1,906	1,982	5,017
DA	122,647	147,400	160,150
E-W Center	12,000	12,500	12,500
ESF	57,000	39,050	107,250
FSA	-	6,000	-
IMET	5,608	5,275	5,400
INC	5,500	6,400	7,000
MRA	17,675	13,950	12,100
NADR	46,432	43,115	64,150
TDA	9,333	9,638	10,608
Title II	117,201	11,563	-
Total	***566,513***	***528,345***	***589,920***
Other Accounts			
D&CP	139,207	145,902	191,554
ECE	29,851	29,881	32,759
IIP	34,949	34,648	-
Peace Corps	12,160	13,195	13,676
Total	***216,167***	***223,626***	***237,989***
EAST ASIA & PACIFIC FUNCTION 150 RESOURCES GRAND TOTAL	***782,680***	***751,971***	***827,909***

EAP: FY 2000 REGIONAL PLAN

STRATEGIC GOAL: Regional Stability (RS) -- Local and regional instabilities will not threaten the security and well being of the U.S. or its allies.

REGIONAL GOAL: Establish a durable peace on the Korean Peninsula; sustain close security ties with key security partners, especially Japan; develop constructive strategic partnership with China; build confidence and trust among states in the region; contribute to progress and stability through support for a broad range of assistance programs in countries such as Indonesia; and, in cooperation with others in the region, assist the development of democratic institutions and public order in Cambodia, Papua New Guinea (Bougainville) and other states in political transition.

NATIONAL INTEREST: National Security

STRATEGY:

To preserve stability and deter future conflicts: maintain a sizable military presence forward deployed in the region; strengthen our five bilateral security arrangements; support the Four Party Korean peace process and progress in the North-South dialogue; participate in the confidence-building and conflict prevention work of the ASEAN Regional Forum and other multilateral security dialogues; move toward a "constructive strategic partnership" with China; ensure freedom of navigation through strategic sea lanes through the region; secure access (to facilities and ports) and support for U.S. military forces, including in times of crisis; support countries in transition such as Indonesia to promote long-term stability; promote military-to-military contacts, training and security assistance, with IMET funding as a key element; develop our partnership with Russia in the region; and support democratization, demining and peacekeeping work.

OBJECTIVES:

1. Continue to cooperate with the Government of Japan to implement the recommendations contained in the 1996 Final Report of the Special Action Committee on Okinawa (SACO) and carry out actions necessary to implement the 1997 Mutual Defense Guidelines.

2. Reduce tensions on the Korean Peninsula by implementing the KEDO program and through the Four Party peace process.

3. Engage China at the highest levels on a broad range of strategic, military, political, economic, and other issues of importance with the objective of reaching agreements to promote our common objectives and continuing to integrate China into the international community in a constructive manner.

4. Expand defense cooperation with U.S. allies Australia, the Philippines and Thailand, and deepen security cooperation with Singapore, Indonesia, Brunei and Malaysia for transit, training and exercises in support of U.S. regional presence.
5. Sustain public support, in the U.S. and in the region, for U.S. security presence.
6. Enhance region-wide security dialogue and confidence-building through ASEAN Regional Forum and other multilateral venues.
7. Through cooperation with others in the region, help build sustainable peace and democratization in Cambodia, Papua New Guinea and other states in transition.
8. Expand security cooperation with New Zealand, while not returning to alliance relationship.
9. Expand IMET to constructively influence Asian militaries.

ASSUMPTIONS:

- The U.S.-Japan alliance remains healthy and dynamic.
- North Korea remains unpredictable, and tensions continue on the Korean Peninsula, but there are no serious hostilities.
- Contested territorial claims remain unresolved.
- China's economy and military capability continue to grow.
- U.S. forward deployment remains at current levels.
- Financial crisis will strain defense resources available to regional forces and require extra effort and flexibility on the part of the U.S. to sustain meaningful interaction.
- Internal political instability may create regional security tensions.

INDICATORS:

- Implementation of SACO base relocations in Japan.
- Completion of documents and other concrete steps to implement the Mutual Defense Guidelines with Japan.
- KEDO program remains on track, with all parties fulfilling their obligations under the Agreed Framework.
- North Korea continues Four Party peace progress; North-South dialogue resumes.
- Implementation of the US-China Military Maritime Agreement. Increase and deepening of military to military contacts and other transparency measures.
- Extent of military-to-military interaction, including exchanges/visits of senior officers and numbers of joint and combined training exercises in the region.

- Bilateral agreements reached to ensure U.S. access to foreign military facilities. Visiting Forces Agreement ratified by Philippine Senate.
- U.S. co-chairs the 1998-9 ASEAN Regional Forum Intersessional Support Group on Confidence-Building Measures.
- Public statements of support for the U.S. security presence by regional states.
- Peace monitoring in Papua New Guinea.

EAP: FY 2000 REGIONAL PLAN

STRATEGIC GOAL: Weapons of Mass Destruction (WD) -- The U.S. and its allies will not be threatened by weapons of mass destruction or destabilizing conventional arms races.

REGIONAL GOAL: Reduce incentive for North Korea to engage in proliferation of nuclear weapons, missile technology and conventional arms. Negotiate adherence to major non-proliferation and arms control agreements and regimes by China and other countries in the region.

NATIONAL INTEREST: National Security

STRATEGY:

Through the Agreed Framework and Korean Peninsula Energy Development Organization (KEDO) ensure nuclear non-proliferation goals vis-à-vis North Korea. Use diplomatic means, including economic sanctions to ensure North Korea's compliance with international arms control and nonproliferation regimes. Continue to work with China to ensure further progress on a range of nonproliferation issues. Work with others to develop and implement more effective export control regimes.

OBJECTIVES:

1. Secure adequate funding for KEDO, including international support and our own obligations.

2. Resume missile non-proliferation talks with North Korea.

3. Obtain Chinese support for fissile material cutoff negotiations and agreement to strengthened IAEA safeguards.

4. Persuade China to strengthen its chemical controls, and update its commitment to the MTCR.

5. Others in the region, such as Singapore, Malaysia and Thailand, put in place strengthened export controls.

6. Maintain continuous unfettered access to the U.S. Army Kwajalein Atoll (USAKA) in the Marshall Islands.

ASSUMPTIONS:

- The North Koreans and the Chinese will continue to be willing to negotiate on nonproliferation.
- Nonproliferation concerns will become more technologically sophisticated and therefore more difficult to detect and monitor.

INDICATORS:

- North Korea does not resume its nuclear program; resumes missile talks.
- KEDO funding at appropriate level.
- China continues to strengthen export controls in FY 1999.
  China agrees to abide by the MTCR Guidelines and current Annex; joins the Wassenaar Arrangement.
- Others in region strengthen export control regimes.
- Continuous, unfettered access to USAKA range.

EAP: FY 2000 REGIONAL PLAN

STRATEGIC GOAL: Open Markets (OM) -- Foreign markets open to free flow of goods, services and capital.

REGIONAL GOAL: Continue liberalization in the region despite pressures for protection arising from the Asian economic crisis.

NATIONAL INTEREST: Economic Prosperity

STRATEGY:

Enforce existing rules and agreements to eliminate or reduce trade barriers. Implement and expand bilateral agreements with key trading partners and develop new agreements on issues important to US business. Integrate emerging economic powers into the world trading system through expanded WTO membership on a commercially meaningful basis. Achieve full implementation of Uruguay Round agreements. Begin implementation in 1999 of agreements covering nine sectors in Asia-Pacific Economic Council's (APEC) Early Voluntary Sectoral Liberalization (EVSL) process. Conclude further "Open Skies" Civil Aviation agreements. Combat foreign corrupt business practices and strengthen the rule of law through implementation of the Anti-Bribery convention by OECD members in the region, and development of a further initiative in APEC. Adapt US policies on sanctions to promote freer regional trade in food products. Complement market opening efforts by building markets through facilitating trade and investment and improving the region's physical and human resources capacity, in cooperation with the private sector.

OBJECTIVES:

1. Implement beginning in 1999 agreements liberalizing nine sectors under APEC's EVSL initiative.

2. Develop specific, action-oriented projects with the private sector to realize the benefits of market opening measures.

3. Membership by China and other Asian economies in the WTO on a commercially meaningful basis.

ASSUMPTIONS:

- Regional economies will address the current financial/economic crisis by moving forward with liberalization policies to reassure markets and speed the return to normal trade and capital flows.
- APEC continues as a viable regional forum.

INDICATORS:

- Entry into force of the OECD Anti-Bribery Convention.
- Conclusion of "Open Skies" agreements. Status of countries' efforts to accede to the WTO.
- Openness of markets as measured by information in the Trade Act Report.
- Conclusion of additional Bilateral Investment and Tax Treaties.
- Pressure created through the Ministerial and Leaders meetings for all WTO participants to complete negotiations on the built-in agenda (of previous GATT Round issues).
- U.S.-ASEAN Dialogue, ASEAN PMC and related meetings used to promote return to regional financial stability and press APEC and U.S. trade/economic agenda.

EAP: FY 2000 REGIONAL PLAN

STRATEGIC GOAL: Exports (EX) -- U.S. exports expanded.

REGIONAL GOAL: Maintain the market share for American products in Asia-Pacific economies.

NATIONAL INTEREST: Economic Prosperity

STRATEGY:

Focus USG efforts on the recovery and renewed growth of markets for American products in the Asia-Pacific region. Cooperate with the private sector in this effort. Employ advocacy, finance (e.g. EXIM), public diplomacy, and other export promotion efforts to return to normal commercial and financial activity in Asian markets. Increase domestic awareness of trade opportunities by reaching out to small and medium-sized firms, and through public outreach strategies. Support American foreign direct investment as a means of increasing US exports.

OBJECTIVES:

1. Support the recovery of Asia-Pacific markets.

2. Support other US export promotion agencies in efforts to increase US exports.

ASSUMPTIONS:

- Asian markets will require 3 to 5 years to return to strong economic growth and provide renewed markets for American exports.
- Regional trading partners continue trend towards freer markets.
- APEC continues to be a viable mechanism for pursuing U.S. export efforts.

INDICATORS:

- Market share of American goods in Asian markets; overall levels of US exports of goods and services; levels of US investment abroad.
- Improved investor protections and financial market development in APEC encourage greater private sector investment in Asia-Pacific infrastructure, especially in the transportation, telecommunications, and energy sectors.
- U.S. businesses become more involved in specific issues that matter to their companies.
- U.S. ASEAN country Ambassadors continue annual export promotion tour.
- Significant U.S. contracts signed for energy and environmental equipment/technology in China.

EAP: FY 2000 REGIONAL PLAN

STRATEGIC GOAL: Global Economic Growth (EG)

REGIONAL GOAL: Stop the region-wide economic decline and return economies in the Asia-Pacific region to previous levels of trade and investment flows.

NATIONAL INTEREST: Economic Prosperity

STRATEGY:

Facilitate private international financial flows through government-business cooperation in APEC. Cooperate with Asia-Pacific regional finance ministers (APEC, Manila Framework) to develop better data, transparency and financial market supervision. Pay arrears to international financial institutions in order to preserve US leadership and influence and send strong, positive signals to markets. Ensure IFI lending programs improve investment climate in transitional and developing countries, emphasize good governance and core labor standards. Encourage adherence to IMF programs and promote an accelerated recovery through funding for institutional reform, good governance and greater transparency.

OBJECTIVES:

1. Restore macro-economic stability.
2. Strengthen financial markets.
3. Promote development of more efficient financial markets.
4. Develop advance warning mechanisms to avoid future financial crises.
5. In Japan, promote domestic demand-led growth, encourage implementation of financial reforms and increase access to its domestic markets.
6. Demonstrate U.S. commitment to restoring economic growth.

ASSUMPTIONS:

- Asia-Pacific economies currently experiencing financial problems will recover over the next 3 to 5 years.
- Financial problems will not seriously affect economies in other regions or the United States.
- Changes needed to return to previous levels of growth provide a window of opportunity for cooperation on developing a new financial infrastructure.

INDICATORS:

- Economic growth rates in developed, transitional, and developing economies.
- Japanese economic growth resumes, the number of troubled banks and problem loans declines, and imports increase.
- Levels of capital inflows to key transitional and developing countries; assessments of financial crisis and economic stability.
- International trade statistics, international financial statistics, exchange rates, markets.
- Status of IFI policies to improve investment climate.

EAP: FY 2000 REGIONAL PLAN

STRATEGIC GOAL: Economic Development (ED) -- Broad-based economic growth in developing and transitional economies.

REGIONAL GOAL: Maintain American financial leadership to assist developing and transition economies to implement market-oriented economic policies.

NATIONAL INTEREST: Economic Prosperity

STRATEGY:

Strengthen markets by supporting policy and institutional reforms, and financial market development. Promote the adoption of measures to improve the rule of law and transparency to attract private capital. Support nations taking action to improve food security. Increase opportunities for the poor, including programs that support micro- and small-enterprise development. Support and encourage expanded investment in exchanges, training, education, and other human resource development. Collaborate with other nations and multilateral organizations providing assistance to developing and transitional nations in support of transformation to market-oriented democracies. Use ESF, DA, and Compact Funds efficiently. Cambodia and Mongolia will remain the EAP top priorities for the use of ESF resources in the region. Indonesia and the Philippines will remain top priorities for the use of DA funds. Support South Pacific regional efforts and promote an accelerated recovery from the economic crisis by underwriting institutional reform, good governance, and greater transparency.

OBJECTIVES:

1. Promote transition from socialist to market based economies in the region.
2. Commitment by China to adopt market-oriented policies enabling it to join the WTO on a commercially meaningful basis.
3. Reduce poverty and provide economic opportunity.
4. Expand and open markets in these economies.
5. Promote sustainable development in the Pacific Island states and territories.
6. Sustainable development in Indonesia and the Philippines.

ASSUMPTIONS:

- Lower income developing and transition economies will not be as severely affected by the region's economic and financial downturn.
- These economies will continue policy reform in order to participate in the regional economic recovery over the next 3 to 5 years.

INDICATORS:

- Annual growth rates of developing and transitional nations. Per capita GDP.
- China joins WTO on a commercially meaningful basis.
- Nutritional statistics. Food production/import statistics. Life expectancy.
- Status of economic/agricultural reforms in key countries.

EAP: FY 2000 REGIONAL PLAN

STRATEGIC GOAL: American Citizens (AC)

REGIONAL GOAL: Provide a full range of consular services to all American citizens in the region.

NATIONAL INTEREST: American Citizens and U.S. Borders

STRATEGY:

Continue to provide efficient and courteous service to American citizens, including the issuance of passports, distribution of general information, and visits to Americans in prison. Ensure that posts' Emergency Action Plans are up to date and warden system is fully functioning. In Indonesia, Cambodia, Burma, and in other areas as the need arises, provide timely and full advice to the American resident and traveling population concerning the security situation. In Ho Chi Minh City, open a temporary consular building to provide services to approximately 3,000 US citizens resident there plus the 75,000 American tourists expected to visit the area annually. In the Republic of Korea, close the American Consulate in Pusan. Embassy Canberra and its constituent posts may need additional resources in connection with the 2000 Sydney Olympics.

OBJECTIVES:

1. Keep in contact with, and provide information to American citizens through community outreach. Maintain close relations with major American organizations. Where applicable, update post's home page and consular information sheet.
   FY 2000 TARGET: Increase FY 1999 target figure by 10 percent.

2. Develop and maintain an effective warden system. Test warden system once every six months. Ensure all US citizens are registered with the Embassy. Provide accurate warnings of potential threat to Americans in the region.
   FY 2000 TARGET: Maintain FY 1999 target.

ASSUMPTIONS:

- Security situation stabilizes in Indonesia, Cambodia, and Burma and does not worsen at other posts.
- Number of Americans in region will increase.
- Travel between the U.S. and East Asia will remain heavy.

INDICATORS:

- Community outreach presentations.
- Registered American citizens, number of American organizations participating in the warden system/individual wardens participating in system.

EAP: FY 2000 REGIONAL PLAN

STRATEGIC GOAL: Travel and Immigration (TI) -- Control how immigrants and non-immigrants enter and remain in the United States.

REGIONAL GOAL: Ensure that visas are issued expeditiously to legitimate tourist, business, and student travelers to the United States while preventing illegal immigration.

NATIONAL INTEREST: American Citizens and U.S. Borders

STRATEGY:

Ensure that legitimate visitors to the United States obtain visas in an expeditious and courteous manner recognizing that tourism, business travel, and university training are among our biggest exports to the region. In consultation with Economic and Commercial Sections, posts will refine visa issuance provisions so that business travelers receive their visas promptly. EAP posts will strengthen fraud awareness, prevention and detection, and prosecute illegal activities involving document fraud and alien smuggling. Use improved technology and techniques to detect fraudulent and non-bona fide visa applications while facilitating legitimate travel. Work with host government officials to interdict non-bona fide travelers and prosecute alien smugglers. Update post home page and consular information sheet. Issue travel warnings and public announcements as needed.

OBJECTIVES:

1. Issue an ever-increasing number of visitor, business, and student visas in an accurate and expeditious manner. Updated machine readable visa (MRV) systems installed and operating by April 1999. Implement and fully utilize the modernized consular systems computing programs.
   FY 2000 TARGET: Number of visas issued stay at FY 1999 levels.

2. Prevent non-bona fide visa applicants from obtaining visas. Work with host governments to enact laws against visa and passport fraud, document fraud and alien smuggling and aggressively prosecute document vendors and alien smugglers. Work with host governments to improve the security of their travel documents. Increase anti-fraud training for consular employees, host country officials and airline employees.
   FY 2000 TARGET: Maintain reduction at FY 1999 figure.

ASSUMPTIONS:

- Non-bona fide applicants will become increasingly sophisticated.
- Number of legitimate travelers from the region will remain stable and possibly decline given economic slowdown.

INDICATORS:

- Updated machine readable visa (MRV) system installed and operating by IV/99.
- Increase in interception of fraudulent documents.
- Prosecutions of document vendors and alien smugglers rise compared to prior periods.

EAP: FY 2000 REGIONAL PLAN

STRATEGIC GOAL: International Crime (IC) -- Minimize the impact of international crime on the U.S. and its citizens.

REGIONAL GOAL: Increased cooperation to minimize the impact of international crime from the region

NATIONAL INTEREST: Law Enforcement

STRATEGY:

Increase actions by regional governments to combat money laundering and other financial crimes, alien smuggling, drug trafficking, and corruption. Develop regional communication and cooperation to combat crime and corruption, further develop mutual legal assistance and other agreements, develop regional support for multilateral task forces and for effective international agencies.

OBJECTIVES:

1. Implement Extradition and Mutual Legal Assistance Treaties with the Philippines and negotiate an MLAT with Japan.

2. Implement new extradition treaty and complete MLAT with Malaysia in FY 99.

3. Strengthen law enforcement cooperation with China against organized crime, alien smuggling, narcotics trafficking, money laundering and counterfeiting through the new Joint Liaison Group and negotiate a bilateral Mutual Legal Assistance Agreement.

4. Establish a Regional Law Enforcement Academy in Southeast Asia.

5. Ratify Extradition Treaty with South Korea.

6. Negotiate a Mutual Legal Assistance Agreement with Taiwan.

ASSUMPTIONS:

- Regional countries increasingly will desire to cooperate with U.S. law enforcement agencies to fight international crime.

INDICATORS:

- Procedures formalized to implement Extradition and Mutual Legal Assistance Treaties with the Philippines.
- In China, increase bilateral training and enhanced exchanges of information.
- Regional Law Enforcement Academy established.
- Enter into preliminary negotiations with Japan on a Mutual Legal Assistance Treaty.
- Use international visitor grants to address money laundering in the Pacific Islands.
- Enter into preliminary negotiations with Taiwan on a Mutual Legal Assistance Agreement.

EAP: FY 2000 REGIONAL PLAN

STRATEGIC GOAL: Illegal Drugs (ID) -- Significantly reduce the entry of illegal drugs into the United States.

REGIONAL GOAL: Reduced flow of heroin from the world's leading heroin producing region.

NATIONAL INTEREST: Law Enforcement

STRATEGY:

Support strategic counternarcotics assistance in the East Asia-Pacific region in order to combat heroin trafficking that supplies a large portion of the heroin sold in the U.S. Enhance regional and inter-regional counternarcotics activities.

OBJECTIVES:

1. Reduce the flow of heroin to the United States.

2. Strengthen money laundering controls.

3. Increase law enforcement counter-narcotics training and experience for regional officials.

ASSUMPTIONS:

- U.S. will continue to withhold certification from Burma through 2000.
- Other regional countries remains willing to work with the U.S. against narcotics traffickers.
- U.S. will continue to work through the United Nations International Drug Control Program (UNDCP).

INDICATORS:

- Improved UN cooperation in crop substitution, especially in Burma, results in reduced opium cultivation by FY 2001.
- Continued U.S. financial support for UN programs targeted at major opium-growing areas.
- Money laundering legislation enacted in FY 1999 by Royal Thai Government.
- Training of officials from Vietnam, Laos, and Cambodia increases in FY 1999.
- In conjunction with the ASEAN Post Ministerial Conference (ASEAN/PMC), the USG supports a regional counter-narcotics conference by FY 2000.
- Crop substitution projects funded by INL and UNDCP expand to cover more areas and cultivation in Laos is reduced.
- MOU on counter-narcotics cooperation with Vietnam is signed.

EAP: FY 2000 REGIONAL PLAN

STRATEGIC GOAL: International Terrorism (TE) -- Reduce international terrorist attacks, especially on the U.S. and its citizens.

REGIONAL GOAL: Increased regional cooperation to expand counter-terrorism capabilities of EAP governments and to enhance law enforcement cooperation

NATIONAL INTEREST: Law Enforcement

STRATEGY:

Engage in bilateral and multilateral activities to increase knowledge of resources and methods to counter terrorism, to stimulate information sharing, and to enhance close cooperation during terrorist incidents.

OBJECTIVES:

1. Continue assessments of counter-terrorism capabilities of regional governments, offering anti-terrorism training via the Anti-terrorism Assistance Program (ATA) where appropriate.

2. Maintain the level of bilateral counter-terrorism consultations between the U.S. and regional governments to increase cooperative anti-terrorism efforts and policies.

3. Encourage participation in multilateral efforts such as counter-terrorism conferences, treaties, and sanctions of state sponsors of terrorism.

4. Persuade North Korea to join international terrorism conventions and take additional steps to remove itself from the U.S. terrorist states list.

5. Increased counter-terrorism cooperation with Australia in run-up to the 2000 Olympics in Sydney. (FY 1999)

ASSUMPTIONS:

- Countries in the region will be increasingly interested in cooperation with U.S. agencies to combat terrorism.

INDICATORS:

- Number of exercises held in region.
- Level of bilateral consultations.
- Number of terrorists apprehended and/or prosecuted locally or rendered to requesting countries.
- Number and results of bilateral conferences.
- North Korea joins international anti-terrorism conventions and takes the necessary steps to be removed from U.S. terrorist states list.

EAP: FY 2000 REGIONAL PLAN

STRATEGIC GOAL: Democracy and Human Rights (DE) -- Increase foreign government adherence to democratic practices and respect for human rights.

REGIONAL GOAL: Build more democratic societies in the region which promote respect for human rights and thereby enhance prospects for peace and stability in the region.

NATIONAL INTEREST: Democracy

STRATEGY:

In consultation with other governments, both inside and outside the region, and with non-governmental organizations (NGOs), lead and coordinate efforts aimed at deepening democratic governance and the promotion of individual human rights, including freedom of religion. Seek to influence governments that are violating international standards; and support democratic transitions. Promote civil society, rule of law and human rights including worker rights and women's rights, through funding of effective NGO programs.

OBJECTIVES:

1. Promote human rights and democratic values. High-level visitors express concerns to senior government officials regarding implementation of human rights. Where applicable, press governments for adherence to international human rights covenants.

2. Work with like-minded countries and regional organizations such as ASEAN to bring pressure to bear on recalcitrant regimes.

3. Promote rule of law.

4. Obtain participation of international monitors for elections and ensure that voting is free and fair.

5. Support NGO ability to build democratic institutions, monitor violations of human rights, and protect labor rights. Support Asia Foundation programs that promote peaceful and stable transitions to more open political systems characterized by effective governance and legal systems.

6. Encourage women's participation in political and economic affairs. Provide support to NGOs that support the advancement of women and their political and economic status. Increase awareness of domestic violence.
   FY 2000 TARGET: Increase FY 1999 target figure by 10 percent.

7. Further the establishment of free labor unions by: monitoring implementation and enforcement of labor laws; providing training in basic organizations skills to workers and independent trade union officials; promoting exchange visits of trade union and government officials.
   FY 2000 TARGET: Maintain FY 1999 target number of exchange visits.

8. Promote more open Chinese society which meets internationally recognized human rights standards.

9. Use expanded IMET to influence military leaders to adhere to democratic concepts and rule of law.
   FY 2000 TARGET: Increase FY 1999 target figure.

10. Promote human rights and rule of law in the South Pacific through International Visitor Grants, election monitor training and scholarships.

11. Obtain support for democracy programs from the EU, ASEAN, Japan and Australia.
    FY 2000 TARGET: Increase FY 1999 Target by 10 percent.

ASSUMPTIONS:

- Host governments accused of human rights abuses will continue to insist that these issues are an internal matter, but there will be slow progress in most of these states, with the likely exception of Burma.
- Economic reforms will build pressure for political reforms. A continuing decline in Asian economies could lead to local unrest and human rights abuses.
- Regional and American NGOs will become increasingly important in monitoring and improving human and worker rights practices.
- There will continue to be a fundamental difference in perspectives on what constitutes "universal" human and worker rights.

INDICATORS:

- Passage and implementation of laws that protect civil liberties and due process.
- Registration of all labor federations and unions.
- Ratification of human rights covenants.
- Prison visits by international monitoring organizations in FY 1999.
- Free and fair elections in Cambodia, Indonesia, and Burma, Bougainville (PNG), Fiji and Marshall Islands.
- EU, ASEAN, Japanese, and Australian programs advocating human rights and democracy.
- International visitors going to the United States on a program focusing on democracy and human rights.
- Increase in financial support to NGOs.

- Increased activism on the part of ASEAN human rights groups for including human rights on ASEAN member agendas.
- Women holding official positions.
- Passage of laws protecting women's rights.

EAP: FY 2000 REGIONAL PLAN

STRATEGIC GOAL: Humanitarian Assistance (HA) -- Prevent or minimize the human costs of conflict and natural disasters.

REGIONAL GOAL: Relieve human suffering and obtain information on POWs/MIAs.

NATIONAL INTEREST: Humanitarian Response

STRATEGY:

Reduce human suffering in the region and press for the fullest possible accounting of American POW/MIAs. Continue to provide humanitarian relief largely through international agencies and USAID for refugees from conflicts in Burma and Cambodia by providing food, resettlement assistance, assistance to war victims, and demining. Provide relief to countries suffering from natural disasters. Work with countries to assist in establishing an early warning disaster system to promote regional cooperation on disaster relief issues.

OBJECTIVES:

1. Obtain the fullest possible accounting of POW/MIAs in Vietnam, Laos, North Korea, and Cambodia. Obtain Chinese cooperation on Korean War POW/MIA cases.

2. Support international efforts to repatriate refugees. Repatriate all Cambodian refugees living in Thailand. Encourage the process towards a durable solution for the Lao in Na Pho Camp. Track movements of displaced persons and make interventions on behalf of those needing protection and asylum. Support efforts to reintegrate Burmese refugees, returned migrants, and the internally displaced equitably. Provide $2.5 million over three years to help reconstruct and rehabilitate PNG's Bougainville Province as it emerges from a decade of internal strife.

3. Provide food and health care to refugees and asylum seekers through international agency and NGO programs. Provide a permanent presence for UNHCR on the Thai-Burma border. Support restoration of an International Committee of the Red Cross presence in Burma to aid returning refugees and migrant workers.

4. Provide medical assistance by establishing a nationwide prosthetics and mental health counseling capability in Cambodia; aid war victims in Vietnam; enhance the medical capability of provincial hospitals in Laos by providing equipment and construction assistance.

5. Continue demining assistance. In Cambodia, reduce the time frame for completely demining Cambodia to 15 years from 25 years. Help demine Mongolian military bases to rehabilitate them for civilian uses. Obtain greater international contributions

to efforts to help remove land mines from Southeast Asia, including Thailand and Vietnam. Step up process of UXO removal in Laos.

6. Provide assistance in dealing with national disasters by holding technical meetings between US and host government experts; help to develop early warning systems and disaster preparedness plans in Vietnam, Laos, and the Philippines.

7. Cooperate with Japan to provide emergency assistance. Improve Japanese and third country disaster planning, and support rehabilitation and recovery efforts. Coordinate with Japan provision of timely foreign disaster relief. Work with Japan to develop a Pacific Rim NGO relief network. Strengthen earthquake, oil spill, and other non-ODA cooperation under the Common Agenda.

ASSUMPTIONS:

- Thailand and Cambodia continue to place a high priority on the rapid return of refugees to Cambodia.
- International organizations and NGOs provide most humanitarian assistance.
- Japan maintains its current ODA budget levels devoted to disaster assistance.
- International organizations and NGOs continue their assistance programs.
- Burma's human rights record blocks US assistance not earmarked by Congress.
- UNHCR will be able to monitor refugee return.

INDICATORS:

- Reintegrated refugees.
- War victims assisted annually.
- POW/MIA cases accounted for.
- Mines destroyed.
- Japanese/EU spending on disasters in region.

EAP: FY 2000 REGIONAL PLAN

STRATEGIC GOAL: Environment (EN) -- Secure a sustainable global environment in order to protect the U.S. and its citizens from environmental degradation (GI-1).

REGIONAL GOAL: Work bilaterally and with regional multilateral organizations such as ASEAN, APEC and SPREP to address global, regional and national environmental challenges, to promote sustainable development, and to advance science and technology cooperation.

NATIONAL INTEREST: Global Issues

STRATEGY:

Continue to fully integrate environment, science and technology issues into bilateral foreign policy. Promote and further enhance bilateral and regional cooperation on national, transboundary, and global environmental problems such as climate change, deforestation, fires, marine degradation, air and water pollution, species extinction and energy utilization. Further strengthen collaboration in science and technology cooperation. Expand the types of interlocutors (other donor countries, multilateral development banks, non-governmental organizations, commercial entities) dealt with on these issues.

OBJECTIVES:

1. Secure meaningful participation of developing countries, especially China, Korea, Indonesia, Thailand and Singapore, in the international effort to address global climate change. Maintain cooperative relations with allies in the climate change debate.

2. Working with the Association of Southeast Asian Nations (ASEAN,) assist regional countries in addressing underlying causes of seasonal fires and haze and fostering sustainable land use policies.

3. Working with the Office of the Vice President and other USG agencies, expand environmental cooperation with China.

4. As resources allow, undertake new activities to address national and regional environmental challenges that threaten political and economic stability. Specifically, initiate the "Asia Pacific Regional Environment Program."

5. Under the Common Agenda and elsewhere, coordinate efforts with Japan. Focus on sustainable use of tropical forests, coral reefs and climate change.

6. Enhance working relationships with non-governmental organizations, the private sector, the media, the general public and other regional interlocutors.

7. Reduce marine pollution and improve conservation of living marine species. Continue to support the International Coral Reef Initiative. Work to safeguard Antarctic ecosystem. Advance sustainable fisheries use.

8. Promote the sound management of toxic chemicals, pesticides, and hazardous waste with a particular focus on reducing and/or eliminating the use, production and release of persistent organic pollutants.

9. Promote conservation and sustainable management of biodiversity including wetlands, threatened and endangered species; combat desertification.

10. Facilitate collaboration between U.S. scientists and foreign counterparts; support technology commercialization.

11. Gain bilateral and regional support for adoption and implementation of a scientific, risk-based international protocol for transfer and trade of agricultural and other genetically modified products.

ASSUMPTIONS:

- Marked environmental degradation (deforestation, air and water pollution, marine deterioration) will continue in the region, but economic and political turmoil will impede attention to these issues.
- S&T cooperation will remain of high interest.
- Developing EAP countries continue to resist accepting commitments to reduce/limit emissions of greenhouse gases.
- Countries will resist adopting a scientific, risk-based biosafety protocol.
- Department will support the regional hub(s) with funding and personnel; OES, EAP and other USG technical agencies will continue to provide sustained guidance.
- Integrated government/non governmental organizations/private sector projects will have greater effect than those promulgated by government alone.

INDICATORS:

- Contingent on enabling legislation, make maximum use of U.S.-Asia Environmental Partnership (US-AEP) funds to strengthen environmental cooperation with China. Work in conjunction with the Vice President's Environment and Development Forum.

- Greenhouse gas emissions discussed in multiple, high-level meetings between the U.S. and regional countries in FY 1999. Key countries (ROK, China, Singapore, Indonesia, Thailand) make commitments to limit and/or reduce their emissions of greenhouse gases, and/or participate in internationally recognized market-based mechanisms and instruments to mitigate the causes of global climate change.
- Programs and projects under the Southeast Asia Environmental Initiative implemented in FY 1999.
- A State/EAP-led "Asia Pacific Regional Environment Program" (APREP) is established by expanding the interagency working group presently addressing the fires in Southeast Asia. Coral reef health is an early focus of the APREP.
- Common Agenda's Parks-in-Peril program in Latin America and the Caribbean expanded and ways to initiate a similar program in Asia and the Western Pacific explored.
- A high-profile environmental project selected with the Government of Japan and highlighted.
- Further development of the Palau International Coral Reef Center in conjunction with the Government of Palau, the Government of Japan, NGOs and the private sector.
- $500,000 provided over two years (FY 1999-2000) to NGOs working on forestry and coral reef projects in Papua New Guinea and Solomon Islands.
- Regional countries support our positions in multilateral negotiations on biosafety, endangered/threatened species, toxic chemicals, fisheries, and oceans issues.
- Increased use of criteria and indicators for sustainable forest management.
- The U.S., Japan and South Korea extend bilateral agreements on science and technology collaboration. New agreements with Vietnam and other potential partners are discussed and concluded if appropriate.

EAP: FY 2000 REGIONAL PLAN

STRATEGIC GOAL: Population (PO) -- Stabilize world population growth by 2020.

REGIONAL GOAL: Increase the availability, quality and range of family planning methods and expand reproductive health services to reduce maternal and infant mortality and to reduce the incidence of abortion. Strengthen national policy commitment to voluntary family planning and other principles and goals of the 1994 International Conference on Population and Development.

NATIONAL INTEREST: Global Issues

STRATEGY:

Bilaterally and under the U.S.-Japan Common Agenda, advocate and support sustainable population policies and programs for reproductive health services including voluntary family planning. Help provide access and education for individuals and couples, including adolescents, to modern, safe and effective methods of family planning. Support multilateral, international and non-governmental organizations working on reproductive health, family planning and improved status of women.

OBJECTIVES:

1. Increased government and private sector support for the full range of reproductive health services including voluntary family planning.

2. Increased effective use of modern contraceptive methods among all individuals of reproductive age, especially rural and illiterate women.

3. Increased gender equality and empowerment of women, including increased access of girls to primary and secondary education.

ASSUMPTIONS:

- Current U.S. assistance for population, family planning, and reproductive health programs in the region will be under close scrutiny and is not likely to increase.
- Existing broad international support for population stabilization efforts is maintained, but the financial crisis in the region will have a negative impact on population activities by putting pressure on health budgets.
- Complementary national population stabilization activities, such as basic education, particularly for girls, and micro-credit programs for women remain concurrent national government priorities, but may be negatively impacted by the regional economic crisis.

INDICATORS:

- Family planning programs in heavily populated developing countries of the region incorporate the total range of reproductive health care issues including reducing maternal mortality, unsafe abortions, prevalent of HIV/AIDS, and sexually transmitted diseases.
- Asian and Pacific governments contribute significant funding and in-kind support for population stabilization and reproductive health programs.
- Accessibility and utilization of modern family planning and reproductive health services improve in heavily populated developing countries in the region.
- Modern contraceptive prevalence increases.
- The incidence of abortion declines.
- Maternal and infant mortality decline.
- Cooperation with Japan on population activities expands under the U.S.-Japan Common Agenda.
- National governments adopt and implement policies and programs to advance equal opportunities for women and girls in all sectors of society, including education.
- Government policies and programs increasingly adopt voluntary approaches to population stabilization moving away from performance targets that could lead to coercive family planning practices.
- The number of users of family planning and reproductive health services, the percentage of users who pay for services and the availability of services outside the public sector increase.
- More deliveries are assisted by trained medical personnel.

EAP: FY 2000 REGIONAL PLAN

STRATEGIC GOAL Health (HE) -- Reduce disease worldwide

REGIONAL GOAL: Increased regional cooperation to fight infectious diseases, including polio and HIV/AIDS, bilaterally and under the U.S.-Japan Common Agenda. Improving individual health, with special attention to the reproductive health of women and adolescents and the general health needs of infants and children.

NATIONAL INTEREST: Global Issues

STRATEGY:

Develop and coordinate a sustained effort to enlist support from other nations and international bodies to raise the level of priority accorded to infectious diseases, and in concert with USAID, the Department of Health and Human Services, the Peace Corps and others in the public and private sectors to enhance the national capacities of countries in the region to recognize, report, prevent, and respond effectively to infectious disease threats. Advocate policies to build national capacities, enhance participation, encourage accountability and the empowerment of communities and individuals in maintaining public health. Collaborate with other donors, host governments, universities, NGOs, and the private sector to develop and implement an integrated health program within the context of the overall country strategy.

OBJECTIVES:

1. Enhanced priority and increased investment in basic health in developing nations.

2. Improved preparedness and response capabilities necessary to detect and control outbreaks of foodborne diseases, vectorborne diseases, acute respiratory track infections, and antimicrobial resistant pathogens.

3. Strengthened national and regional capacity to implement and coordinate response to select epidemics (i.e., E. coli 0157:H7, cholera, dengue, Japanese encephalitis, malaria, influenza, and multidrug resistant tuberculosis) through improving coordination and strengthening Asian Institutions and their technical capacity to respond to epidemics by improved surveillance and response capabilities.

4. Under the U.S.-Japan Common Agenda, expanded poliomyelitis eradication campaign into Ivory Coast, Kenya, Ghana, and Tanzania, with world-wide eradication by 2000. Working with HHS and CDC, expand poliomyelitis eradication efforts in China.

5. Expanded country coverage in Asia where the U.S. and Japan are cooperating on HIV/AIDS issues.

6. Joint U.S.-Japan program to evaluate micronutrient needs for children.

7. Under the U.S.-Japan Common Agenda, work with the Government of China to strengthen its influenza surveillance activities.

8. Support and participate in the 3rd International Conference on Emerging Infectious Diseases in the Pacific Rim in Indonesia under the U.S.-Japan Common Agenda.

9. Increased government and private sector support for preventive health programs.

10. Under the Southeast Asian Environmental Initiative, work with the Center for Disease Control, the National Oceanographic and Atmospheric Administration (NOAA), USAID, and the World Health Organization (WHO), to determine potential health impacts from smoke and suggest broadly applicable preventative measures.

ASSUMPTIONS:

- Without U.S. leadership, global disease surveillance and response capacity will not effectively expand.
- Infectious diseases will continue to be a threat to national security, public health, and economic productivity for the next decades, particularly in lesser developed countries.
- Global eradication of poliomyelitis is possible by 2000.
- The HIV/AIDS pandemic continues unabated.
- Sustained support of basic and applied research on control of infectious diseases will be impaired by the financial crisis in the region.
- Continued domestic support for and international cooperation on activities designed to provide early warning, prevention, and mitigation of the impact of infectious disease threats, particularly in countries at greatest risk will continue to be desirable, but may be impaired by the regional financial crisis.
- That U.S. assistance levels for population and health for East Asia can be sustained for needy countries.
- The private sector, including businesses and NGOs, will be active participants.

INDICATORS:

- Increase in international cooperation in combating the threat of disease.
- Increased immunization coverage for all vaccine preventable childhood diseases.
- Increased rates of oral rehydration therapy (ORT) use, where indicated.
- Changing pattern of age-specific morbidity and mortality rates.
- Public paradigms available regarding reducing general health impacts of smoke exposure.
- Decreased, selected disease-specific incidence, prevalence, and case-fatality rates.
- Enhanced disease outbreak response capabilities and performance.

- Expanded cooperation with Japan to eradicate poliomyelitis in African countries.
- Enhanced cooperation with China to eradicate poliomyelitis in China.
- Publish a joint U.S.-Japan report recommending areas for expanded cooperation in children's health.
- Develop a joint U.S.-Japan cooperative program to address iodine and vitamin A deficiencies among children in Nepal, Bhutan, Vietnam, and Laos.
- Chinese influenza surveillance strengthened.
- Participation in the Indonesia Infectious Diseases Conference achieves U.S. objectives.
- Infant and child mortality rates are reduced by FY 1999.
- The use of population-at-risk of effective measures for reducing HIV transmission is increased by FY 1999.

Public Diplomacy
Educational And Cultural Exchanges

National Interests:

All international exchange programs organized and administered by the Public Diplomacy arm of the Department of State directly support U.S. national interests by creating a foundation of mutual understanding between current and future foreign leaders and their U.S. counterparts and by promoting linkages between U.S. and foreign institutions and citizens. Professional and academic exchange programs develop and maintain informed, cooperative, and productive relations between the U.S. and other countries by fostering constructive dialogue on individual strategic goals. As a complement to the policy advocacy of information programs, exchange programs build a community of shared interests and values that support traditional U.S. diplomacy.

Strategic Goals and Supporting Programs for FY 2000:

The end of the Cold War in East Asia has resulted in dramatically changed bilateral relations with former adversarial states. China, and other former Marxist states are making the transition to market economies. Some are embracing democratic ways of governance. Often these countries turn to the U.S. for help and guidance. Exchange programs -- International Visitors, Fulbright, and others -- are invaluable tools to promote the process of change and reform amongst host country government officials, journalists, academics, and members of the business community. U.S. focus on assisting East Asian transition states, combined with a decline in U.S. resources dedicated to this region, has contributed to a perception among our traditional allies that the United States' interest in the region is waning. In FY 2000, exchange programs will be strengthened in East Asia and the Pacific to help arrest this trend. Moreover, selected exchange programs can be utilized to address specific U.S. foreign policy objectives. Examples include those which explain American support for the IMF effort to alleviate the East Asian financial crises, and others which promote U.S. security policy in the region.

Performance Evaluation:

- A Korean journalist who participated in an International Visitor program, returned from his U.S. visit to express an understanding of IMF policies in Korea and the United States' facilitative role in garnering financial assistance.

- Two Japanese International Visitors returned home from U.S. travel to publicly express, through news articles and interviews, their enhanced understanding of, and support for, U.S. security policy on the Korean Peninsula.

- A Philippine Fulbright alumnus became the President of a major Manila university.

- Leaders of five prominent Indonesian student organizations returned from an exchange program to express changes views as to what constitutes a liberal democracy and how individual rights are protected in a civil society.

- An educator who participated in USIA's Summer Institute for the Study of the U.S. returned to Korea with an enhanced understanding of American society and intends to incorporate information on U.S. diversity in his next textbook.

Key Indicators for FY 2000 Performance:

- New bilateral and multilateral institutional linkages are formed, or existing linkages are strengthened.
- Former exchange program participants advance to positions of influence and undertake actions or voice understanding or support for U.S. policies.
- Editorials or broadcast commentary on bilateral and multilateral policies are balanced, accurate, and reflect understanding of U.S. Government positions.
- Surveys indicate that exchange alumni have an appreciation of U.S. values and civil society.
- Public opinion polling demonstrates increased understanding and support for U.S. policies.
- Independent media is strengthened in East Asian transition states, such as Indonesia, Vietnam, and Laos.
- Increase in the number of Mansfield Fellows who play significant roles in bilateral dialogue.
- Increases in the number of Fulbright grants in China, Vietnam, and Laos.

Educational and Cultural Exchange Program
Bureau of East Asian and Pacific Affairs

Country	FY 1998 Actual	FY 1999 Estimate	FY 2000 Request
Australia	1,854	1,997	2,007
Brunei	8	9	9
Burma	402	437	446
Cambodia	297	318	328
China	6,106	5,722	8,266
Fiji	15	16	16
Hong Kong	658	593	593
Indonesia	2,019	2,122	2,166
Japan	6,037	5,712	5,724
Korea	2,164	2,133	2,144
Laos	157	167	173
Malaysia	779	830	852
Mongolia	308	274	278
New Zealand	726	746	763
Pacific Islands	208	210	210
Papua New Guinea	375	379	381
Philippines	1,321	1,417	1,408
Singapore	284	235	242
Thailand	1,451	1,527	1,542
Vietnam	3,700	3,700	3,700
Young Leaders	--	--	200
Regional Programs	983	1,337	1,311
Total Exchanges	29,851	29,881	32,759

Public Diplomacy
International Information Programs

National Interests:

Substantial changes have occurred in the way that governments make decisions or develop and implement policies. The broad range of actors engaged in this process now includes the media, think tanks, non-governmental organizations, religious institutions, and issue-specific voluntary associations, among others. Especially in robust, developed democracies, the process of making policy is more open, consultative, and responsive to public opinion. Increasingly, even less democratic governments tend to operate with an eye to domestic and international public reaction to their decisions. International Information Programs are designed to influence these new audiences as well as foreign government officials through products and services produced by Washington public diplomacy elements and overseas posts. Using tools such as American speakers, the Internet, and interactive television, they inform foreign publics about U.S. policies and influence the policy debate throughout the East Asia and the Pacific.

Strategic Goals and Supporting Programs for FY 2000:

In the global information age -- more democratic, more interconnected, more open to mass communication -- the U.S. articulates its leadership through a vigorous program of policy advocacy. Policy advocacy programs engage influential individuals and organizations from both inside and outside the orbit of government whose opinions and decisions affect the policy-making process. When brought into the process of policy formulation, public advocacy can substantially increase support for U.S. policy goals. Programs designed to reach specific audiences inform and influence a diverse range of people who in turn affect policy formulation in their own countries and who help shape public opinion.

The diversity of East Asian countries, in political orientation and economic development, is reflected in the variety of U.S. public diplomacy goals in the region. The objective of sustaining public support for five bilateral defense agreements coexists with the need to expand a dialogue with China and maintain contact with Burmese suffering under a military dictatorship. At the same time, advocating -- and lending assistance to -- the transition to democratic systems of governance, the need for more transparency in bureaucratic processes, and the efficiency of market economies are objectives that are relevant to the entire region and complement goals of promoting U.S. trade and commercial interests and human rights. By impinging on the perceptions of increasingly important publics, the judicious use of public diplomacy, to articulate and advocate U.S. objectives beyond the narrow group of government officials directly involved in decision-making, helps to shape the debate and contributes to realizing the regions goals.

Media activities and defense seminars, such as the Seminar on East Asian Security, will build upon the reality that the U.S. is viewed by allies and potential adversaries alike as a force for stability in the region. This is a precondition for economic growth and the

peaceful resolution of potential conflicts, and activities such as these will help sustain host nation support that defrays a large portion of the costs associated with the forward deployment of American military personnel.

In light of the regional financial crisis, speaker programs, selective distributions, and media activities, will address the ambivalence, among many East Asian elites, about the wisdom of the global financial regime managed by the International Monetary Fund, a system seen by many as sustained by the U.S., its most obvious beneficiary. Public diplomacy will argue for the continued adherence to more transparency and deregulation in bureaucratic processes, despite economic pain and the concomitant political fallout, as the best hope for revitalizing their economies and competitiveness.

Special initiatives and programs designed to encourage the transition to democracy and the rule of law in countries such as China, Vietnam, Indonesia, and Burma will form the core of public diplomacy activities. Speakers and seminars that expose journalists, government officials, and academics will contribute to establishing, for example, an institutional basis for free elections, a judicial process, and freedom of speech.

Information activities will endeavor to promote Japanese cooperation on the Common Agenda to combat disease and environmental degradation and to support indigenous education efforts in several East Asian countries.

Lending public diplomacy support to the efforts of front-line law enforcement agencies to address regional narcotics problems and related money-laundering operations through selective distributions, speaker programs and media activities.

Performance Evaluation:

- Posts in East Asia raised awareness of the positive role the U.S. plays in East Asia and the benefits of the bilateral security alliance. USIS posts in Tokyo and Seoul provided the full range of media support to President Clinton during his visits in November 1998 including facilitating town hall meetings that helped convey the steadfastness of U.S. military presence in the region. USIS Jakarta explained Operation Desert Fox to the world's largest Muslim population by placing the U.S. action in the context of overall security policy. USIS Manila explained and advocated the importance of the Visiting Forces Agreement to mutual security interests through an intensive year-long media campaign.

- Efforts were made to attain movement toward deregulation of the Japanese economy, increase understanding of market economies in China, Vietnam, and Laos, and provide media support for the APEC summit in Kuala Lumpur. In Japan, information activities contributed to the decision by the Hashimoto cabinet to announce its three deregulation plans. USIS-sponsored seminars contributed to the promulgation of new legislation and increased opportunities for American business throughout Southeast Asia.

- Efforts were made to improve the image of America's democratic society and as a worthy alliance partner. USIS Thailand helped mitigate local perceptions that the U.S. was reluctant to come to the aid of its ally devastated by the regional financial crisis by arranging extensive digital video telepress conferences between USIA headquarters and Thai journalists gathered in USIS Bangkok to fully explain the tangible assistance provided by the Clinton administration. Rule of law activities in China resulted in more relevant American publications available to Chinese readers in the vernacular.

Key Indicators for FY 2000 Performance:

- Audiences public diplomacy activities seek to influence -- regional elites, the media, and government officials -- express support for U.S. security policy and advocate continuation of host nation support.
- Public opinion surveys in Thailand, Indonesia, and South Korea demonstrate understanding for the efficacy of IMF programs and the positive role played by the U.S. in promoting regional recovery.
- Views expressed at forums sponsored by both the Mission and host country organizations support the United States' global agenda.
- The Mission's election initiative in Indonesia results in high voter turnout and general acceptance by the populace that the process is credible and democratic.
- Professional linkages between the U.S. and Asian counterparts in business, the media, and NGO further democratic reform.

Cambodia

($ in thousands)

National Interests: As a signatory to the Paris Accords, the United States has an abiding interest in supporting, along with other signatories and concerned members of the international community, the conditions for enduring peace, stability and democratic development in Cambodia. The work of nurturing the conditions for democratic development in an impoverished nation so new to the democratic experience and so lacking in basic institutional development and human resources must be viewed as complex and long-term. The level and nature of our assistance program will depend in large part on the Cambodian government's progress towards genuine democracy and respect for human right and on the statutory restrictions that apply.

Strategic Goals and Supporting Programs for FY 2000:

Economic Development: Cambodia's economy has been crippled by almost two decades of war and a failed ten-year experiment in socialist central planning. U.S. assistance is focused on small-scale loans aimed at developing the country's private sector.

Democracy/Human Rights: Build on the investment by the international community in educating and further professionalizing Cambodia's election workers, and more broadly, engaging the National Election Commission by supporting the professionalization (depoliticizing) of its overall operations in preparation for local elections now scheduled for 1999. US support will aim to sustain our engagement with domestic NGOs working specifically in the area of human rights and protection of democratic institutions. Labor rights present potential problems in Cambodia's continued qualification for GSP, and will be part of an upcoming agreement on the country's rapidly growing textile industry. $3,606

Humanitarian Response/Demining: International assistance is vital to Cambodian efforts to remove the estimated 5-8 million anti-personnel mines in the country. As a result of land mines, Cambodia has a higher proportion of amputees in its population than any other country, and $2.5 million in ESF funds is aimed at aid to war victims. Demining training and equipment for the armed forces, using NADR funds, have thus been a core element of U.S. humanitarian assistance, using $2 million in NADR funds. $8,119

Environment/Health: Cambodia's high birth rate is enough to double the population in 25 years. ESF programs aim to reduce Cambodia's birth rate and high infant and maternal mortality rates, and to reduce the high death rate from preventable diseases, including HIV/AIDS by spreading health information and education. $10,275

Regional Stability: Cambodia will be eligible in FY2000 to receive grant Excess Defense Articles (EDA) under Section 516 of the Foreign Assistance Act. EDA

supports two major U.S. objectives: build and improve civil infrastructure and support the excellent demining effort under way. No EDA items will be considered for transfer until suspensions are lifted.

Performance Evaluation:

- Opposition Able to Participate Fully in Political Process. With support from UN monitors, Cambodia's opposition politicians were able to return from self-imposed exile, participate fully in July, 1998 elections.

- Increased Respect for Human Rights. The UN Center for Human rights continued to document abuses mainly directed at members of opposition political parties. While the number of human rights abuses was lower in 1998 than in 1997, the climate of impunity remained, with no prosecutions for human rights abuses or politically-motivated killings.

- Free and Fair Elections in 1998. International and Cambodian observers agreed that election day was well organized and fair. However, the election was marred by unfair access to the media during the campaign and counting irregularities following the polling. The election formed the basis for a coalition government between the ruling CPP and the opposition FUNCINPEC.

Key Indicators for FY 2000 Performance:

- Accountability for human rights abuses.
- Local elections in 1999 judged by Cambodians to have been free and fair, resulting in genuine power sharing between Cambodia's coalition partners.
- Cambodian compliance with worker rights provisions in GSP and textile agreement being negotiated.
- Greater broad-based economic growth in Cambodia.
- Continued decrease in annual number of Cambodian mine victims.

CAMBODIA
FUNCTION 150 RESOURCES
($ in thousands)

Appropriations Accounts by Strategic Goal	Actual FY 1998	Estimate FY 1999	Request FY 2000
Economic Development	**500**	**2,000**	**-**
DA	500	2,000	-
Democracy	**3,606**	**424**	**3,606**
ESF	3,606	424	3,606
Humanitarian Assistance	**6,119**	**7,119**	**8,119**
ESF	4,119	5,119	6,119
NADR-Demining	2,000	2,000	2,000
Environment	**1,422**	**-**	**422**
ESF	1,422	-	422
Health	**6,847**	**4,457**	**9,853**
ESF	6,847	4,457	9,853
Total	***18,494***	***14,000***	***22,000***

Appropriations Accounts	Actual FY 1998	Estimate FY 1999	Request FY 2000
DA	500	2,000	-
ESF	15,994	10,000	20,000
NADR	2,000	2,000	2,000
Total	***18,494***	***14,000***	***22,000***
Other Accounts			
D&CP	2,385	2,486	2,626
ECE	297	318	328
Total	***2,682***	***2,804***	***2,954***
CAMBODIA FUNCTION 150 RESOURCES GRAND TOTAL	***21,176***	***16,804***	***24,954***

Fiji Islands

($ in thousands)

Note: The Fiji Islands will hold elections in May 1999 under a new, multi-ethnic constitution. We anticipate that these elections, if free and fair, will restore Fiji's eligibility for IMET funds. Consequently, DOD has proposed $150,000 partial-year IMET for Fiji in its FY 2000 plans.

National Interests: Among U.S. interests in the Fiji Islands, economic prosperity currently takes priority, primarily via facilitation of U.S. trade and investment and efforts to open markets and promote broad-based growth. Other key interests include both national security and democracy. Renewal of IMET, signaling USG pleasure at constitutional progress and interest in training Fiji Military Forces (one third of whom are engaged in peacekeeping operations in Lebanon and—alongside U.S. troops--in the Sinai), is a strong Mission goal.

Strategic Goals and Supporting Programs for FY 2000:

National Security/Regional Stability: Fiji joined regional nations (New Zealand, Australia, Vanuatu, Tonga) in sending peace monitors to oversee the truce/restoration of civilian rule on Papua New Guinea's Bougainville Island province. Renewed IMET will provide professional education and training for Fiji's Defense Force with emphasis on respect for human rights, civilian control over the military and military justice.

$150

Key Indicators for FY 2000 Performance:

- Free and fair Fiji elections, leading to IMET renewal for Fiji Defense Force.
- Increased professionalism of Fiji Defense Force.

FIJI

($ in thousands)

Appropriations Accounts by Strategic Goal	Actual FY 1998	Estimate FY 1999	Request FY 2000
Regional Stability	-	-	**150**
IMET	-	-	150
Other Accounts			
D&CP	1,417	1,477	1,560
ECE	15	16	16
Peace Corps	234	-	-
FIJI - FUNCTION 150 RESOURCES TOTAL	***1,666***	***1,493***	***1,726***

Indonesia

($ in thousands)

National Interests: The U.S. has important security, political, and economic/commercial interests in Indonesia. Indonesia's size and location, 200 million plus population (fourth-largest in the world), and natural resources (notably oil and gas) give it broad strategic value. A stable and prosperous Indonesia is key to regional stability. Indonesia is undergoing a wrenching transition from the authoritarianism of the Soeharto era to a more democratic society. It is in our interest to see the Indonesian government (GOI) complete this transition, as well as undertake the economic structural reforms that will help restore economic growth and further Indonesia's integration into the global economy. The U.S. has important strategic and commercial interest in access to internationally recognized sea-lanes and straits that pass through Indonesian waters. Indonesia is active and generally supportive of U.S. diplomatic initiatives. As the largest member of ASEAN and a founder of the ASEAN Regional Forum (ARF), Indonesia has played a responsible role in helping manage regional problems such as the South China Sea dispute. It has enhanced its regional and global influence though leadership roles in the United Nations, the Non-Aligned Movement, the Organization of the Islamic Conference, and the G-77.

Strategic Goals and Supporting Programs for FY 2000:

Economic Prosperity: The U.S. is using ESF funds to back the IMF-directed economic stabilization and structural reform program for Indonesia, which provides a framework for the country's return to durable broad-based economic growth. USAID, supported by Treasury, is using Development Assistance (DA) funds for technical assistance and training in micro-enterprise, economic growth projects, and agriculture in support of this goal. USAID's social safety net assistance helps to maintain Indonesia's industrial base during the current period of economic hardship. This should generate trade opportunities for U. S. exporters and helps to ensure fair treatment for American businesses. $75,000

Democracy: During Indonesia's transition toward greater political openness, USAID development aid is helping the GOI and Indonesian NGOs develop institutions critical to democratic governance, including impartial electoral structures, independent advocacy centers for human rights, labor and other issues, and a free press. $5,400

Global Issues: U.S. DA funds are addressing environmental degradation and global climate changes in Indonesia. Substantial DA funding is also focused on projects to stabilize population growth, fight AIDS, and on other health projects.

Humanitarian Response: As Indonesia suffers continuing severe economic hardships, the U.S. is providing food and medicine to the most vulnerable groups through PL-480 Title II emergency assistance, and USAID and USDA food aid.

Regional Stability: Our E-IMET program is aimed at positively influencing the Indonesian military's (ABRI) professionalism and discipline. It also heightens the Indonesian military's awareness of principles of good civil-military relations and international human rights standards and could reinforce ABRI's commitment to reform. In addition, this assistance recognizes Indonesia's key and positive role on regional security issues, and helps to ensure U.S. access to Indonesia's airspace and strategic sea-lanes. Indonesia will be eligible in FY2000 to receive grant Excess Defense Articles (EDA) under Section 516 of the Foreign Assistance Act. EDA would be used to support the U.S. objectives of a military capable of operating and maintaining U.S.-origin equipment and contributing to international peacekeeping efforts. As a level II country for peacekeeping participation, Indonesia requires communications systems, training aids and equipment, and items that will provide greater interoperability.

Performance Evaluation:

- Increase adherence to democratic practices. Indonesia's civil society is blossoming, and the GOI has established a political reform timetable, including setting dates for new legislative elections, which will be followed by the selection of a new president and vice-president later in 1999. The Parliament (DPR) is working on reform legislation aimed at a more democratic electoral framework and political laws.

- Achieve greater respect for human rights. Although much more is needed, the GOI has shown a greater willingness to address human rights abuses and has released a number of political prisoners. Indonesia has ratified key ILO conventions, including on freedom of association. The GOI is engaged in serious UN-mediated negotiations with Portugal over the status of East Timor.

- Foster economic restructuring and recovery. Indonesia's macroeconomic situation appears to have stabilized and the GOI remains committed to its IMF-directed structural reform program.

- Provide humanitarian assistance With U.S. help, the GOI and World Bank have better targeted delivery of food assistance (including U.S. food aid) to Indonesia's neediest groups.

Key Indicators for FY 2000 Performance:

- Continuation on the path to greater democratization, including conclusion of free and fair legislative elections; choice of a new president and vice-president by democratic procedures; and significant progress toward establishing an independent judiciary and other democratic institutions.
- Continued implementation of IMF-directed restructuring with significant progress on financial sector reform, on rescheduling of Indonesia's outstanding domestic and international debt burden through corporate restructuring and implementation of the bankruptcy law, and on privatization of state-owned enterprises.

- Decreased corruption, with better business practices benefiting U.S. businesses.
- Significant scaling back of ABRI involvement in Indonesian political life, and the establishment of the police as an independent, professional force, separate from the ABRI command structure.
- Further development of civil institutions which foster human rights, including in East Timor.

INDONESIA
FUNCTION 150 RESOURCES
($ in thousands)

Appropriations Accounts by Strategic Goal	Actual FY 1998	Estimate FY 1999	Request FY 2000
Economic Development	**52,835**	**65,000**	**75,000**
DA	52,835	65,000	75,000
Democracy	**1,576**	**550**	**5,400**
ESF	1,100	-	5,000
IMET	476	550	400
Humanitarian Assistance	**46,833**	**11,563**	**-**
Title II	46,833	11,563	-
Total	***101,244***	***77,113***	***80,400***

Appropriations Accounts	Actual FY 1998	Estimate FY 1999	Request FY 2000
DA	52,835	65,000	75,000
ESF	1,100	-	5,000
IMET	476	550	400
Title II	46,833	11,563	-
Total	***101,244***	***77,113***	***80,400***
Other Accounts			
D&CP	6,726	7,012	7,406
ECE	2,019	2,122	2,166
Total	***8,745***	***9,134***	***9,572***
INDONESIA FUNCTION 150 RESOURCES GRAND TOTAL	***109,989***	***86,247***	***89,972***

Laos

($ in thousands)

National Interests: The U.S. has four primary interests in Laos: further counter-narcotics efforts in the Golden Triangle; ensure the fullest possible POW/MIA accounting; encourage the transition of the Lao economy from a command economy to an open, market-oriented system; and promote human rights.

Strategic Goals and Supporting Programs for FY 2000:

Law Enforcement/Counter-narcotics: Laos is the third largest producer of illicit opium in the world, behind Burma and Afghanistan. USG assistance focuses on helping Laos achieve two primary counter-narcotics objectives: the elimination of opium poppy cultivation and the suppression of illicit trafficking of narcotics and precursor chemicals. $4,000

Humanitarian Response/Demining: NADR funds will provide training and equipment to move Lao program to achieve self-sufficiency. $1,500

National Security/Regional Stability: Laos will be eligible in FY 2000 to receive grant Excess Defense Articles (EDA) under Section 516 of the Foreign Assistance Act. EDA would support U.S. counter-narcotics goals, the fullest possible accounting of missing personnel from the war in Southeast Asia, and demining. Laos requires communications systems and transportation assets.

Performance Evaluation:

- Reduce production of -- and improve Lao ability to intercede -- opium, heroin and other opiate-derived products. Targeted districts in Houaphanh Province are now commercial poppy-free; Laos has reduced overall opium production to 50% of 1989 levels; successful multilateral cooperation with UNDCP and other donors (Japan, Australia); the USG completed a feasibility study for project engagement in Phongsali province; DEA-trained officials participated in the first seizure of a heroin laboratory this decade; and the GOL requested USG assistance in opening counter-narcotics law enforcement units in every province.

Key Indicators for FY 2000 Performance:

- Suppression of opium cultivation throughout Houaphanh Province and elimination of opium cultivation in expanded project areas.
- Increase in heroin seizures and arrests for trafficking.
- GOL opening of a counter-narcotics unit (CNU) in every province.
- Convince Dublin Group members to include educational assistance for alternative agriculture as a part of development project in narcotics-producing regions.
- Demining program achieves self-sufficiency.

LAOS
FUNCTION 150 RESOURCES
($ in thousands)

Appropriations Accounts by Strategic Goal	Actual FY 1998	Estimate FY 1999	Request FY 2000
Economic Development	**800**	**1,500**	**-**
DA	800	1,500	-
Illegal Drugs	**3,500**	**3,700**	**4,000**
INC	3,500	3,700	4,000
Humanitarian Assistance	**2,000**	**1,800**	**1,500**
NADR-Demining	2,000	1,800	1,500
Total	***6,300***	***7,000***	***5,500***

Appropriations Accounts	Actual FY 1998	Estimate FY 1999	Request FY 2000
DA	800	1,500	-
INC	3,500	3,700	4,000
NADR	2,000	1,800	1,500
Total	***6,300***	***7,000***	***5,500***
Other Accounts			
D&CP	884	921	973
ECE	157	167	173
Total	***1,041***	***1,088***	***1,146***
LAOS FUNCTION 150 RESOURCES GRAND TOTAL	***7,341***	***8,088***	***6,646***

Malaysia

($ in thousands)

National Interests: The U.S. has important economic, political, and security interests in Malaysia. Malaysia is our 11th largest trading partner and continues to be an important market for US goods and services. We also have a strong interest in supporting the strengthening of democratic institutions in Malaysia, which is currently undergoing an unusual degree of political turmoil. An activist player on the international scene, Malaysia is a key member of the Association of Southeast Asian Nations (ASEAN), a moderate member of the Organization of Islamic Conference (OIC), and joined the UN Security Council as a non-permanent member on January 1, 1999. A public supporter of the US forward presence in Asia, Malaysia borders one of the world's most important maritime waterways, and the US military benefits from transit rights over Malaysian territory and access to Malaysian ports and airfields.

Strategic Goals and Supporting Programs for FY 2000:

Regional Stability and Strengthened Bilateral Ties: IMET contributes significantly to the strengthening of our military-to-military ties, and familiarizes the Malaysian military with U.S. doctrine, equipment, and management techniques. It also reinforces the Malaysian military's commitment to human rights and good civil-military relations, and helps expand our access to and cooperation with Malaysian military leaders. Although the global financial crisis has slowed Malaysia's military procurement plans, we expect Malaysia to look to the U.S. for future purchases when economic recovery takes place. Malaysia will be eligible in FY2000 to receive grant Excess Defense Articles (EDA) under Section 516 of the Foreign Assistance Act. EDA would support the U.S objectives of maintaining a stable and cooperative military relationship and improving Malaysia's peacekeeping capabilities. As an identified level I country for the development of enhanced international peacekeeping capabilities, Malaysia requires communications systems, training aids and equipment, and items that will increase interoperability. Through ECE-funded exchanges, seminars, and workshops, we seek to strengthen the GOM's commitment to a modern professional military under civilian control, and to encourage regional confidence-building efforts. $700

Performance Evaluation:

- Good Working Relations with Malaysian Military. Malaysian military shares our fundamental values about military's role in society, and military-military/civilian-military cooperation is broad, open, and active. The military in Malaysia has not been involved in systematic violations of human rights.

- Advancement of IMET Graduates to Leadership Positions. Participation in IMET is highly valued by the Malaysian military, and IMET graduates continue to advance

steadily. Malaysia's new Chief of Defense Forces is a 1986 graduate of the U.S. Army Command and General Staff College in Fort Leavenworth. Exposure to U.S. ideals promotes respect for human rights throughout a key branch of Malaysia's government.

- Number of military visits, joint exercises, and training sessions conducted. Budget cuts forced by the financial crisis limited the number of Malaysian visits to the U.S., but Malaysia continued to host the U.S. port calls. Joint exercises in Malaysia provided the US military with important opportunities for jungle training.

- U.S. arms sales. Malaysia postponed plans to proceed with large-scale purchases such as attack helicopters

- Enhanced Participation in international peacekeeping activities. For budgetary reasons, Malaysia withdrew its peacekeeping contingent from Bosnia. Still, we expect Malaysia to participate in future peacekeeping operations when it financial situation permit.

Key Indicators for FY 2000 Performance:

- Malaysia continues to demonstrate its commitment to IMET with its participation.
- When military procurement resumes, Malaysia purchases U.S.-made equipment.
- Civilian-led defense policy dialogue strengthens.

MALAYSIA
FUNCTION 150 RESOURCES
($ in thousands)

Appropriations Accounts by Strategic Goal	Actual FY 1998	Estimate FY 1999	Request FY 2000
Regional Stability	**939**	**700**	700
IMET	939	700	700
Total	***939***	***700***	***700***

Other Accounts			
D&CP	3,956	3,812	4,026
ECE	779	830	852
Total	***4,735***	***4,642***	***4,878***
MALAYSIA FUNCTION 150 RESOURCES GRAND TOTAL	***5,674***	***5,342***	***5,578***

Mongolia

($ in thousands)

National Interests: As the first communist country in Asia to simultaneously reform its economy and political system, Mongolia provides an important example to all of Asia. In addition, the United States has a clear national interest to support Mongolia's transformation into a secure, democratic and stable country that can positively contribute to the security and prosperity of the Asia Pacific region.

Strategic Goals and Supporting Programs for FY 2000:

Regional Stability: Promotion of civilian control of the military, military justice and respect for international human rights standards is contained in our IMET training for Mongolia's armed forces. We expect to continue to work with the Mongolians to improve communications in its vast border areas. Mongolia will be eligible in FY 2000 to receive grant Excess Defense Articles (EDA) under Section 516 of the Foreign Assistance Act. EDA would be used to support the U.S. objectives of supporting Mongolia's successful transition to a democracy, self-sufficiency, and promotion of closer ties to the U.S. military. $300

Economic Development: As Mongolia continues the process of private sector development and privatization, ESF and FSA funding is crucial in supporting technical assistance and training to empower both the public and private sectors to strengthen and deepen Mongolia's transition to a fully functioning market economy. The assistance program has four primary components, including: (1) supporting privatization; (2) increasing the efficiency of the financial markets; (3) improving the business environment; and (4) and improving management of natural resources. Funding will focus on sustainable rural economic growth initiatives intended to address the information needs of businesses, strengthen local government capacity to foster business growth, and enhance the role of women in rural Mongolia. In addition, Peace Corps funding will support over 58 Peace Corps volunteers teaching English, health and forestry. $7,800

Democracy: Mongolia's progress in embracing democracy after decades of Soviet style totalitarianism has been remarkable. Funding will assist in broadening the benefits of democratization in Mongolia by increasing capacity-building in women's development and welfare, providing training and technical assistance to the Parliament and major political parties, improving the professionalism of the judiciary, and supporting rural civil society development. $4,400

Open Markets: Mongolia continues to work to strengthen the legal infrastructure (e.g. bankruptcy and securities law) and adopt standard international practices such as accounting rules to foster further development of a free market economy and private sector growth. ESF and FSA funding will provide assistance for improved banking and services regulation and

improved judicial oversight of business practices. Funding will also go to the Mongolian Customs to bring it to international standards of effectiveness.

Expand U.S. Exports: Mongolia continues to be receptive to U.S. products and boasts favorable trade and investment policies and practices. The privatization of the mining and power production sectors provide significant opportunities for U.S. business. The creation of the Mongolia-based U.S. Business Group and funding to facilitate exchanges between the Mongolia's Board of Foreign Investment and U.S. business organizations are important in developing the trade and investment relationship.

International Crime: Mongolian law enforcement authorities are concerned about money laundering, corruption, and the use of Mongolia as a waystation by third country nationals for illegal immigration and smuggling. Funding for training of enforcement and judicial personnel strengthens the ability of Mongolian authorities to understand the nature and extent of their problems and combat threats.

Humanitarian Response/Demining: NADR funds will provide training and equipment to continue support for demining. $750

Performance Evaluation

- The Creation of a Private Sector-led Market Economy. Key achievements include: success of macroeconomic policies in controlling the growth in inflation; reform of utility production, pricing and delivery mechanisms, particularly in the energy sector; the restructuring of several unviable financial institutions and the development of a new banking strategy; privatization of critical industries, training of economic professionals and government regulators, and development of improved legal and regulatory frameworks.

- Building and Strengthening of Democratic Institutions and Deepening of Mongolian Citizens' Participation in the Democratic Process. Mongolia's overall accomplishments in embracing democracy have been profound: (1) a new constitution has been put into effect; (2) a representative parliament has been created; (3) four free and fair national-level elections have been held; (4) a new, independent, judicial system has been established; (5) a vibrant community of citizen-initiated nongovernmental organizations has emerged; and (6) the parliament has passed legislation protecting key components of civil society.

- The Promotion of Civilian Control of the Military, Military Justice, and Respect for International Human Rights Standards. Mongolia is reassessing its defense policy to reflect its democratic orientation and dramatic decreases in its military budget. It is seeking closer relations with the United States, has become a member of the ASEAN Regional Forum and recently sent an officer to NATO consultative meetings. Mongolia has also participated in joint exercises with the United States to train for humanitarian response requirements.

Key Indicators for FY 2000 Performance:

- Strengthening of the private sector-led market economy;
- Broadening of democratic reforms to assure that the benefits of Mongolia's new system spread equally to all areas of the country; and
- Promotion of civilian control of the military, military justice, and respect for international human rights standards.

MONGOLIA
FUNCTION 150 RESOURCES
($ in thousands)

Appropriations Accounts by Strategic Goal	Actual FY 1998	Estimate FY 1999	Request FY 2000
Regional Stability	**191**	**225**	**300**
IMET	191	225	300
Economic Development	**3,800**	**6,000**	**7,800**
ESF	3,800	-	7,800
FSA	-	6,000	-
Democracy	**8,400**	**200**	**4,400**
DA	4,000	-	-
ESF	4,200	-	4,200
IMET	200	200	200
Humanitarian Assistance	**-**	**500**	**750**
NADR-Demining	-	500	750
Total	***12,391***	***6,925***	***13,250***

Appropriations Accounts	Actual FY 1998	Estimate FY 1999	Request FY 2000
DA	4,000	-	-
ESF	8,000	-	12,000
FSA	-	6,000	-
IMET	391	425	500
NADR	-	500	750
Total	***12,391***	***6,925***	***13,250***
Other Accounts			
D&CP	909	948	1,001
ECE	308	274	278
Peace Corps	1,311	1,457	1,586
Total	***2,528***	***2,679***	***2,865***
MONGOLIA FUNCTION 150 RESOURCES GRAND TOTAL	***14,919***	***9,604***	***16,115***

Papua New Guinea

($ in thousands)

National Interests: U.S. national interests in Papua New Guinea derive from our overarching interest in regional stability and from PNG's status as home to one of the world's greatest remaining tropical rain forests and biodiversity reservoirs. PNG is the largest and most populous island nation in the South Pacific and neighbor to the troubled Indonesian province of Irian Jaya. U.S. interests include strengthening democratic institutions, assisting with development of disaster relief capabilities, supporting peaceful transition from civil strife to rule of law in Bougainville island province, supporting the nation's pursuit of a free enterprise tradition, and fostering stewardship of diverse natural resources. The benefits of a stable, lawful and prosperous PNG include reduced prospects of human rights violations, environmental degradation, and international organized crime.

Strategic Goals and Supporting Programs for FY 2000:

National Security/Regional Stability: On Bougainville island, the former belligerents are working to establish a government of reconciliation under unarmed regional peace monitors and a small UN observer mission. Continuing International Military Education and Training (IMET) programs will help build a more professional and better-disciplined PNG Defense Force (PNGDF), improve PNGDF capability to monitor and detect illegal fishing and to apprehend persons and vessels engaged in such fishing. IMET provides professional education and training to the PNG Defense Force with emphasis on human rights, civilian control over the military, and military justice. PNG will be eligible in FY 2000 to receive grant Excess Defense Articles (EDA) under Section 516 of the Foreign Assistance Act to PNG will support U.S. objectives of more professional and effective forces and will enhance the PNGDF capability to remove and neutralize unexploded ordnance on Bougainville and at WWII sites throughout the country. Transportation, demining, training aids and patrol craft are desired. $100

Democracy/Environment: Current allocations confine U.S. efforts to strengthen democratic institutions – other than Peace Corps programs, which make democracy building one of their two priorities in PNG – to military and police targets. (A grant of $150,000 in ESF funds in FY 1998 allowed us to assist the PNG electoral commission to prepare for Bougainville elections.) Support for partnerships/exchanges is critical, especially at a time when PNG's economy has reeled from both drought and the Asian financial downturn. The July 1998 tsunami devastated PNG's remote northwestern coast. We pledged $1,050,000 in post-disaster assistance in FY 1998. Environment is the second priority area for the Peace Corps in PNG. $100

Performance Evaluation:

- Fewer human rights violations committed by the PNGDF.
  The draft country Report on Human Rights Practices for PNG for 1998 does not cite any human rights violations attributable to PNGDF. However, suspected PNGDF involvement in the 1996 murder of then-Bougainville Premier Miriung has not yet resulted in any arrests or indictments.

- Improved discipline and morale among PNG Defense Force Soldiers. USG programs focused on leadership training and on inculcating command and control techniques.

Key Indicators for FY 2000 Performance:

- PNGDF improves discipline and morale; adheres to international standards of human rights practices.
- Bougainville makes peaceful transition, elects reconciliation government.

PAPUA NEW GUINEA
FUNCTION 150 RESOURCES
($ in thousands)

Appropriations Accounts by Strategic Goal	Actual FY 1998	Estimate FY 1999	Request FY 2000
Regional Stability	**100**	**100**	**100**
IMET	100	100	100
Democracy	**39**	**100**	**100**
IMET	39	100	100
Total	***139***	***200***	***200***

Appropriations Accounts	Actual FY 1998	Estimate FY 1999	Request FY 2000
IMET	139	200	200
Total	***139***	***200***	***200***
Other Accounts			
D&CP	1,496	1,455	1,537
Peace Corps	1,216	1,429	1,595
Total	***2,712***	***2,884***	***3,132***
PAPUA NEW GUINEA FUNCTION 150 RESOURCES GRAND TOTAL	***2,851***	***3,084***	***3,332***

Philippines

($ in thousands)

National Interests: The United States has important security, commercial and political interests in the Philippines, a treaty ally that straddles important air and sea lanes. As a nation-state committed to democratic political principles and confident in its exercise of regional leadership, a stable Philippines is an important force for stability in Southeast Asia. The Philippines is committed to close relations with the U.S. in support of regional peace and security in Southeast Asia. It seeks to promote regional economic and political cooperation through the Association of Southeast Asian Nations (ASEAN), the ASEAN Regional Forum and APEC. The Philippines remains an attractive and growing market for U.S. investments and exports. Despite economic difficulties, the Philippines continues to make structural reforms based on market principles and designed to integrate itself into the world economy, and to improve the living standards of its people and to provide them with a social safety net.

Strategic Goals and Supporting Programs for FY 2000:

Regional Stability: Our IMET program is aimed at positively influencing the Philippine military's professionalism and discipline. The steady advancement of IMET graduates helps ensure the continued understanding and cooperation of the Government of the Philippines on U.S. views toward regional issues. The Philippines will be eligible in FY 2000 to receive grant Excess Defense Articles (EDA) under Section 516 of the Foreign Assistance Act. EDA would be used to support aviation, transportation, naval, and other major military equipment requirements to improve the capacity to defend national borders. President Estrada has asked the U.S. for a patrol craft to interdict drug smuggling. $1,150

Open Markets: AID programs provide expertise that helps improve the economic policy environment for U.S. companies to export to the Philippines. $4,850

Economic Development: Through its programs in the Philippines, USAID works to foster broad-based economic growth by improving the social safety net, the environment and the health of the Philippine people. $14,700

Democracy: The U.S.-Philippines partnership for democracy and development is a shared commitment addressing to mutual economic and global issues. USAID and Peace Corps programs in the Philippines support broader participation in public policy and foster the continued development of civil society. $5,100

Humanitarian Response: As the Philippines experiences drought, flooding, and regional economic difficulties, U.S. safety net assistance provided through USAID. $4,850

Environment/Population and Health: USAID's and Peace Corps support for child health and family planning reduces the fertility rate, improves maternal and child care services, and reduces infant mortality significantly. $15,150

Performance Evaluation:

- Negotiation of Visiting Forces Agreement (VFA) to facilitate U.S. military access. The IMET graduates who populate the top ranks of the Armed Forces of the Philippines contributed to the successful negotiation of the VFA, an important step toward normalizing our military-to-military ties and enhancing cooperation.

- Further institutionalization of democratic political system. IMET training also helped further entrench political control over the military, contributing to definite decline in the number of reported incidents of human rights abuses. Broader efforts to use development aid to foster economic stability helped set the stage for a another peaceful transition of power with universal acceptance of the results of nation-wide elections.

- Better environment for U.S. business. Policy reforms encouraged by the United States have contributed to increased trade and investment and to the further opening of the telecommunications and energy sectors to U.S. companies.

- Better integrated family planning and maternal and child health care. USAID programs to counter the spread of AIDs have also been notably effective, as have broader efforts to improve the health of vulnerable segments of the population.

Key Indicators for FY 2000 Performance:

- After VFA ratification, implementation of the agreement through military visits, port calls, and joint exercises.
- Progress on bank sector and other economic reforms approved by International Financial Institutions such as World Bank, International Monetary Fund, and Asian Development Bank.
- Enhancement of stability through improvements in the social safety net through food aid, population, and health programs, especially should external factors restrict economic growth.

PHILIPPINES
FUNCTION 150 RESOURCES
($ in thousands)

Appropriations Accounts by Strategic Goal	Actual FY 1998	Estimate FY 1999	Request FY 2000
Regional Stability	**1,078**	**1,150**	**1,150**
IMET	1,078	1,150	1,150
Open Markets	**3,900**	**2,603**	**4,850**
DA	3,900	2,603	4,850
Economic Development	**7,800**	**2,400**	**14,700**
DA	7,800	2,400	9,700
ESF	-	-	5,000
Democracy	**4,100**	**2,803**	**5,100**
DA	3,900	2,603	4,850
IMET	200	200	250
Humanitarian Assistance	**3,900**	**4,603**	**4,850**
DA	3,900	4,603	4,850
Title II	-	-	-
Environment	**7,800**	**2,835**	**4,700**
DA	7,800	2,835	4,700
Population	**7,661**	**6,054**	**5,275**
DA	7,661	6,054	5,275
Health	**7,661**	**6,054**	**5,175**
DA	7,661	6,054	5,175
Total	***43,900***	***28,500***	***45,800***

Appropriations Accounts	Actual FY 1998	Estimate FY 1999	Request FY 2000
DA	42,622	27,150	39,400
ESF	-	-	5,000
IMET	1,278	1,350	1,400
Title II	-	-	-
Total	***43,900***	***28,500***	***45,800***
Other Accounts			
D&CP	10,296	10,110	10,677
ECE	1,321	1,417	1,408
Peace Corps	1,631	1,717	1,740
Total	***13,248***	***13,244***	***13,825***
PHILIPPINES			
FUNCTION 150 RESOURCES GRAND TOTAL	***57,148***	***41,744***	***59,625***

Samoa

($ in thousands)

National Interests: U.S. national interests in Samoa grow out of our national security interest in regional stability. The U.S. strives to maintain close ties with Samoa, which is a longtime friend and consistent supporter of U.S. positions internationally. Other interests include encouraging broad-based economic growth, supporting improved capacity to protect the island's environment and natural resources, and educating the public on health issues.

Strategic Goals and Supporting Programs for FY 2000:

Regional Stability: Samoa will be eligible in FY 2000 to receive grant Excess Defense Articles (EDA) under section 516 of the Foreign Assistance Act. U.S. IMET training will be used to support the U.S. objective of helping Samoa develop an effective maritime law enforcement and surveillance capability. Training in basic coastal surveillance and seaborne law enforcement skills is carried out in accordance with U.S. leadership doctrines, emphasizing military justice and civilian control. Transportation, training aids and patrol craft would be useful. $50

Economic Development: The main engine of U.S. assistance to broad-based economic growth in Samoa will continue to be the Peace Corps, and DOD/Coast Guard resources. The Peace Corps takes the lead in promoting broad-based economic growth by providing economic assistance projects in education, rural development and youth development. The Department of Defense and the Coast Guard assist Samoa's maritime police patrol to strengthen enforcement of the maritime EEZ and to improve safety in the fishing fleet

Environment/Health: The Peace Corps has launched a Pacific Initiative, working with the Samoa-based South Pacific Regional Environment Program (SPREP) to fashion community-based projects aimed at environmental rehabilitation and sustainable development. IMET training programs for Samoa health professionals aim to help the Samoan Department of Health better manage scarce resources. The Peace Corps also has programs aimed at improving public health. $50

Performance Evaluation:

- Continued close relations with Samoa/Samoan support for U.S. positions on important votes in the UN. Samoan-U.S. relations remain cordial; Samoan concurrence with U.S. positions in the 53rd UNGA was 42.6 percent (88 percent with consensus votes).

Key Indicators for FY 2000 Performance:

- Increased profits from small-boat fishing, matched with a decrease in the number of boats and lives lost.
- Increased contacts with SPREP officials.
- Positive results from exercises, training of health care professionals.

SAMOA
FUNCTION 150 RESOURCES
($ in thousands)

Appropriations Accounts by Strategic Goal	Actual FY 1998	Estimate FY 1999	Request FY 2000
Regional Stability	**50**	**50**	**50**
IMET	50	50	50
Health	**46**	**50**	**50**
IMET	46	50	50
Total	***96***	***100***	***100***

Appropriations Accounts	Actual FY 1998	Estimate FY 1999	Request FY 2000
IMET	96	100	100
Total	***96***	***100***	***100***
Other Accounts			
D&CP	178	185	195
Peace Corps	1,016	1,026	1,052
Total	***1,194***	***1,211***	***1,247***
SAMOA FUNCTION 150 RESOURCES GRAND TOTAL	***1,290***	***1,311***	***1,347***

Solomon Islands

($ in thousands)

National Interests: U.S. national interests in the Solomon Islands emphasize strengthening the nation's capabilities to secure its maritime borders, encouraging its democratic institutions and preserving its biodiversity, in the interest of regional security, economic prosperity and reduced threats of conflict or environmental degradation.

Strategic Goals and Supporting Programs for FY 2000:

Regional Stability: U.S. IMET training assists the Solomons to develop an effective maritime reconnaissance force. Training in basic coastal surveillance and seaborne law enforcement skills help guarantee that the 1997 Solomons-Papua New Guinea border agreement continues to be honored. It also increases the country's ability to maintain control of its own fishery resources. Solomon Islands will be eligible in FY 2000 to receive rant Excess Defense Articles (EDA) under Section 516 of the Foreign Assistance Act. EDA will be used to support the U.S. objectives of the Solomons' achieving an effective maritime law enforcement and surveillance capability, as well as the capability to remove unexploded ordnance from World War II. Transportation, demining, training aids and patrol craft are desired. $150

Performance Evaluation:

- Increased activity against illegal fishing violators. USG Coast Guard programs trained Solomon Islands surveillance force.

Key Indicators for FY 2000 Performance:

- Increased ability to patrol territorial waters and curb illegal fishing.

SOLOMON ISLANDS
FUNCTION 150 RESOURCES
($ in thousands)

Appropriations Accounts by Strategic Goal	Actual FY 1998	Estimate FY 1999	Request FY 2000
Regional Stability	**112**	**150**	**150**
IMET	112	150	150
Total	***112***	***150***	***150***
Other Accounts			
Peace Corps	1,179	1,241	1,206
SOLOMON ISLANDS FUNCTION 150 RESOURCES GRAND TOTAL	***1,291***	***1,391***	***1,356***

Thailand

($ in thousands)

National Interests: One of five U.S. treaty allies in Asia and a major trading partner, Thailand hosts our largest joint exercise in Asia (Cobra Gold), and provides crucial access to Thai military facilities when needed. In the aftermath of the global financial crisis, the U.S. views Thailand as a model of economic reform and democratic development, as well as a regional leader in promoting stability. 30 years of effective counter-narcotics cooperation has led to the establishment in Bangkok of our second International Law Enforcement Academy (ILEA). Traditional cooperation on refugee issues is being expanded to include migration and anti-trafficking initiatives.

Strategic Goals and Supporting Programs for FY 2000:

Regional Stability: Thailand plays a significant role in fostering regional stability in Southeast Asia. Continuing joint exercises and International Military Education and Training (IMET) help develop and maintain a Thai capable of participating in international peacekeeping operations. Thailand will be eligible in FY 2000 to receive grant Excess Defense Articles (EDA) under Section 516 of the Foreign Assistance Act. EDA would support the U.S. objectives of increasing Thailand's drug enforcement capability, improving interoperability with U.S. forces, and promoting a willingness to contribute to international peacekeeping activities. In addition to major military items already in the Thai inventory, naval craft and transportation items are very useful toward these ends. $1,200

Illegal Drugs: Thailand's geographic location has traditionally made it a major transit point for illegal narcotics, but 30 years of cooperation with DEA has dramatically reduced opium cultivation in and opium and heroin trafficking through Thailand. Continued assistance will expand Thailand's institutional capability to conduct sophisticated counter-narcotic operations and cooperate effectively with DEA. Building on this relationship, the new International Law Enforcement Academy will provide appropriate training to law enforcement officials from throughout the region and further expand our cooperation on transnational issues. $3,000

Democracy: International Military Education and Training (IMET) help develop and maintain a Thai military committed to respecting and fostering democratic principles. $400

Global Issues: A small Peace Corps program helps provide practical models for remote villages to promote development in education, health, and the environment.

Humanitarian Response/Demining: NADR funds will help expand Thailand's participation in our humanitarian demining program, funding equipment purchases and establishing Thai-trained units to address mine fields near Thailand's borders with Cambodia and Burma. $1,000

FY 1998 Performance Evaluation:

- Close military cooperation, advancement of US-trained officers to command positions. Cobra Gold 98 was the largest U.S. joint exercise in Asia; Thailand offered appropriate access to facilities to support crucial U.S. global missions. An extra $500,000 in IMET funding brought 1998 levels to $1.9 million, making Thailand the top FY 1998 IMET recipient. Past IMET participants included the Supreme Command Chief of the Joint Staff and the Army and Air Force CINCs, among others. The new CINC is committed to further reducing the military's role in internal politics, a key U.S. objective.

- Enhanced Counter-Narcotics Cooperation. Thailand extradited most of the remaining "Tiger Trap" defendants to the U.S. in 1998, nearly closing the books on the most successful operation against major heroin traffickers to date. Thailand's eradication efforts continue to destroy the majority of domestically-planted opium fields, and interdiction successes have forced Burmese-based traffickers to switch primary routes for heroin smuggling, now through southern China and Laos, rather than through Thailand.

- Enhanced Law Enforcement Cooperation: The U.S. and Thailand signed the agreement establishing in Bangkok the second International Law Enforcement Academy which, starting in 1999, will provide law enforcement training to Asian officials and enhance U.S. contacts and cooperation on transnational issues.

- Economic Crisis and recovery: As part of a package to assist Thailand recover from the financial crisis, the U.S. provided $3 million in scholarship assistance for Thai graduate students in the U.S., $1.5 million to support child vaccination efforts in Thailand, and $1.2 million in indirect assistance to the National Electoral Commission for election monitor training and voter education outreach. In addition, the decision to close the Peace Corps program in Thailand was reversed and plans made to increase the number of volunteers slightly.

Key Indicators for FY 2000 Performance:

- Continued close mil-mil cooperation and advancement of U.S.-trained officers to positions of command.
- Expansion of ILEA classes to all eligible participating countries, and expanding the curriculum beyond counter-narcotics training.
- Sustained record of heroin seizures and arrest and conviction of drug traffickers.
- Continued development of capacity of rural communities to address education, environment, and health challenges.
- Six demining units established, trained, and able to conduct demining operations.

THAILAND
FUNCTION 150 RESOURCES
($ in thousands)

Appropriations Accounts by Strategic Goal	Actual FY 1998	Estimate FY 1999	Request FY 2000
Regional Stability	**1,650**	**1,400**	**1,200**
IMET	1,650	1,400	1,200
Illegal Drugs	**2,000**	**2,700**	**3,000**
INC	2,000	2,700	3,000
Democracy	**335**	**200**	**400**
IMET	335	200	400
Humanitarian Assistance	**-**	**800**	**1,000**
NADR-Demining	-	800	1,000
Total	***3,985***	***5,100***	***5,600***

Appropriations Accounts	Actual FY 1998	Estimate FY 1999	Request FY 2000
IMET	1,985	1,600	1,600
INC	2,000	2,700	3,000
NADR	-	800	1,000
Total	***3,985***	***5,100***	***5,600***
Other Accounts			
D&CP	9,692	9,375	9,901
ECE	1,451	1,527	1,542
Peace Corps	797	952	980
Total	***11,940***	***11,854***	***12,423***
THAILAND FUNCTION 150 RESOURCES GRAND TOTAL	***15,925***	***16,954***	***18,023***

Tonga

($ in thousands)

National Interests: The Kingdom of Tonga, a highly traditional society where political life is dominated by the King and nobles, interacts with the U.S. mainly in such Pacific organizations as the South Pacific Commission, the Forum Fisheries Agency, and the South Pacific Regional Environment Program. U.S. interests in Tonga include encouraging democratic institutions, and assisting in environmental protection efforts. IMET and Peace Corps are the vehicles for pursuing U.S. interests.

Strategic Goals and Supporting Programs for FY 2000:

Regional Stability: Tonga joined other regional nations (New Zealand, Australia, Vanuatu, Fiji) in offering to provide unarmed peace monitors once a truce was achieved in Papua New Guinea's Bougainville Island province. IMET provides professional education and training for Tonga's Defense Force with emphasis on respect for human rights, civilian control over the military and military justice. Tonga will be eligible in FY 2000 to receive grant Excess Defense Articles (EDA) under Section 516 of the Foreign Assistance Act. EDA would support Tonga's ability to contribute to regional peacekeeping endeavors and help Tonga develop an effective maritime law and surveillance capability. Transportation, training aids and patrol craft would be useful. $100

Democracy/Environment: Peace Corps programs in Tonga play a significant role in educating and training rural community groups in environmental protection, basic public health measures and disaster relief efforts.

Performance Evaluation:

- Increased professionalism in Tonga Defense Force. Tongan participation offered for unarmed regional peace monitoring force on Bougainville.

Key Indicators for FY 2000 Performance:

- Continuing improvement in Tonga Defense Force professionalism.

TONGA
FUNCTION 150 RESOURCES
($ in thousands)

Appropriations Accounts by Strategic Goal	Actual FY 1998	Estimate FY 1999	Request FY 2000
Regional Stability – IMET	**99**	**100**	**100**
Other Accounts			
Peace Corps	886	1,023	1,058
TONGA FUNCTION 150 RESOURCES GRAND TOTAL	***985***	***1,123***	***1,158***

EAP Regional Environmental Initiative

($ in thousands)

National Interests: Secure a sustainable environment in order to protect the U.S. and its citizens from environmental degradation by working bilaterally and with regional multilateral organizations such as the Association of Southeast Asian Nations (ASEAN), APEC and the South Pacific Regional Environment Programme (SPREP) to address global, regional and national environmental challenges and to promote sustainable development.

Strategic Goals and Supporting Programs for FY 2000:

Environment: Extensive forest fires and smoke/haze resulted in major environmental and health problems in parts of Southeast Asia in FY1998. To prevent reoccurrence and to limit further environmental degradation, Economic Support Fund (ESF) funding will be used to expand environmental programs into more countries of the region and into additional areas of concern: sustainable forest management, coastal resource management (coral reefs and mangrove forests), and reduction in greenhouse gas emissions. $10,000

Performance Evaluation:

- Better Forest Management Techniques and Policies Implemented. U.S. Department of Agriculture Forest Service is in a position to assess the underlying causes and impacts of fires in Southeast Asia. Working with Asian governmental agencies and Asian and American NGOs, it has promoted Reduced-Impact Harvesting techniques for cutting timber in Indonesian forests. It has also demonstrated alternatives to slash and burn agriculture that allow farmers to use less destructive agricultural practices while maintaining their living standards.

- Fires Extinguished and Fire Fighting Capacity Improved. Technical assistance by the Forest Service has strengthened timely fire and disaster response coordination, both nationally and regionally. Technical assistance and on site training by the Department of Interior, Office of Surface Mining, has resulted in an increased capacity by Indonesian and Malaysian firefighters to extinguish coal seam and peat fires.

- Improved Regional Climate-Impact Forecasting and Environmental and Health Monitoring Capability. The National Oceanic and Atmospheric Administration (NOAA), Office of Global Programs, provided assistance to improve the infrastructure and capacity for establishing regional applications of global climate change models. It also trained public sector institutions to support fire mitigation activities. NOAA's National Weather Service implemented a smoke transport modeling and atmospheric monitoring system to address regional transboundary

smoke movements. The U.S. Environmental Protection Agency provided training and technical assistance to regional governments resulting in the adoption of an early warning system to predict air quality problems. The U.S. Center for Disease Control and Prevention monitored health risk factors associated with air pollution from the forest fires and advised regional governments about further work needed to treat respiratory and cardiac conditions in their populations. USAID's Office of Foreign Disaster Assistance supported the work of the Asia Disaster Preparedness Center in Thailand to improve access to climate forecast and impact data to policy makers, program designers and implementers for improved disaster contingency planning.

Key Indicators for FY 2000 Performance:

- Increase in forest areas using reduced-impact tree harvesting methods;
- Decreased use of slash and burn agricultural techniques;
- Quicker fire and disaster response times;
- Improved results in fighting coal seam and peat fires;
- Improved use of regional models and data to mitigate impact of negative climatic occurrences;
- Enactment and enforcement of national laws and enhanced regional cooperation to prevent destructive fishing and economic development practices that harm coral reefs and mangrove forests;
- At least one EAP country will participate in a Clean Development Mechanism project to reduce greenhouse gas emissions.

REGIONAL ENVIRONMENTAL INITIATIVE
FUNCTION 150 RESOURCES
($ in thousands)

Appropriations Accounts by Strategic Goal	Actual FY 1998	Estimate FY 1999	Request FY 2000
Environment	**4,200**	**4,000**	**10,000**
ESF	4,200	4,000	10,000
Total	***4,200***	***4,000***	***10,000***

Appropriations Accounts	Actual FY 1998	Estimate FY 1999	Request FY 2000
ESF	4,200	4,000	10,000
Total	***4,200***	***4,000***	***10,000***
REGIONAL ENVIRONMENTAL INITIATIVE FUNCTION 150 RESOURCES GRAND TOTAL	***4,200***	***4,000***	***10,000***

EAP Financial Crisis Assistance

($ in thousands)

National Interests: The Asian economic crisis has put tremendous pressure on governments throughout the region. The crisis has affected adversely political, strategic, security, economic and commercial interests of the U.S. Despite the continued strength of the U.S. economy, important sectors (e.g. agriculture and steel) are feeling the impact of the Asian downturn, and U.S. exports have fallen sharply.

Strategic Goals and Supporting Programs for FY 2000:

Economic Development: Financial reforms, improved governance and greater transparency will contribute to more efficient operation of markets, attract capital and contribute to regional economic recovery. If markets can operate on better information and adjust incrementally, the severity of the effects of future economic shocks can be limited. The private sector possesses expertise and resources it is willing to make available in support of reform policies. U.S. Government leadership will leverage such participation from the private sector. In addition to broad-based popular support, governments in the region must institutionalize reforms that will help to lessen the impact of future global economic shocks. Such adjustments and reforms can impose major social costs and human hardship. The incidence and risk of such hardship constitute a real threat to democratic institutions. Continuation of modest programs already in place in response to the financial crisis beginning in 1998 will develop confidence among citizens of affected countries. Technical assistance will help affected countries more quickly implement programs to alleviate social costs of economic adjustment. Economic Support Fund (ESF) and Development Assistance (DA) funding is critical in meeting these challenges. $53,000

Key Indicators for FY 2000 Performance:

- Private capital returns to countries emerging from economic crisis.
- Conditions for resumed economic growth restored in crisis countries.
- Increasingly stable economic growth as crisis countries recover.
- Greater private sector contributions to the reform process in crisis countries.

REGIONAL FINANCIAL CRISIS ASSISTANCE

($ in thousands)

Appropriations Accounts By Strategic Goal	Actual FY 1998	Estimate FY 1999	Request FY 2000
Economic Development	-		
ESF	-	5,000	26,500
DA	-	30,000	26,500
FINANCIAL CRISIS ASSISTANCE FUNCTION 150 RESOURCES GRAND TOTAL	**-**	***35,000***	***53,000***

EAP Regional Democracy Fund

($ in thousand)

National Interests: In recent years, the overall trend in the region has been toward democracy, but development has been uneven. It is in the U.S. national interest to facilitate democratization in those countries where it has been slower to take root.

Strategic Goals and Supporting Programs for FY 2000:

Democracy: This regional fund would support projects to promote democratic institution building in key countries. NGOs, both U.S. and Asian, as well as governmental agencies working within Asian societies would receive support in their efforts to build democratic institutions and to create strong civil societies that can advocate on behalf of human rights, women's rights, workers rights, the rule of law, and freedom of the press inter alia. Regional dialogues would focus on strengthening intra-regional networks of human and workers rights NGOs and heightening attention paid to these concerns by Asian governments. $6,000

Performance Evaluation:

- Strengthen democratic institutions which reinforce a pluralistic civil society, rule of law, and accountable government. Increased political freedoms in Indonesia; elections scheduled. Elections held in Cambodia. Election training assistance programs implemented for Indonesia and Bougainville, Papua New Guinea.

- Promotion of Workers Rights. Independent labor unions and federations permitted to operate in Indonesia and Cambodia.

- Accountability for Human Rights Abuses in Cambodia. Cambodian Genocide Program and the Cambodian Documentation Center in Phnom Penh continued their collection, archiving, and analysis of documents relating to human rights abuses.

Key Indicators for FY 2000 Performance:

- Reduction of governmental restrictions on freedom of association resulting in the establishment of more pluralistic societies;
- Participation of international monitors resulting in free and fair elections; increased training in rule of law programs for both civilian and military leaders, encouraging reduction of military involvement in governance;
- Enactment and enforcement of laws protecting labor rights, workplace health and safety, peaceful resolution of labor disputes, and equality in the workplace;
- Encouragement of free trade unions through training and exchange visits;
- Improved adherence to International Labor Organization (ILO) standards;
- Accession to UN human rights covenants by region's governments.

REGIONAL DEMOCRACY FUND
FUNCTION 150 RESOURCES
($ in thousands)

Appropriations Accounts by Strategic Goal	Actual FY 1998	Estimate FY 1999	Request FY 2000
Democracy	**3,450**	**2,300**	**6,000**
ESF	3,450	2,300	6,000
Total	***3,450***	***2,300***	***6,000***

Appropriations Accounts	Actual FY 1998	Estimate FY 1999	Request FY 2000
ESF	3,450	2,300	6,000
Total	***3,450***	***2,300***	***6,000***
REGIONAL DEMOCRACY FUND FUNCTION 150 RESOURCES GRAND TOTAL	***3,450***	***2,300***	***6,000***

EAP Regional Security Fund

($ in thousands)

National Interests: Active participation in and support for multilateral regional security fora is a significant element of the Administration's Asia-Pacific security policy. Our involvement has concentrated on two multilateral fora, the 22-member ASEAN Regional Forum (ARF) and the 5-member (U.S., Japan, China, Russia, and South Korea, with North Korea invited) Northeast Asia Cooperation Dialogue (NEACD). U.S. overarching, long-term goals for the ARF are to foster its development into an institutionalized mechanism that makes tangible contributions to maintaining peace and security in the region through a combination of dialogue, confidence-building measures, and preventive diplomacy. The NEACD process supplements our other peacekeeping efforts in this critical Northeast Asia sub-region and is the one semi-official forum that focuses on Northeast Asia security issues.

Strategic Goals and Supporting Programs for FY 2000:

Regional Stability: The EAP region only recently has begun to develop regional security fora in an effort to promote confidence building and preventive diplomacy. The ARF and NEACD, established in the early 1990's, hold promise for successfully addressing regional differences before they erupt in conflict, but are still in early developmental phases. In the absence of institutionalized secretariats and assessed contributions to support these fora, progress in developing and implementing specific confidence building measures (CBMs) and advancing preventive diplomacy objectives, depends on the initiative and funding of individual member states.

Many of the most forward-leaning CBMs of interest to the U.S. and its allies can be best initiated through "Track One" (officials only) or "Track Two" (mixed academic and government officials in their private capacities) fora, rather than formal government-to-government channels. This fund would support U.S. initiatives in these multilateral fora, such as professional development programs, establishment of an "e-policy" Internet communication network, symposia and workshops on enhancing confidence and transparency, and establishment of information sharing databases in such areas as maritime cooperation and small arms trafficking. $250

Performance Evaluation:

- Focus ARF and NEACD on CBMs to encourage defense transparency and dialogue. Defense transparency remains a significant focus of the ARF, and several CBM proposals in this area are being developed by the ARF CBMs sub-group. The U.S. co-chaired the ARF Intersessional Support Group on Confidence Building Measures and the first-ever meeting of ARF maritime/naval experts to discuss maritime cooperation, supported in part by this fund.

- Develop activities that facilitate practical cooperation among ARF members.
  ARF members continue to participate actively at ministerial and senior official levels as well as in the specialized sub-groups on CBMs and Disaster Relief. ARF members agreed to establish a closed internet communication system pilot project, which this fund supports.

- Specific goals and objectives for each of the ARF's intersessional activities.
  The U.S. continues to provide specific proposals within the ARF and is co-sponsoring a mid-level professional development program.

- Discussion of proposals to add "Track One" activities to the NEACD.
  NEACD participants have discussed the advisability of making NEACD a "Track One" organization, but no consensus was reached that NEACD was ready for the transition.

Key Indicators for FY 2000 Performance:

- Increased ARF focus on preventive diplomacy.
- Increased participation by defense officials in ARF meetings and activities.
- Increased practical cooperation among ARF members in such areas as disaster relief, curbing trafficking in illicit small arms, military law and medicine.
- Increased NEACD focus on transnational security challenges.

REGIONAL SECURITY FUND
FUNCTION 150 RESOURCES
($ in thousands)

Appropriations Accounts by Strategic Goal	Actual FY 1998	Estimate FY 1999	Request FY 2000
Regional Stability	**250**	**250**	**250**
ESF	250	250	250
Total	***250***	***250***	***250***

Appropriations Accounts	Actual FY 1998	Estimate FY 1999	Request FY 2000
ESF	250	250	250
Total	***250***	***250***	***250***
REGIONAL SECURITY FUND FUNCTION 150 RESOURCES GRAND TOTAL	***250***	***250***	***250***

EAP Regional Women's Initiative

($ in thousands)

National Interests: Improvement in the status of women leads to full enfranchisement, higher educational levels, more skilled labor forces, and reduced population growth.

Strategic Goals and Supporting Programs for FY 2000:

Democracy/Human Rights and International Crime: $5,000

Trafficking of Women and Children: Each year tens of thousands of women and children are recruited by deception and/or force and sold to either commercial sex establishments or to work as forced laborers. These persons are treated as slaves with little or no wages, and with the risk of HIV/AIDS infection, are often in danger for their lives. Programs supporting the goal to combat trafficking of women and children are:

Prevention - Programs and campaigns to effectively utilize the media, both electronic and print, and to establish school and village level programs to educate those populations most vulnerable to being recruited or deceived by traffickers.

Protection of Victims - The development of rescue mechanisms to assist women and children who escape from trafficking networks such as shelters, training centers and legal services.

Prosecution of Traffickers - Programs examining how existing legislation pertaining to the trafficking of human beings can be improved and streamlined. Programs to increase the effectiveness of law enforcement and judicial systems to apply the law to prosecute and punish traffickers and their networks.

Women's Participation in the Political Process - In many East Asian and Pacific Island states, few women hold elected offices or are in appointed government positions. Training of women members of political parties to create a political base, run for office, and conduct campaigns is needed.

Elimination of Violence Against Women - Advocacy programs are needed to support laws that protect women from violence and allow such cases to be processed in Family Court or other arenas of a country's judicial system.

Performance Evaluation

This program will be initiated in FY 2000.

Key Indicators for FY 2000 Performance

- Initiation of programs to increase in the number of women in elected offices in the legislative branch and in appointed positions in both the judicial and executive branches.
- Initiation of programs to increase the number of shelters and training centers for the victims of trafficking who escape and want to reintegrate into their society.
- Increase in the number of cases of violence against women prosecuted to conclusion in the courts of each country.
- Initiation of prosecutions of prominent traffickers of women and children.

REGIONAL WOMEN'S INITIATIVE
FUNCTION 150 RESOURCES
($ in thousands)

Appropriations Accounts by Strategic Goal	Actual FY 1998	Estimate FY 1999	Request FY 2000
Democracy	-	-	**5,000**
ESF	-	-	5,000
Total	-	-	***5,000***

Appropriations Accounts	Actual FY 1998	Estimate FY 1999	Request FY 2000
ESF	-	-	5,000
Total	-	-	***5,000***
REGIONAL WOMEN'S INITIATIVE FUNCTION 150 RESOURCES GRAND TOTAL	-	-	***5,000***

South Pacific Multilateral Fisheries Treaty

($ in thousands)

National Interests: The 1988 South Pacific Multilateral Fisheries Treaty is a key component of U.S. relations with Pacific Islands states and a model for others. It seeks to foster deepening multilateral cooperation among the member states of the South Pacific to achieve profitable, sustainable management of fisheries resources and to ensure continued access for U.S. fishing vessels to Pacific Ocean fishing areas. An additional multilateral agreement involving all distant-water fishing nations is now under negotiation to ensure that fisheries resources are not depleted.

Strategic Goals and Supporting Programs for FY 2000:

Environment: Continuation of significant Economic Support Fund (ESF) funding to the 16 nations of the Forum Fisheries Agency (FFA) helps to ensure that conflict will be avoided over access to and management of highly migratory fisheries resources. $14,000

Performance Evaluation:

- Continued unimpeded access by U.S. fishing vessels to Pacific Ocean fishing areas. Since the treaty came into force, access to broad areas of the Pacific, including the 200-mile zones of the FFA nations, has been excellent.

Key Indicators for FY 2000 Performance:

- Continued unimpeded access to Pacific Ocean fishing areas.

SOUTH PACIFIC MULTILATERAL FISHERIES TREATY
FUNCTION 150 RESOURCES

($ in thousands)

Appropriations Accounts by Strategic Goal	Actual FY 1998	Estimate FY 1999	Request FY 2000
Environment	**14,000**	**14,000**	**14,000**
ESF	14,000	14,000	14,000
Total	***14,000***	***14,000***	***14,000***
Appropriations Accounts	**Actual FY 1998**	**Estimate FY 1999**	**Request FY 2000**
ESF	14,000	14,000	14,000
Total	***14,000***	***14,000***	***14,000***
SOUTH PACIFIC MULTILATERAL FISHERIES TREATY FUNCTION 150 RESOURCES GRAND TOTAL	***14,000***	***14,000***	***14,000***

EUROPE

Bureau of European Affairs
Statement by Assistant Secretary Marc Grossman

Introduction

Our goal is to create a Euro-Atlantic Partnership for the 21st century. That Partnership is based on a community of states in North America and Europe that is whole and free, prosperous and open, and at peace and united "not by the force of arms, but by the possibilities of peace." At the core of that Partnership is our shared commitment to three objectives -providing security, prosperity and democracy -- and to the institutions we have created to achieve them: the North Atlantic Treaty Organization (NATO), the New Transatlantic Agenda with the European Union, and the Organization for Security and Cooperation in Europe (OSCE).

The destinies of the United States and Europe are as connected today as they were fifty years ago. The history of the 20th century has taught us that the U.S. has a vital interest in a Europe that is stable, secure and a real partner. The U.S.-European relationship is not one between protector and protectee, but rather a partnership among countries which have joined together to pursue common objectives and defend common values and interests.

The challenges we face together are ambitious. They include completing the integration and unification of Europe, a project that also includes Russia and Ukraine; deepening the ties between the U.S. and Europe; sustaining the peace in Bosnia-Herzegovina; containing the conflict in Kosovo; and establishing more effective mechanisms for America and Europe to pursue common interests in Europe and beyond. None of these challenges can be met by either the United States or Europe acting alone. In these as well as other challenges that arise, there will be a growing premium on international partnerships and cooperative action within Europe and with Europeans around the world.

Our work with European nations on a bilateral basis both reinforces and complements our collaboration within common regional institutions, and in the UN, G-8 and other multilateral fora, to effect positive action in and beyond the region. Cooperation with European nations has a multiplier effect: our embassies in these capitals serve as platforms for launching actions to gain support on a vast range of issues outside the bounds of Europe.

The Senate vote on NATO enlargement was an affirmation of the U.S. commitment to Europe and to partnership with Europeans, as well as testimony to the continuing bipartisan support that our European strategy enjoys. Nevertheless, we must never lose sight of the growing need to secure the understanding and support of the American public for our strategy. Achieving our goals in Europe will also require an increased emphasis on public diplomacy with the many segments of European public opinion that will pass final judgement on the value of our efforts. To this end, we have co-located USIA's

Office of Western European Affairs within the Bureau, to ensure that our initiatives are formulated and carried out with the distinctive public diplomacy approach they will need to succeed with European opinion makers.

The 1999 "Triple Crown"

In his May 1998 remarks to the people of Germany, President Clinton called for "a transatlantic partnership that is broad and open in scope, where the benefits and burdens are shared, where we seek a stable and peaceful future not only for ourselves, but for all the world."

Our "Triple Crown" strategy integrates the tremendous resources of NATO, the U.S.-European Union (U.S.-EU) relationship, and the OSCE in a process designed to promote security, prosperity and democracy throughout Europe and beyond. We will use the 1999 NATO, U.S. -EU and OSCE summits to chart a 21st century course in which Europe can count on America, and America can count on Europe, to:

- reinforce transatlantic security cooperation;
- promote regional security in Europe and beyond;
- protect our peoples from weapons of mass destruction;
- open markets worldwide and expand trade;
- support sustained, non-inflationary global economic growth;
- expand joint law enforcement, anti-terrorist and counter-narcotics capabilities to protect our citizens;
- encourage the development of democratic political and free-market economic institutions, and promote human rights, in Eastern Europe, Central Asia and other parts of the world;
- contribute to the economic and political reconstruction of war-torn areas in Central Europe, Africa and elsewhere; meet humanitarian crises; promote development in areas of need; and,
- broaden cooperation on key environmental, population and health problems.

NATO

At the April 1999 NATO 50th Anniversary Summit in Washington, we will reaffirm the rationale and political direction of the Alliance as it meets the transatlantic challenges to security, stability and collective interests in the 21st century. In concert with the Department of Defense (DOD) and the National Security Council (NSC), we expect to set an ambitious road map for the Alliance's future in both a Summit statement and a new Strategic Concept. We will reaffirm the Alliance's core function of collective defense, and its willingness to respond to threats to common interests. We will build on the admission of new members Poland, Hungary and the Czech Republic, keeping the door open to further enlargement. We will launch an initiative to improve the Alliance's ability to defend against weapons of mass destruction. For those countries not immediately invited to join the Alliance, we will enhance both the Euro-Atlantic Partnership Council as a framework for our partners' role in decision-making, and the

Partnership for Peace itself for improved military cooperation and interoperability as we assist those states seeking NATO membership to better prepare themselves to meet Alliance standards. We will establish new levels of NATO cooperation with Russia and Ukraine. Finally, we will continue the internal adaptation of NATO, building a more capable and visible European role within the Alliance and deepening cooperation among key European and transatlantic institutions.

U.S.-EU

The two U.S.-EU summits in 1999 provide opportunities to advance our New Transatlantic Agenda goals of deepening our economic partnership; increasing diplomatic cooperation; jointly addressing global issues; and broadening people-to-people links. We will use the Transatlantic Economic Partnership to promote both transatlantic and global open markets; and encourage pathfinder agreements to address emerging trade and investment issues in bilateral as well as multilateral fora. We will reinforce our commitment to a strong, effective diplomatic partnership to promote peace, stability, democracy and development around the world -- particularly regarding EU financial support for the Dayton Accords, Southeast European development, the Middle East Peace Process and humanitarian crises in Africa; U.S. support for EU accession by Central European countries and their involvement in the transatlantic dialogue; U.S. encouragement of EU ties with (and eventual membership for) Turkey; and EU support for non-proliferation goals in the Middle East, South and Northeast Asia, and in isolating rogue states. Global issues make up a significant part of the U.S.-EU agenda, and we will together tackle challenges posing a serious threat to quality of life without respect to national boundaries: transnational organized crime, trafficking in women and children, drug trafficking, terrorism, environmental degradation, population issues and infectious diseases. In all of these endeavors, we will look for ways to assist and embrace Russia, Ukraine and other New Independent States in cooperative enterprises. We will also provide mechanisms to expand contacts between our citizens, NGOs, and state and local governments so that we can profit from each other's experiences. Our work will be informed by collaboration with USTR, Commerce, Treasury, Agriculture, Justice, FBI, DEA, DOT, Labor, USAID and USIA.

OSCE

The OSCE is the premier Euro-Atlantic organization for democracy promotion, conflict prevention and post-conflict rehabilitation. The 1999 OSCE Summit in Istanbul provides us a key vehicle to strengthen the organization's ability to deal effectively with the uncertain or absent commitment to democratic principles that lies at the root of many of today's crises in the Euro-Atlantic community. OSCE efforts are currently focused in the Balkans, and we want it to extend this attention eastward to involve the Caucasus and Central Asia, as well. The organization must continue to support and deploy field missions to prevent and limit conflict in hot spots such as the Balkans, the Caucasus and Belarus. These missions, as well as those in Estonia and Latvia, should also serve as

platforms for "democracy teams" to encourage democratization and provide human rights skills and training. USIA and USAID are key partners of the Bureau in this initiative.

Our work with the nations comprising the membership of NATO, the EU and the OSCE will also proceed on bilateral tracks to secure their cooperation and support in UN organizations, the G-8 and other institutions, as well as in *ad hoc* coalitions, to address extraordinary issues such as Iraq, Indo-Pakistani proliferation or regional crises in Africa.

The Southeast Europe Action Plan And The Northeast Europe Initiative

As announced by the President, the Bureau has launched the Southeast Europe Action Plan (SEEAP) and the Northeast Europe Initiative (NEI) to complement our "Triple Crown" strategy of projecting and extending security, prosperity and democracy towards nations in these regions of Europe.

The conflicts and tensions resulting from the break-up of the former Yugoslav state have made it difficult to launch broad regional initiatives in Southeast Europe. Nevertheless, the SEEAP has the goal of extending stability eastward by supporting the political and economic transformation which will consolidate democratic and free-market reforms; encouraging regional cooperation; and laying the groundwork for the full integration of the countries of this region into Euro-Atlantic security and economic structures. The Plan calls for assisting the efforts of countries in the region to build normal, constructive relations with each other through intensified dialogues; achieve mature, democratic political processes; and develop vibrant market economies. The Plan aims at ensuring that the countries neighboring Bosnia and Serbia work together to reinforce stability in the region, rather than end up a spillway for tension. Our active participation in the Southeast European Cooperative Initiative (SECI), which focuses on promoting regional cooperation on critical issues such as upgrading environmental standards, interdicting cross-border narcotics shipments and combating organized crime, is an integral part of our overall strategy for the region.

The NEI provides a framework for promoting regional integration through cooperation among the U.S., Nordic states, Baltic nations, Russia, Poland, Germany and the EU, using existing regional institutions such as the Council of Baltic Sea States, the Barents Euro-Arctic Council and the Arctic Council. Strengthening the performance of the Baltic countries in political, economic, military and global spheres will help them improve their candidacies for European and Euro-Atlantic institutions. The NEI will bring an American "value-added" factor to Nordic regional initiatives, as well as expand U.S.-Nordic regional cooperation to involve the EU, Germany, Poland and other interested parties. By expanding regional and cross-border cooperation with northwest Russia -- notably on global issues like nuclear waste and safety management -- we want to demonstrate the benefits which integration will bring to all participants. In addition to the EU and OSCE, our partners in the SEEAP and NEI include DOD, USAID, USIA, EPA, Commerce, Energy, Treasury, OPIC, TDA, Justice and Labor.

Flashpoints

While the preceding strategies have been devised to improve prospects for increased security, prosperity and democracy over the medium- and long-term, there are issues that require day-to-day management to limit the possibilities of violent conflict in the heart of Europe:

The Southern Balkans

To establish a durable peace and reduce ethnic tensions in the states of the former Yugoslavia, Albania and the Balkan region, we will continue to promote full implementation of the Dayton Accords, with reinforced efforts in public security, arms reduction compliance, freedom of movement, return of refugees, war crimes cooperation, democratization and economic liberalization. We will engage the UN, NATO, the EU, OSCE and other Euro-Atlantic institutions to promote a political solution, protect political and human rights, and stop the ethnic conflict in Kosovo; strengthen democratic and economic institutions in Albania; and support political and economic development in the Balkans. Bilateral cooperation with other members of the Contact Group (UK, France, Russia, Germany and Italy) and Japan will continue to be of pivotal importance in this region; and U.S. and international NGOs will continue to be key partners in our efforts to ameliorate prospects for stability and growth.

The Eastern Mediterranean

Working with NATO and the EU, we seek to sustain and increase stability in the Aegean region by encouraging Greek-Turkish dialogue to resolve long-standing disputes; and, in harmony with UN efforts, to promote progress towards a comprehensive Cyprus settlement acceptable to both sides. In bilateral terms, we will intensify our political, security, and economic relationship with Greece. To strengthen Turkey's place in the West, we will pursue a five-point agenda with Ankara, including energy, trade/investment, security, Cyprus/Aegean and regional cooperation, as well as human rights.

Northern Ireland

We will continue to support the "Good Friday 1998 " Stormont peace agreement, and work with the Irish and British governments to reinforce the new governing institutions of Northern Ireland. Continuation of a durable cease-fire is a critical element; and we will provide economic assistance via the International Fund for Ireland, as well as support for efforts promoting private investment.

Nazi Asset Restitution

The Bureau plays a leading role in working for justice to deal with the unsettled issues related to the Holocaust. We are engaged in a major effort to open the full historical record, to establish a common basis of understanding so that concrete action may be

taken to provide restitution, compensation and assistance to needy victims of the Holocaust -- particularly those who have suffered doubly from nazism and communism, and have received little or nothing to date. We have encouraged the Swiss and other governments and entities to research and divulge their historical findings, promoting information exchange through international dialogue and meetings. We are determined to see constructive channels developed to settle these claims, and restore communal and private property to victims (or their heirs) in Central and Eastern Europe.

Leadership/Management Issues

Just as our European allies sometimes express frustration in dealing with Washington's complex political environment and our federal system of distributed power, so are we faced with increasingly difficult matrices of economic, political and ethnic forces in our European partner nations. The consolidation of democracy and the increasing vitality of free markets from the English Channel to the Black Sea have challenged our traditional diplomacy. This is why EUR is directing its diplomatic energies in new directions, reaching out across European national boundaries to interest groups, non-governmental organizations, new media, citizen forums, business and professional communities, and more. The "New Diplomacy" flourishes in EUR.

As our platforms for global action, EUR embassies are being asked to do more and more on a vast array of levels and issues where we seek European cooperation, resources and diplomatic support. The fact is, we cannot go on doing more with less. We must take a critical look at our policy priorities, shifting resources from lower priority activities to those comprising our new agenda. The management of our embassies and domestic offices must be rationalized along a new common purpose. Creativity, greater efficiency and more attention to internal management oversight must be emphasized. This Bureau is reorienting its assets toward the new agenda, but critical resource needs remain. Without Congressional support for our FY 2000 request, we will not be able to continue handling the major global initiatives, VIP visits and crucial bilateral relationships that are the core of our agenda.

We plan to put in place streamlined and rationalized systems to support our operations. We have a pilot project underway to regionalize administrative functions, thus reducing overhead for our programs. EUR will be developing an FSN training program to increase the effectiveness of this key component of our overseas staffing. Adequate information technology is the bread and butter of our ability to function efficiently overseas. The Bureau has an urgent need for new classified computer systems overseas, and ten of our posts need new telephone systems -- both very expensive and technically complex requirements. A central system must be devised to handle these needs, and we stand ready to assist with support for an ALMA-like classified computer program and a centrally-based telephone procurement process. One of our largest challenges this year will be the move of our Mission in Germany from Bonn to Berlin. This unique, historic event will give us the opportunity to make Embassy Berlin an efficient and dynamic model for our European embassies; when completed, we will have reduced staffing in Germany by 60% from the 1992 level.

Conclusion

Secretary Albright often says that the first rule of foreign policy is the same as that for domestic policy: "secure your base." Transatlantic cooperation is our "base": sharing a deep pool of common interests and values, the United States and Europe are natural partners, and our relations remain at the core of our nation's policy. Indeed, that cooperation is essential to every national interest and strategic goal we have identified. The Bureau means to take advantage of our commonalties -- using maturing institutions in which we share membership -- to leverage European political, economic and moral strengths in the advancement of U.S. national interests both regionally and globally.

EUROPE
FUNCTION 150 RESOURCES
($ in thousands)

Appropriations Accounts by Strategic Goal	Actual FY 1998	Estimate FY 1999	Request FY 2000
Regional Stability	**340,470**	**322,534**	**325,891**
ESF	39,600	34,600	44,600
FMF-G	122,257	45,000	66,000
FMF-L	12,340	20,000	-
IMET	12,081	12,053	13,075
INC	5,000	5,000	-
PKO	25,000	35,000	79,000
SEED	-	10,000	-
CIO	37,211	48,881	49,816
CIPA	86,981	112,000	73,400
Weapons of Mass Destruction	**679**	**903**	**5,314**
IMET	61	61	80
NADR-Export Control	618	842	5,234
Open Markets	**54,892**	**63,149**	**61,925**
CIO	54,892	63,149	61,925
U.S. Exports	**8,256**	**8,565**	**9,427**
IMET	-	-	-
TDA	8,256	8,565	9,427
Economic Development	**232,441**	**183,848**	**179,716**
SEED	196,662	148,069	143,937
EBRD	35,779	35,779	35,779
International Crime	**22,450**	**3,700**	**17,894**
SEED	22,450	3,700	17,894
Illegal Drugs	**500**	**500**	**500**
INC	500	500	500
Counter-Terrorism	**3,332**	**1,694**	**3,000**
NADR-ATA	3,332	1,694	3,000

Appropriations Accounts by Strategic Goal Cont.	Actual FY 1998	Estimate FY 1999	Request FY 2000
Democracy	**89,190**	**95,401**	**96,581**
DA	5,000	2,000	-
IMET	1,991	1,890	2,045
SEED	75,654	79,511	80,036
CIPA	6,545	12,000	14,500
Humanitarian Assistance	**315,681**	**291,626**	**213,411**
ESF	2,000	-	-
NADR-Demining	300	3,735	2,650
SEED	152,926	154,500	120,461
Title II	30,893	16,551	-
ERMA	20,000	25,000	-
MRA	109,562	91,840	90,300
Environment	**16,256**	**8,707**	**11,586**
IMET	57	57	60
SEED	16,199	8,650	11,526
Population	**3,380**	**2,125**	**2,433**
SEED	3,380	2,125	2,433
Diplomatic Activities	**17,948**	**23,445**	**16,713**
SEED	17,948	23,445	16,713
Total	***1,105,474***	***1,006,196***	***944,391***

Appropriations Accounts	Actual FY 1998	Estimate FY 1999	Request FY 2000
CIO	92,103	112,030	111,741
CIPA	93,526	124,000	87,900
DA	5,000	2,000	-
EBRD	35,779	35,779	35,779
ERMA	20,000	25,000	-
ESF	41,600	34,600	44,600
FMF	122,257	45,000	66,000
FMF-L	12,340	20,000	-
IMET	14,190	14,060	15,260
INC	5,500	5,500	500
MRA	109,562	91,840	90,300
NADR	4,250	6,271	10,884
PKO	25,000	35,000	79,000
SEED	485,218	430,000	393,000
TDA	8,256	8,565	9,427
Title II	30,893	16,551	-
Total	***1,105,474***	***1,006,196***	***944,391***

Other Accounts			
D&CP	285,793	293,770	369,350
ECE	47,099	49,838	50,616
IIP	59,793	61,377	-
Peace Corps	10,055	11,493	11,323
Total	***402,740***	***416,478***	***431,289***
EUROPE FUNCTION 150 RESOURCES GRAND TOTAL	***1,508,214***	***1,422,674***	***1,375,680***

EUR: FY 2000 REGIONAL PLAN

STRATEGIC GOAL: Regional Stability (RS) -- Ensure that local and regional instabilities do not threaten the security and well-being of the United States or its allies.

REGIONAL GOAL: Develop a "Euro-Atlantic Partnership for the 21st Century" that promotes democracy, prosperity, and security within the region and works effectively to support these goals beyond Europe.

NATIONAL INTEREST: National Security

STRATEGY:

Since the early days of the Marshall Plan, the United States has recognized the importance of democracy, prosperity, and security in our relationship with our European partners and that achieving these long-term goals in Europe has been a critical component of our own national security. With the collapse of communism in Eastern Europe, Russia, and the New Independent States, the United States and its allies have been called upon to assist these nations in the transformation of their economies from statist to free market, their political system from communism to democracy, and their security ties from the Warsaw Pact to potential NATO membership. One difference from our approach 50 years ago is that we are looking largely to the international financial institutions, the European Union (EU), the private sector, and the state's own resources to finance the bulk of this transformation.

In 1999 there will be four Summit meetings of the North Atlantic Treaty Organization (NATO), the Organization for Security and Cooperation in Europe (OSCE), and between the U.S. and European Union. These four meetings and the consultations with our major allies leading up to them will provide key opportunities to reinforce the transatlantic links that bind us. We will also actively engage smaller, capable members of the EU, OSCE, and/or NATO to provide crucial added-value to advance our agenda.

Regarding *NATO*, after the accession of the Czech Republic, Hungary, and Poland, we must keep NATO's open door policy credible while ensuring that military effectiveness of the Alliance is maintained as enlargement and NATO's Strategic Concept review proceeds. We also must strengthen security cooperation with those countries not now seeking to join the Alliance, via an enhanced Partnership for Peace, the Euro-Atlantic Partnership Council, and our security assistance programs.

As we prepare for NATO's 50th Anniversary Summit in April 1999, we are pursuing a number of initiatives including developing Alliance defense capabilities, combating the proliferation of weapons of mass destruction, and revising NATO's strategic concept. We also recognize the greater role Europe will play within the Alliance. Finally, we must establish new levels of NATO cooperation with Russia and Ukraine via the Founding Act and NATO-Ukraine charter

In working with the *EU*, we are developing a roadmap for a deeper, more effective partnership for the 21st century. We will also encourage the EU's expansion, especially into Turkey and the Baltic states. We support the EU and Council of Europe's programs, in coordination with our own, to consolidate democratic reform at the grassroots level in Central Europe. Progress is crucial in implementing the May 18, 1998 U.S.-EU statements that support global nonproliferation of weapons of mass destruction, counter-terrorism cooperation, new trade negotiations under the "Transatlantic Economic Partnership," and enhanced political cooperation in responding to countries that flout international norms. We also seek enhanced coordination with the EU and the Council of Europe to develop a robust civil society in Central and Southeast Europe.

As for the *OSCE*, we must enhance and utilize its capacity for conflict prevention and crisis management. We need to foster in OSCE an effective, visible role in democracy promotion, conflict prevention, and post-conflict rehabilitation. The OSCE can be instrumental in promoting a political solution in Kosovo, protecting political and human rights, and stopping ethnic conflict. Finally, we want the OSCE to expand eastward, focussing its attention on Caucasus and Central Asia to integrate those countries further into the rest of Europe and to bring OSCE standards to their societies and international relations.

Finally there are a number of special situations that require U.S. activism. To advance economic and political reforms in Albania, Bosnia, Bulgaria, Croatia, Macedonia, Romania, and Serbia through the Support for East European Democracy program (SEED) will require significant levels of funding in order to provide the necessary direct U.S. assistance to these countries as well as to leverage funding from other donors. At the same time, we plan to graduate Poland, Lithuania, and Slovakia from the SEED program during FY 1999 because of their progress in economic and political transition. *[SEED programs are discussed in both the DE (Democracy) and BG (Broad-based Growth) goal sections.]*

We will encourage expanded efforts to build new areas of regional cooperation and development -- including the Southeast European Cooperative Initiative (SECI), and the Royaumont process -- and to reduce regional tensions via the Southeast Europe Action Plan (SEAP). In addition, the Northeast Europe Initiative (NEI) will provide a framework for promoting regional cooperation among the U.S., Nordic and Baltic states, Russia, Poland, Germany and the EU. We will continue to seek full implementation of the Dayton Accords, to encourage Greece-Turkey dialogue, and to support the Good Friday accords in Northern Ireland.

OBJECTIVES:

1. Build consensus among European Allies to use the NATO, OSCE, and US-EU summits in 1998/1999 to reinforce transatlantic cooperation for the 21st century.
   FY 2000 TARGET: Implement Summit decisions.

2. Complete review of NATO's Strategic Concept to preserve NATO's key functions and develop new missions, including defense of common interests wherever they arise.
   FY 2000 TARGET: Implementation.

3. Gain Allied agreement to U.S. position for NATO enlargement review at 1999 NATO Summit.
   FY 2000 TARGET: Develop ways to improve candidates' qualifications.

4. Strengthen NATO/Russia consultations/cooperation in the Permanent Joint Council (PJC) under the 1997 NATO-Russia Founding Act.
   FY 2000 TARGET: Implementation,

5. Increased partners' cooperation in the European-Atlantic Partnership Council (EAPC) and Partnership for Peace (PfP).
   FY 2000 TARGET: Expand EAPC consultation and cooperation agenda.

6. Conduct new trade negotiations under the "Transatlantic Economic Partnership" (TEP) agreed at the May 1998 US-EU Summit.
   FY 2000 TARGET: Second set of concluded TEP agreements announced at U.S. - EU Summit in the spring of 2000.

7. Implement May 18, 1998 U.S.-EU Statements that support global nonproliferation of weapons of mass destruction, counter-terrorism efforts and common approaches to dealing with countries that flout international norms.
   FY 2000 TARGET: Launch joint or complementary export control assistance programs in developing countries and implement common techniques for curbing intangible technology transfers. Achieve universal adherence to the 11 international counter-terrorism conventions.

8. Amplify US-Europe people-to-people programs by implementing the May 18, 1998 Summit statements through the Transatlantic Business Dialogue (TABD), the Transatlantic Consumer Dialogue (TACD), and the Transatlantic Environmental Dialogue (TAED).
   FY 2000 TARGET: Help develop self-sustaining funding base for NGO dialogues.

9. Implementation of the U.S.-Poland-Ukraine Cooperative Initiative (PUCI) to provide USG and Polish funded assistance to Ukraine by Polish NGOs, particularly in small business development, macro-economic policy making and municipal government training.
   FY 2000 TARGET: Ten (10) projects per year using FSA money to provide technical assistance to Ukraine, using Polish expertise.

10. Foster an effective, visible role in democracy promotion, conflict prevention, and post-conflict rehabilitation for the OSCE. Develop specific U.S. proposals for enhancing OSCE in the security model to be agreed at the 1999 summit.
    FY 2000 TARGET: Implement security model and other Summit decisions. Highlight OSCE role and increase OSCE presence in Caucasus and Central Asia.

ASSUMPTIONS:

- Allies' ratification of NATO enlargement.
- Political stability in prospective new members.
- Continuance of democratic, reformist government in Eastern Europe, Russia, and most of the New Independent States.
- No overarching trade or sanctions dispute sours EU relations.
- No catastrophic economic failure involving the EU or EMU.

INDICATORS:

- Final documents at the 1999 NATO, OSCE and US/EU Summits that strengthen transatlantic cooperation projected into the 21st century.
- Maintenance of adequate defense spending levels by current Allies and new members.
- Increased interoperability of Partners with NATO, as measured by acquisition of NATO-compatible equipment and adoption of NATO procedures, doctrine and standards.
- Increased NATO statements regarding security threats from beyond Europe.
- Progress in EU accession negotiations with Central European and Baltic States.
- Increased European public understanding and support for U.S. security policies in the region.

THE BALKANS

SUBREGIONAL GOAL: Establish a durable peace and reduce ethnic tensions in the Balkans.

STRATEGY:

To restore peace to the Balkans, we must promote full implementation of the Dayton Accords, with reinforced efforts in public security, arms reduction compliance, freedom of movement, return of refugees, war crimes cooperation, democratization, and the transition to a self-sustaining market economy. In Bosnia, we must encourage successful functioning of Entity and national institutions and help rebuild damaged infrastructure with support from SEED, PKO, IO, and PRM funding as well as continued financial support from the EU, IFIs and Japan.

Kosovo

The Kosovo conflict threatens stability not only in Serbia, but in neighboring countries where the U.S. and others have invested heavily in peace and reform. U.S. leadership was key to mediating the current cease-fire and remains essential in monitoring compliance, negotiating autonomy, and establishing the international presence to supervise Kosovo's transition to a durable settlement. With NATO, OSCE, and UNHCR all playing key roles, a range of Euro-Atlantic institutions are involved in providing relief, protecting human rights, and promoting recovery, stability and security. U.S. efforts draw heavily on resources available through the SEED program and other assistance. They are aimed not only at improving the situation in Kosovo, but also at promoting democracy throughout the Federal Republic of Yugoslavia.

OBJECTIVES:

General

1. Promote stability of Balkan states through expanded NATO involvement, OSCE programs and bilateral engagement to reduce insecurities stemming from unrest in Kosovo and other ethnic tensions.
   FY 2000 TARGET: Follow evolving situation.

Albania

2. Advance democratic institutions and public order
   FY 2000 TARGET: Continuation of rule-of-law program. Identification of further activities if indicated.

Bosnia

1. Substantially complete implementation of Dayton Accords. Support implementation through rebuilding of the local economy and return of refugees.
   FY 2000 TARGET: Ongoing programs.

2. Support OSCE involvement in Bosnia to promote democratic and legal institutions as part of peace settlement.
   FY 2000 TARGET: Reduce OSCE Mission.

3. Continue U.S. participation in and support for SFOR. Meet Dayton benchmarks so role of military can decline. Implement use of special forces (gendarmerie).
   FY 2000 TARGET: Begin to reduce forces.

Croatia

4. Achieve increased respect for media freedom and for the rights of the ethnic Serb minority.
   FY 2000 TARGET: Severance of HDZ control over the media, government, and business.

5. Support OSCE involvement in Croatian peace settlement as successor to UNTAES.
   FY 2000 TARGET: Consider draw down of mission if situation permits.

Kosovo

6. Initiate political dialogue between the Serbian authorities and Kosovar Albanian leadership on a long-term settlement of the crisis in the region. Implement the agreements to an OSCE-led Kosovo Verification Mission and a NATO-led Air Verification Mission to create the security conditions necessary to foster economic development.
   FY 2000 TARGET: Ongoing development of institutions; continue above programs as needed and move into long-range democratization and economic development efforts as conditions allow.

Serbia and Montenegro

7. Achieve increased respect for media freedom and strengthen groups working to promote democracy and respect for human rights in Serbia and Montenegro.
   FY 2000 TARGET: Continue political and economic transition. Increase regional trade and cooperation. Continue ongoing efforts in Kosovo.

ASSUMPTIONS:

- Possible instability accompanying transition to new governing leadership in the region.
- No general resumption of military hostilities in Bosnia and Herzegovina but continued tensions and unrest in Kosovo.

INDICATORS:

- Increased refugee returns, particularly to minority areas.
- Increased number of war criminals turned over to the ICTY.
- Greater respect for political pluralism, media freedom, and minority rights in Croatia, Bosnia and Serbia.
- Functioning national institutions.
- Police restructured in accordance with democratic standards; police separated from party/ethnic control; judicial sector reformed.
- Normalization of relations between Serbia and Bosnia; greater trade among Balkan countries.

GREECE - TURKEY - CYPRUS

SUBREGIONAL GOAL: Improve Greek-Turkish relations, advance a settlement on Cyprus, strengthen Turkey's place in the West and its stabilizing role in the region.

STRATEGY:

Through greater Greek-Turkish dialogue, we will promote greater progress toward a comprehensive Cyprus settlement acceptable to both sides as well as resolution of Aegean disputes. We shall use SECI as a vehicle for promoting cooperation between Greece and Turkey at expert levels in Balkan regional fora.

With Greece, we will intensify our security, counter-terrorism, and economic relationship. With Turkey, we will deepen our cooperation on trade, investment, regional, and security interests; energize Turkish cooperation on developing trans-Caspian oil and gas pipelines; maintain Turkish support for U.S. policies regarding Iran and Iraq; and enhance our dialogue on Turkish human rights. We will urge the European Union to enhance ties and keep the door open to eventual Turkish membership.

OBJECTIVES:

1. Resolve Cyprus dispute.
   FY 2000 TARGET: Serious negotiations on core issues.
2. Resolve Greek-Turkish Aegean disputes.
   FY 2000 TARGET: Mediation progress underway.

3. Engage Greek government seriously in counter-terrorism.
   FY 2000 TARGET: Suppress 17 November as an organization; imprison its members.

4. Promote Turkish democracy and improvements in human rights.
   FY 2000 TARGET: Greater freedom of expression; fewer reports of torture by security forces.

5. As part of the effort to secure multiple East-West pipelines for Central Asia hydrocarbons, support development of a Baku-Ceyhan pipeline through Turkey.
   FY 2000 TARGET: Turkey works closely with other transit countries to integrate Baku-Ceyhan into a broader East-West transportation corridor.

6. Help Turkey improve its relationship with the EU so that it is on a clear membership track.
   FY 2000 TARGET: Turkey becomes a candidate for European Conference.

ASSUMPTIONS:

- Greece, Turkey and Cyprus will agree to U.S. role.
- Maintenance of a civilian-controlled, secular-oriented government in Turkey.
- Both Greece and Turkey will face significant security threats: Greece from instability in the Balkans; Turkey from Iraq, Iran, and Syria.
- Tensions between Greece and Turkey in the Aegean will remain high, and each will continue ambitious and expensive armaments programs.

INDICATORS:

- Implementation of broader Aegean confidence building measures.
- Reference of some Aegean issues to the International Court of Justice or some other consensual body.
- Start of Cyprus negotiations.
- Adoption of EU accession strategy for Turkey that is consistent with those of other candidates for membership.
- Unblocking of EU assistance for Turkey.
- Progress on building a Baku-Ceyhan pipeline to satisfy long-term Turkish energy requirements.
- Release of journalists, parliamentarian and others imprisoned for exercising freedom of expression in Turkey.
- Implementation of 1995 human rights-related constitutional amendments in Turkey.

NORTHERN IRELAND

SUBREGIONAL GOAL: Reinforce the political settlement in Northern Ireland.

STRATEGY:

We must support the Good Friday accords peace agreement by helping Northern Ireland achieve a lasting cease-fire, reinforcing the new governing institutions in Northern Ireland, providing economic assistance via the International Fund for Ireland and other efforts, and promoting private investment. Diplomacy with the Irish and UK governments will be critical to our efforts.

OBJECTIVES:

1. Full implementation of the Northern Ireland peace settlement
   FY 1999/2000 TARGET: Northern Ireland Assembly functioning smoothly as local government of the province with regular procedures and minimal sectarian wrangling; ministerial council between Ireland and Northern Ireland handling cross-border issues in a businesslike manner.

2. Stimulate political/economic revitalization of Northern Ireland and border counties.
   FY 1999/2000 TARGET: Increasing economic growth, diminishing unemployment, substantial numbers of a new foreign investors making investments and seeking trade opportunities in Northern Ireland and the border counties.

ASSUMPTIONS:

- Continued strong interest and frequent, direct involvement of White House, Congress, and Irish-American community.
- Continued close collaboration with governments of UK and Ireland.

INDICATORS:

- Effective functioning of Northern Ireland's new governing institutions.
- Continuation of cease-fire.
- Improvement in economic activity and increased private investment in Northern Ireland and the border counties.

NORTHERN EUROPEAN INITIATIVE (NEI)

SUBREGIONAL GOAL: Integrate Russia into the West, prepare the Baltic states for membership in Euro-Atlantic institutions and bring U.S. "value-added" to regional initiatives involving the Nordics, the EU, Germany and other interested countries.

STRATEGY:

NEI will provide a framework for cooperation to achieve these goals through a variety of means such as joint efforts under regional fora (e.g., the Barents Euro-Arctic Council) and other collaborative mechanisms.

OBJECTIVES:

1. Identify joint projects and processes with the Nordic states, EU, and others that build regional economic and social ties throughout northern Europe and improve the environment; leverage additional funding by Nordics, EU, and other regional partners.
   FY 2000 TARGET: Reach agreement with regional partners to initiate practical projects in the areas of nuclear waste clean-up, public health, increased regional business and trade links, and enhanced efforts against international crime.

ASSUMPTIONS:

- Continued cooperation and funding from countries and states interested in greater northern Europe cooperation.

INDICATORS:

- Continued funding by regional players.
- Development of spent fuel cask for nuclear waste clean-up.
- Identification and start-up of other projects that will promote regional cooperation.

EUR: FY 2000 REGIONAL PLAN

STRATEGIC GOAL: Weapons of Mass Destruction (WD) -- Eliminate the threat to the United States and its allies from weapons of mass destruction or destabilizing conventional arms.

REGIONAL GOAL: Maintain strong conventional and nuclear forces in order to protect peace and to prevent war or any kind of coercion while simultaneously negotiating adaptation and continued implementation of key conventional arms control and related agreements, including the CFE Treaty and the Vienna Document, and Articles II and IV of Annex 1B of the Dayton Agreement; development of new arms control/security discussions for the Balkan Region under Article V, Annex IB of the Dayton Agreement; continued security discussions in the OSCE's Forum for Security Cooperation, and entry into force of the Open Skies Treaty. Strengthen cooperation on controlling the export of materials and technologies used in building weapons of mass destruction and delivery systems.

NATIONAL INTEREST: National Security

STRATEGY:

Protect the U.S. and its Allies from attack by weapons of mass destruction by maintaining an appropriate mix of conventional and nuclear forces to deter aggression by any potential threats. The CFE Treaty is the cornerstone of conventional military stability in Europe; continued adherence to its equipment limits, which apply to all the members of NATO and the former Warsaw Pact (or their successors) is critical for the security of the U.S. and its NATO Allies. U.S. should take the lead in developing a NATO strategy and negotiating adaptation of the CFE Treaty -- and other conventional arms control agreements -- to new political realities and use this process to enhance our broader goals for building cooperation and integration in Europe. Treaty adaptation should not undermine U.S. security commitments to its Allies. U.S. leadership will be critical in developing new ways to apply the methods of arms control to building stability in the Balkan region. Heighten Allies and European partner's awareness of and support for non-proliferation goals in south Asia (India/Pakistan) and in isolating rogue states. Make fuller use of NATO' Proliferation mechanisms (JGP, SGP and DGP) and include non-proliferation and counter-proliferation goals in NATO's revised strategic concept. Build on May18, 1998, U.S.- EU agreement to bolster global nonproliferation cooperation and identify practical steps to do so with our European partners in various global non-proliferation regimes. Cooperate with Europe to implement non-proliferation strategy in India/Pakistan and to counter proliferation of Weapons of Mass Destruction in Iraq, Iran, Libya, North Korea, and elsewhere. Preserve consultation Regime with the UK on southern cone arms transfers.

OBJECTIVES:

1. Continue internal adaptation of NATO to meet the challenges and risks of the current and future Euro-Atlantic security environment without weakening ability to execute core tasks of collective defense and deterrence
   FY 2000 TARGET: Full implementation of CJTF and new command structure.

2. Implement NATO enlargement by developing integration of new Allies into NATO military structure without undermining the structure of stability provided by conventional arms control agreements.
   FY 2000 TARGET: New Allies increasingly integrated.

3. Adapt the CFE Treaty and other European security agreements, including the Vienna document, to increase the security of all states, including Russia.
   FY 2000 TARGET: Complete negotiation of Treaty text for OSCE Summit.

4. Use the conventional arms control process to address sub-regional security concerns of states outside the NATO-Russia dynamic and to build long-term stability in the Balkans and other regions.
   FY 2000 TARGET: Continue to work Article V.

5. As NATO reviews its strategic concept, ensure that threats from rogue states who represent proliferation risks are dealt with both in terms of political action and counter-proliferation defense programs.
   FY 2000 TARGET: Implement Summit decisions.

6. In discussions with European Allies, Russia, and partners, highlight our concerns with nuclear proliferation in South Asia and with proliferation of weapons of mass destruction and the means of their delivery in rogue states including the need for effective sanctions and export controls.

   Use the SGP and various multilateral proliferation regimes, particularly with regard to Iran, Iraq, Libya and other rogue states.
   FY 2000 TARGET: Implement measures agreed.

7. Develop means within NATO and bilaterally to deal with the capabilities gap and defense trade issues.
   FY 2000 TARGET: Implement Summit decisions.

8. Incorporate counter-proliferation assistance into SECI projects for improving border-crossing infrastructure, restructuring customs services, and developing regional cooperation to combat cross-border crime.
   FY 2000 TARGET: Achieve successful regional coordination, including counter-proliferation efforts, on cross-border concerns.

9. Implement May 18, 1998, U.S.-EU agreement on bolstering global non-proliferation cooperation.
   FY 2000 TARGET: Launch joint or complementary export-control assistance programs in third world countries and implement common techniques for curbing intangible technology transfers.

10. Use information programs and media campaigns to explain U.S. WMD policy and build public support for international non-proliferation regimes.

ASSUMPTIONS:

- All CFE states and Vienna Document participants (including the Balkan states) will continue in substantial compliance with their arms control obligations.
- There will be no significant increase in military tensions or equipment deployments as a result of NATO enlargement.
- There will be a continued desire among CFE Treaty states to gain certainty about their neighbors' military intentions and capabilities via arms control.
- There will be increasing recognition that the potential use of weapons of mass destruction is one of the major continuing threats to the Alliance, but differences will continue on how to deal with those threats.

INDICATORS:

- Overall decrease in Europe in amount of conventional military equipment in key categories.
- Full implementation of existing Treaty provisions.
- Continued implementation of Dayton obligations and broad-based support for new regional stability talks.
- Recognition of nonproliferation in NATO's revised strategic concept.
- EU members work with us to tighten existing non-proliferation regimes.

EUR: FY 2000 REGIONAL PLAN

STRATEGIC GOAL: Open Markets (OM) -- Open foreign markets to free flow of goods, services, and capital.

REGIONAL GOAL: Secure European support for further multilateral trade and investment liberalization and for measures to reduce barriers to bilateral trade and investment flows.

NATIONAL INTEREST: Economic Prosperity

STRATEGY:

Working closely with Europe – one of our most important trade and investment partners – is essential to opening markets worldwide and expanding trade. With industrial tariffs between the U.S. and Europe already relatively low and falling, our efforts in this area will be increasingly directed toward expanding the coverage of multilateral rules to other countries and addressing non-tariff barriers such as differing regulatory standards and problems related to international bribery. A new element of our strategy will be to use the framework of the U.S.-EU Transatlantic Economic Partnership to pursue both transatlantic and global trade goals. The U.S. also needs to coordinate closely with the international financial institutions – such as the IMF and IBRD -- and regional banks -- such as the EIB and EBRD – to support the development of markets and institutions in Central and Eastern Europe and the New Independent States.

OBJECTIVES:

1. Launch the Transatlantic Economic Partnership (TEP) and make progress on negotiating by elements.
   FY 2000 TARGET: Significant trade liberalizing agreements, particularly in regulatory area.

2. Obtain European support for multilateral agreements in the WTO, OECD and other fora to liberalize trade and investment. Prepare for negotiations under the WTO built-in agenda and implementing the WTO financial services and telecommunications agreements.
   FY 2000 TARGET: Follow up on WTO Ministerial recommendations; implement MAI.

3. Coordinate with European to expand membership in rules-based trade organizations such as the WTO, with particular emphasis on Russia, the countries of Central and Eastern Europe and the New Independent States.
   FY 2000 TARGET: Seek to conclude Estonia/Lithuania WTO negotiations; consider possibility of OECD membership track for other countries.

4. Ensure European support for vigorous implementation of OECD anti-bribery convention.
   FY 2000 TARGET: Remaining countries take action.

5. Develop better mechanisms for resolving trade disputes, particularly on biotechnology and agricultural issues.
   FY 2000 TARGET: New mechanisms functioning resulting in more timely and less contentious resolution of trade disputes.

6. Coordinate with the IFIs and regional banks to support market development in Central and Eastern Europe and the New Independent States.
   FY 2000 TARGET: Further improvement in private sector development and greater reliance on private capital for development.

7. Pursue opportunities for the IFIs and regional banks to fund projects on a regional basis, such as those connected with SECI.
   FY 2000 TARGET: Continue submitting project data to IFIs. Continued growth in regional oriented projects.

8. Explore adopting standards of the Central European Free Trade Area (CEFTA) as part of an EU-pre-accession strategy for SECI countries.
   FY 2000 TARGET: Harmonize SECI standards with those of CEFTA.

ASSUMPTIONS:

- The EU maintains outward-oriented, liberal economic policies.
- The EU is able to manage successfully the challenge of Economic and Monetary Union (EMU).
- The countries of Central and Eastern Europe and the New Independent States follow economic reform policies.

INDICATORS:

- Accessions to WTO and OECD.
- Conclusion of further sectoral agreements to lower/eliminate tariffs.
- Reduction of barriers to trade between SECI participating states.
- Conclusion of the OECD Multilateral Agreement on Investment by the Spring 1999 OECD Ministerial.
- Implementation of the international convention to fight bribery in international transactions.
- Implementation of U.S.-EU Mutual Recognition Agreements to reduce regulatory costs on trade.
- Strengthening of the Transatlantic Business Dialogue as a forum for addressing private sector concerns in trade and investment policy.
- Harmonization of SECI countries' trade rules with EU models.

EUR: FY 2000 REGIONAL PLAN

STRATEGIC GOAL: Exports (EX) -- Expand U.S. exports to $1.2 trillion by 2000.

REGIONAL GOAL: Expand U.S. exports to Europe.

NATIONAL INTEREST: Economic Prosperity

STRATEGY:

Given the size of trade volumes, even a small percentage increase in exports to Europe will translate into a large increase in export dollars. Since the trading relationship between the U.S. and the EU is already relatively mature, the scope for future export increases depends importantly on finding innovative ways to increase the awareness of domestic firms of export opportunities and to develop close linkages between the Department and private sector business organizations. Investment, too, needs to be encouraged and protected given the key role it plays in promoting exports through intra-company trade.

OBJECTIVES:

1. Support USFCS and USTDA activities to promote exports to, and increase domestic business awareness of export opportunities in, European markets.

2. Ensure continued provision of Business Incentive Funds (BIF) to EUR posts without a FCS office.

3. Work closely with business organizations to strengthen export promotion activities, such as the TABD's Transatlantic Small Business Initiative (TASBI) and encourage/protect investments; facilitate opportunities for small and medium-sized businesses to exhibit at trade fairs and shows; work with U.S. Chamber of Commerce to identify negative effects of EU accession on U.S. companies; participate in their September 1998 seminar with Central European EU integration ministers. Continue to work with the French American Business Council to encourage bilateral private-sector dialogue

4. Support the working group on small and medium-sized enterprises of the Southeast European Cooperative Initiative (SECI).
   FY 2000 TARGET: Assist growth of regional SMEs as contributors to economic stability.

5. Maintain and expand dialogue with Central European and Baltic EU applicant countries on EU accession and the New Transatlantic Dialogue.
   FY 2000 TARGET: Address trade implications of enlargement in ongoing dialogue

ASSUMPTIONS:

- No large external shocks.
- Stable currency markets.
- Continued economic growth in major industrial economies.

INDICATORS:

- Increased exports to Europe.
- Increased investment in Europe.
- Increased participation of small and medium enterprises in export activities.
- EU applicant countries of Central Europe reduce discriminatory tariff differentials between US and European imports.

EUR: FY 2000 REGIONAL PLAN

STRATEGIC GOAL: Global Economic Growth (EG) -- Increase global economic growth.

REGIONAL GOAL: Encourage Europe to adopt macroeconomic, trade, investment, exchange rate, legal and regulatory policies designed to support sustained, non-inflationary economic growth. Secure European support for encouraging similar policies in third countries, strengthening international financial institutions and facilitating the private international financial flows to transition and developing economies. Encourage Europe, international financial institutions -- such as the IMF and IBRD -- and regional banks -- such as the EIB and EBRD -- to provide growth-oriented development and humanitarian assistance to key regions such as Central and Eastern Europe, the New Independent States and Africa. Encourage G-7/G-8 partners to promote sustainable development and effective participation by developing countries in a sound global economy.

NATIONAL INTEREST: Economic Prosperity

STRATEGY:

Overseas macroeconomic conditions have an increasing impact on the ability of the U.S. to sustain stable, economic growth with low inflation and unemployment. We must establish a U.S.-EU dialogue regarding the European Monetary Union and other EU fiscal developments. As our economy becomes increasingly linked with that of Europe through trade and investment, we must devote more effort to encouraging our partners to adopt appropriate economic and financial policies and continue growth-oriented assistance programs in other regions.

OBJECTIVES:

1. Continued official and private sector capital flows to Central and Eastern Europe, the New Independent States, and Africa.

2. Provide technical assistance to support economic reform, which is critical to attracting private capital and a pre-requisite for most official capital.

3. Fund enterprise funds and support their efforts to raise private capital.

4. Provide maximum possible risk insurance to private investors.
   FY 2000 TARGET: SEED program focuses solely on southern tier. FSA program continues across region. SEED enterprise funds receive final USG capital. IMF, World Bank and EBRD support continue with appropriate conditionality, EBRD investment continues to focus greater resources on south central Europe and NIS.

ASSUMPTIONS:

- The EU maintains outward-oriented, liberal economic policies.
- The EU is able to manage successfully the challenge of Economic and Monetary Union (EMU).
- The countries of Central and Eastern Europe continue to follow economic reform policies.

INDICATORS:

- No wide, fluctuations of the dollar against European currencies.
- Sustained economic growth in Europe.
- Low inflation in Europe.
- Continued close involvement of IFIs -- such as the IMF, IBRD -- and regional banks -- such as the EBRD and EIB -- in Central and Eastern Europe, the New Independent States and Africa.

EUR: FY 2000 REGIONAL PLAN

STRATEGIC GOAL: Economic Development (ED) -- Promote broad-based economic growth in developing and transitional economies

REGIONAL GOAL: Assist the former communist countries of Central and Eastern Europe with their economic transition through the development of market economies. Work with the international financial institutions and other, mainly Western European donors, towards this goal. Building a self-sustaining market economy is part of the triad of transition we seek in these countries; consolidating democracy and improving the quality of life for their citizens being the other two.

NATIONAL INTEREST: Economic Prosperity

STRATEGY:

The principal U.S. tool for the achievement of the economic goals outlined above is the funding provided by the Congress through the Support for East European Democracy Act. Starting in 1989, SEED has provided assistance to Albania, Bosnia-Herzegovina, Bulgaria, Croatia, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, the Former Yugoslav Republic of Macedonia, Poland, Romania, Serbia and Montenegro, Slovakia, and Slovenia. This effort is a transitional one. Once a country demonstrates sustainable economic progress and democratic reforms, direct U.S. assistance will be phased out. The Czech Republic, Estonia, Hungary, Latvia, and Slovenia no longer require direct bilateral assistance. Poland, Lithuania and Slovakia will "graduate" from the program with the completion of FY 1998 funding.

SEED helps these countries with innovative programs, technical assistance and training to facilitate reform and transition. The focus of most U.S. assistance is on the particular needs and problems of each country, although a significant portion of SEED assistance goes to regional programs, such as those delivered through the South Balkan Development Initiative or through the Southeast European Cooperative Initiative. Efforts to facilitate regional trade within Southeast Europe, including improvement of customs arrangements, and border-crossing infrastructure, will contribute to this goal. SEED programs are coordinated internationally with other donors primarily through the G-24. In addition, there are special coordinating mechanisms for certain countries, such as Albania through the OSCE, or Bosnia through the European Union and World Bank.

Most SEED assistance is delivered through the U.S. Agency for International Development, but other agencies, such as Treasury, USIA, Justice, and Labor manage significant programs that make use of their unique resources. Embassy political and economic sections, as well as USAID missions, all contribute to this task. Efforts by other USG agencies involved in trade are coordinated with overall U.S. goals, such as MFN and GSP, OPIC guaranties and insurance, Export-Import Bank loan guarantee and

insurance programs, and export promotion activities of the Department of Commerce and the U.S. Trade and Development Agency.

OBJECTIVES:

1. Development of a market economy and strong private sector including adoption and implementation of sound macro-economic policies, progress on privatization, enterprise restructuring, banking reform, and competition policy.
   FY 2000 TARGET: Continue development of a market economy and strong private sector in Albania, Bosnia, Bulgaria, the Former Yugoslav Republic of Macedonia and Romania. Montenegro continues its nascent efforts at economic transition.

2. Improvement of the basic quality of life in selected areas. Changes in unemployment, average income, poverty rates, income distribution data, infant mortality and life expectancy and education levels are important indicators of progress in these areas.
   FY 1999/2000 TARGET: Improvement in most economic categories tracked by the EBRD in the Southern Tier countries.

3. Continue to fund enterprise funds and support their efforts to raise private capital.
   FY 2000 TARGET: SEED enterprise funds receive final USG capital.

4. Support the export potential issuing from working groups of the Southeast European Cooperative Initiative (SECI) on border crossing facilitation, small and medium-sized enterprises, natural gas, transport infrastructure, water, and electricity.
   FY 2000 TARGET: Draw up further infrastructure plans connected to Caspian energy projects.

ASSUMPTIONS:

- Continued support from Congress for SEED funding, including continuation of significant funding for Dayton implementation in FY 1999 and 2000.
- Continued security and stability in the region.
- Political will in the countries of Central and Eastern European countries to make the economic transition to a market economy.

INDICATORS:

- Progress in the above two areas is monitored by USAID, in conjunction with the SEED Coordinator's Office. Indicators are used which measure progress towards economic reform and democratization, as well as economic sustainability, measured through macro-economic performance and social conditions. These include: unemployment data, average income levels, poverty rates, income distribution data, infant mortality, life expectancy and education levels. These indicators are drawn primarily from data supplied by the European Bank for Reconstruction and Development, Freedom House and the World Bank.

EUR: FY 2000 REGIONAL PLAN

STRATEGIC GOAL: American Citizens (AC) -- Enhance the ability of American citizens travel and live abroad securely.

REGIONAL GOAL: Improved assistance to American citizens overseas in the event of political crises, national disasters and other emergencies.

NATIONAL INTEREST: American Citizens And U.S. Borders

STRATEGY:

While continually maintaining and testing current plans in developed EUR democracies, focus additional emergency planning resources on former communist countries that have limited infrastructure resources and the most volatile political systems. Actively coordinate planning with DOD and other USG agencies present in these countries and take advantage of special training opportunities they may provide. Invite appropriate host government officials, NGOs and resident American citizens to participate in emergency drills. Continually update Warden systems and publicize hotline numbers for American citizens publicized, emphasizing the principle of "no double standard". Share lessons learned from recent evacuations and emergencies in the Balkans.

OBJECTIVES:

1. Train and equip American and FSN staff to provide improved management of critical emergencies and more effective delivery of emergency services to American citizens, based on up-to-date, comprehensive Emergency Action Plans and Warden systems.

2. Test and promote new technology for American citizen warden systems through use of interactive hotlines, e-mail and internet sites, which supports the "no double standard" policy.

3. Promote enhanced cooperation and participation from other USG agencies, including DOD, in emergency planning through an active schedule of emergency drills and simulated disaster exercises.

ASSUMPTIONS:

- The number of American citizens resident in Balkan and Baltic countries will increase significantly in the next two years.
- Other USG agencies, such as DOJ, will also increase their official presence in these countries, and will be able to provide useful assets for emergency planning and warden systems.
- Funding for crisis management exercises and emergency evacuation equipment will continue at current levels, but will not increase significantly.

INDICATORS:

- Customer feedback measuring communications, preparation, and assistance to American citizens affected by consular emergencies.
- Number of host governments and NGOs which participate in USG emergency action planning.
- Percentage of American citizens who register for warden systems, based on total numbers of residents on F77 reports.

EUR: FY 2000 REGIONAL PLAN

STRATEGIC GOAL: Travel and Immigration (TI) -- Control how immigrants and non-immigrants enter and remain in the United States

REGIONAL GOAL: Reduce entry of criminal and other unqualified aliens from and through EUR and posts into the United States.

NATIONAL INTEREST: American Citizens And U.S. Borders

STRATEGY:

Foreign organized criminal elements, including in Central and Eastern Europe, are targeting U.S. interests through illegal immigration, alien smuggling and commercial fraud. These lucrative activities are growing rapidly, and pose an escalating threat to U.S. national security. Many new states in the Baltics and the Balkans do not have effective legal or police infrastructures to combat organized crime, and activities directed against the U.S. may have a lower priority than crimes within their national borders. In order to encourage cooperative efforts to halt the entry of criminal and illegal aliens into the United States, we are encouraging governments in these countries to detect and to counter fraudulent documents through participation in training programs sponsored by Consular Affairs, Diplomatic Security and the Department of Justice, and by introducing Machine Readable Passports and other document security features. Preventing the use of fraudulent documents will assist these countries in controlling organized crime domestically, while also reducing illegal immigration and fraud directed against the U.S. We will also continue to train law enforcement officials at ILEA and in host countries in preventing alien smuggling and trafficking in women, conducting consular investigations, and detecting and preventing document fraud. To further cooperation in the region, we will support the Polish National Police's training facility for training police officials, prosecutors, and parliamentarians from the Baltic States and the former Soviet Union. The Northern European Initiative has increased our involvement in organized crime fighting activities conducted by the Council of Baltic Sea States (CBSS). Cooperation with the EU under the New Transatlantic Agenda will also help to amplify our efforts on alien smuggling and related criminal activity.

OBJECTIVES:

1. Increase bilateral U.S. cooperation among law enforcement officials to more effectively combat illegal immigration and alien smuggling into North America.

2. Develop responsive contacts among police, customs and immigration officials in Central and Eastern Europe through enhanced training which focuses on alien smuggling, trafficking in women and children and the detection and interdiction of fraudulent documents used by organized crime.

3. Promote use of Machine Readable Passports and other security features in official documents.

4. Encourage regional cooperation among policy and government officials, by including representatives of neighboring countries in training sessions.

5. Enhance cooperation with the EU, particularly on problems relating to central and Southeast Europe.

ASSUMPTIONS:

- Governments facing the threat of organized criminal activities will cooperate more readily with the U.S. in programs to combat illegal immigration if these programs bring them domestic benefits.
- EU will be increasingly interested in working with us on illegal immigration, alien smuggling, and trafficking of women and children.

INDICATORS:

- Reduced number of illegal aliens from and through European countries entering the United States with fraudulent documents.
- Increase in the number of countries using Machine Readable Passports and other security features in official documents.
- Increase in the number of countries that have introduced and passed anti-alien smuggling laws or strengthened current statutes.

EUR: FY 2000 REGIONAL PLAN

STRATEGIC GOAL: International Crime (IC) -- Minimize the impact of international crime on the United States and its citizens.

REGIONAL GOAL: Work with Europe to raise the profile of international law enforcement issues as an element of security policy and to improve our operational cooperation and law enforcement capabilities to better combat crime.

NATIONAL INTEREST: Law Enforcement

STRATEGY:

It is essential to work closely with European governments, bilaterally and through the European Union, which share our concern about combating crime if we are to minimize the impact of organized crime on U.S. citizens. We have excellent law enforcement cooperation at this time with European governments and the EU. As transnational organized crime is increasingly coordinated across borders and regions, we must work with Europe on an organized, effective response. In addition to bilateral contacts, the chief mechanisms for expanding cooperation in this area are the UN, the G-7/G-8 (Lyon Group), and in the case of EU members, the U.S.-EU New Transatlantic Agenda (NTA).

OBJECTIVES:

1. Cooperate on measures to fight transnational organized crime in both the G-8 and U.S.-EU transatlantic context.

2. Improve law enforcement cooperation with the EU at the political and operational levels.

3. Develop new U.S.-EU cooperative initiatives to combat organized crime, following on the recommendations of the EU's organized crime task force.

4. Continue working with EUROPOL, working towards developing a liaison relationship.
   FY 2000 TARGET: Develop formal relationship with EUROPOL.

5. Use regional anti-crime initiatives (such as the proposed SECI center in Bucharest for combating cross-border crime) to control threats posed by organized crime.
   FY 2000 TARGET: Open center in Bucharest dedicated to coordinating regional efforts to combat cross-border crime and corruption.

6. Cooperate with EU on preventing trafficking in women and implement bilateral initiative with Italy on trafficking in women and children.
   FY 2000 TARGET: Continue information campaign expansion. Joint information campaign in Third Countries; draft victim protection legislation.

ASSUMPTIONS:

- Continued European attention to organized crime as both an international and national security concern.
- Strong G-7/G-8 leadership to maintain the momentum and focus of Lyon Group efforts across the broad range of law enforcement areas.
- Continued efforts by the EU for closer ties between American and European law enforcement institutions.

INDICATORS:

- Operational results from implementation of the G-8/Lyon Group recommendations.
- Reduction in firearms trafficking, high-tech crimes, and falsification of travel documents.
- Relationship between the U.S. and EUROPOL.
- U.S.-EU joint information campaign against trafficking in women expanded to other Central European countries; joint law enforcement investigations expanded to include trafficking cases; proposal for joint ILEA training course on trafficking for law enforcement official.

EUR: FY 2000 REGIONAL PLAN

STRATEGIC GOAL: Illegal Drugs (ID) -- Significantly reduce the entry of illegal drugs into the United States.

REGIONAL GOAL: Maintain European support for expanding all aspects of multilateral and bilateral counternarcotics activities, of which law enforcement is one tool and establishing cooperation in delivering assistance to major illicit drug producing and trafficking countries so that the latter can develop strong, effective drug control institutions.

NATIONAL INTEREST: Law Enforcement

STRATEGY:

Working closely with our European allies, whose governments are also concerned about use and trafficking in drugs, is essential to combat use, production, and trafficking in illicit drugs worldwide. We have excellent law enforcement and counternarcotics cooperation at this time with European governments, and good cooperation with some European governments in multilateral fora (UN and Dublin Group). But internal EU structures and the difficulty of arriving at internal EU consensus have sometimes hampered our cooperation with the EU as a whole. The chief mechanisms for expanding cooperation in this area are the G-7/G-8, Dublin Group, the UN Drug Control Program (UNDCP), and ad hoc efforts such as the informal multilateral chemical control initiative. Use regional anti-crime initiatives (such as the proposed SECI center in Bucharest for combating cross-border crime) to block the transit of narcotics to Europe and the U.S. via the "Balkan route". We want to expand cooperation with the EU on counternarcotics problems building on a successful Caribbean project and the Chemical Precursors Agreement.

OBJECTIVES:

1. Encourage continuity and a systematic approach to our dialogue on all aspects of counternarcotics issues.

2. Work closely with the EU as it evolves towards greater internal coordination of law enforcement activities.

3. Expand our counternarcotics cooperation with the EU in the Caribbean to the key area of concern to the U.S.--the Andes region--as well as other areas such as Central Asia, Central Europe, and the NIS and Southern Africa.
   FY 2000 TARGET: Continue program coordination in key regions.

4. Ensure continued effective implementation of the U.S.-EU Chemical Precursors Agreement.

5. Obtain support of EU member states in launching an informal multilateral chemical precursor initiative so that suppliers in other continents will not be available to producers of illicit drugs.

6. Increase cooperation on the growing problem of synthetic drugs.

ASSUMPTIONS:

- EU member states and other countries in Europe maintain strong interest in bilateral cooperation with the U.S. on combating drug trafficking worldwide.
- The EU seeks to develop more effective internal coordination of counternarcotics activities and increasingly recognizes the importance of partnership with the U.S.
- Drug producing countries continue to demand stronger, more effective drug control institutions.

INDICATORS:

- Reduction in the quantity of drugs entering the U.S.
- Increased cooperation with the EU as an institution, to complement existing bilateral patterns of cooperation between the U.S. and EU member states.
- Expansion of U.S.-EU counternarcotics activities to Latin America, Central Asia, Central Europe, and the NIS.
- Continued cooperation of EU member states in implementing the bilateral chemical precursor agreement and launching an informal multilateral chemical control initiative that was announced by the President at the 1996 UNGA.
- Improved coordination among SECI states in interdicting cross-border drug shipments.

EUR: FY 2000 REGIONAL PLAN

STRATEGIC GOAL: International Terrorism (TE) -- Reduce international terrorist attacks, especially on the United States and its citizens.

REGIONAL GOAL: Enhance cooperation with our European partners to bolster global counter-terrorism measures and increase coordination on steps to inhibit state sponsors of terrorism.

NATIONAL INTEREST: Law Enforcement

STRATEGY:

Work with our European partners to implement the 25 global counterterrorism measures approved at the July 1996 G-8 Paris Ministerial. Under the framework of the New Transatlantic Agenda, broaden European support for these measures through implementation of the U.S.-EU Common Agenda on Terrorism. Through consultations with the EU and key European allies, seek agreement on coordinated approaches toward state sponsors of terrorism. Continue cooperation with European members of multilateral nonproliferation fora to minimize potential terrorist WMD threats is also important, as is work with European governments to expand counterterrorism capabilities. Draw on agenda outlined in the May 1998 U.S.-EU joint statement on counterterrorism in pursuing further action.

OBJECTIVES:

1. Ensure the fullest possible European engagement in implementation of the 25 global counter-terrorism measures endorsed by the July 1996 G-8 Paris Ministerial, and work to identify new initiatives that enhance our ability to deter terrorist attacks.

2. Implement the May 1998 U.S.-EU joint statement on counterterrorism including universal accession to all 11 international counterterrorism conventions by the year 2000, wider adherence to aviation security, encryption technology, and national terrorism legislation. Follow through on US-EU Secretariat Statement on counterterrorism, including possible new controls on terrorist related exports. FY 1999/2000 TARGET: Obtain ratification of all 11 counterterrorism conventions by all member and candidate states of the EU. Full implementation of the 1996 Paris Ministerial recommendations by all EU members and candidates.

3. Promote closer coordination of policy vis-a-vis state sponsors of terrorism, with special focus on Iran. Jointly develop a framework for assessing and responding to Iranian actions.

4. Work with European members active in the Nuclear Suppliers Group, the Australia Group, the Missile Technology Control Regime, and the Wassenaar Agreement to prevent access of terrorist groups to weapons of mass destruction.

5. Maintain P-3 solidarity on efforts to bring Libya into compliance with UNSC resolutions on the Pan Am 103 and UTA 722 bombings.

6. Help expand counterterrorism capabilities and transatlantic cooperation through negotiation of extradition and mutual legal assistance treaties, the provision of anti-terrorist training, and bilateral counterterrorism consultations.

ASSUMPTIONS:

- Officials, citizens, and facilities will continue to be terrorist targets.
- Our European allies broadly share our concerns and commitment to combating global terrorism.
- Counterterrorism experts of the G-8 will continue to serve as the most effective forum for coordinating a global counterterrorism strategy.
- Proven incidents of state-sponsored terrorism, such as the Mykonos case in Germany, will increase European interest in coordinating more closely with us to address this problem and may increase European willingness to adopt tougher political measures in response. Commercial interests will be a significant counterweight, however.
- Our EU partners will continue to resist adoption of economic measures or sanctions against state sponsors of terrorism beyond those multilateral sanction regimes already in effect. ILSA will remain an irritant in our relations.
- We will continue to enjoy good cooperation with our European allies in multilateral efforts to inhibit criminal access to WMD technologies.

INDICATORS:

- Follow-up on counterterrorism measures introduced at Denver Summit of the G-8.
- Progress toward universal acceptance of all 11 international conventions on counterterrorism.
- Reduction of terrorist attacks.
- Concrete steps to follow through on cooperation outlined in the May 1998 U.S.-EU Summit Statement on counterterrorism.

EUR: FY 2000 REGIONAL PLAN

STRATEGIC GOAL: Democracy and Human Rights (DE) -- Increase foreign government adherence to democratic practices and respect for human rights.

REGIONAL GOAL: Support the development of democratic political institutions, free market based economic institutions and a viable NGO sector with a closed-end program of assistance.

NATIONAL INTEREST: Democracy

STRATEGY:

Utilize funds provided under the Support for Eastern European Democracy Act (SEED) to provide transitional assistance [mostly technical, in some cases commodity], to the countries of Central and Eastern Europe to develop the political, legal, judicial, financial and commercial underpinnings of a civil society and a western-oriented economic and trading system. Coordination with the EU and Nordics toward the same ends, particularly through existing mechanisms like the Royaumont process. Seek EU and Nordic financial support for parallel efforts and aims. Use OSCE and its Office of Democratic Institutions and Human Rights (ODIHR) to promote grass-roots democratic, rule of law reforms and support Council of Europe activities in this area. Seek opportunities to promote human rights goals, particularly in China, through expanded cooperation with the European Union.

OBJECTIVES:

1. Use OSCE mechanisms to promote an effective, visible role in democracy promotion and respect for human rights and the rule of law. Use OSCE Mission and ODIHR to advance human rights and democracy goals in specific countries especially in the Caucasus and Central Asia.
   FY 2000 TARGET: Implement 1999 Summit decisions in this area.

2. In Bosnia, conduct free and fair elections under OSCE Mission; establishment freedom of movement for all citizens; ensure that every sizable community has access to independent radio or television reporting.
   FY 2000 TARGET: Reduce OSCE mission as goals accomplished.

3. Establishment of programs in Serbia and Montenegro that expand independent media and democracy projects, develop civil society in Kosovo, and support economic and political reforms.

4. Capitalize on opportunities in Romania and Bulgaria to spur reform.
   FY 2000 TARGET: Identify additional areas where SEED assistance can serve as a catalyst to reform efforts.

5. Assist in Slovakia's integration into Western institutions.
   FY 2000 TARGET: Through political and economic reforms, Slovakia moves closer to EU membership.

6. Maintain democratic reform, and continue to coordinate international assistance and refugee programs in Albania.
   FY 2000 TARGET: Continued coordination of donor activities. Constitution ratified.

7. Full implementation of programs in all SEED countries that prepare for graduation by advancing economic and democratic reforms.

8. Secure Nordic/EU involvement in NEI area projects of priority interests.
   FY 2000 TARGET: Three more projects are added (or existing projects expanded).

9. Expanded dialogue and improved cooperation with the EU on countries of concern.
   FY 1999/2000 TARGET: Continue consultations on China rule of law. Work to institutionalize the Transatlantic NGO dialogue on civil society, development and humanitarian assistance.

ASSUMPTIONS:

- Continued support from Congress for OSCE and funding for Dayton implementation.
- Funding at or near projected needs.
- Continued stability and security in the region in general, peaceful evolution of reforms in all the states of the former Yugoslavia and timely return of stability to Albania.
- Increased EU interest in cooperating with the U.S. on human rights issues in selected countries (e.g., China).

INDICATORS:

- Political indicators such as existence of independent judiciary, free and fair elections, political parties, independent media, legislation meeting international standards.
- Maintenance of OSCE's priority mission in promotion of human rights and democratization.
- New cooperative initiatives with the EU on China and other countries of concern.

EUR: FY 2000 REGIONAL PLAN

STRATEGIC GOAL: Humanitarian Assistance (HA) -- Prevent or minimize the human costs of conflict and natural disasters.

REGIONAL GOAL 1: Deal constructively with the remaining humanitarian issues related to the Holocaust, the Second World War and its aftermath by developing a regional consensus on: compensation or assistance for needy Holocaust victims, restitution or compensation for stolen or expropriated property, and the enduring relevance of these events for Americans and the world and for the prevention of future human disasters.

NATIONAL INTEREST: Humanitarian Assistance

STRATEGY:

The United States has engaged in a major effort to open the full historical record related to the Holocaust and the aftermath of the war. We have encouraged research and disclosure of information by other governments and entities, and the exchange of information through international dialogue and meetings. Such information provides a common basis of understanding for further concrete action on restitution and assistance. This has included such matters as U.S. and allied efforts to recover and restore gold and other assets stolen or hidden by Germany during World War II, the role of neutral countries in these events, and the plunder, seizure and expropriation of property by the Nazi's and by successor communist regimes. Our efforts have also been devoted to developing constructive channels for the settlement of claims, and for the restitution of communal and private property in central and eastern Europe.

OBJECTIVE(S):

1. Complete steps for the initial contribution of $4 million by the United States to the Nazi Persecutee Relief Fund and secure the contribution by Claimant states of the value of the remaining gold in the Tripartite Gold Commission (TGC) Pool.
   FY 2000 TARGET: The third and final U.S. contribution ($10 million) is made.

2. Foster restitution of communal religious property in central and eastern Europe and the Newly Independent States.
   FY 1999/2000 TARGET: Legislation is on the books in all central and eastern European countries permitting the restitution of communal property.

3. Encourage the establishment of equitable and non-discriminatory procedures for the restitution of private property in central and eastern Europe and the Newly Independent States.
   FY 2000 TARGET: Adoption of initial legislation by leading transitional states, opening of debate in others.

ASSUMPTIONS:

- Continued domestic and international interest in coming to terms with this tragic period in European history.
- This will remain a sensitive issue for the countries involved requiring constant attention and bureau resources.

INDICATORS:

- Countries with claims against the Tripartite Gold Commission Pool (TGC) have deposited or pledged the value of their share of the gold distributed by the TGC upon its closure.
- Procedures are in place for use of the U.S. contribution to the NPRF.
- Further restitution of communal and private property has been effected by countries in central and eastern Europe and the Newly Independent States.
- Progress achieved in dealing constructively with specific restitution issues and claims concerning dormant accounts, insurance art and other assets.
- Establishment of Holocaust-related commissions in additional countries, including the United States, and completion of reports by the end of the century.

EUR: FY 2000 REGIONAL PLAN

REGIONAL GOAL 2: Contribute to the economic and political reconstruction of war torn areas of Central Europe. Coordinate all humanitarian assistance to states of the former Yugoslavia. Engage the European Union to better coordinate our policies and mobilize resources to meet humanitarian emergencies in war-torn societies.

NATIONAL INTEREST: Humanitarian Assistance

STRATEGY:

Utilize the funds provided under the Support of Eastern European Democracy Act (SEED) to provide assistance -- mostly technical, in some cases commodity -- to help the countries of Central and Eastern Europe develop the political, legal, judicial, financial and commercial underpinnings of a civil society and western oriented economic and trading system, including, where appropriate, assistance in rebuilding infrastructure, housing stock and other social capital. Use other disaster relief funds to implement refugee resettlement programs as well as to provide emergency food, shelter and medical care. Facilitate closer cooperation between AID and the European Commission through the New Transatlantic Agenda. Work together with EU partners to coordinate assistance efforts and bring shared concerns to the attention of relevant UN bodies dealing with responses to such crises.

OBJECTIVE(S):

1. Provisions of emergency food, clothing, and shelter to vulnerable refugee and returnee populations in several areas of the former Yugoslavia and Albania.

2. Continue dialogue and deepen engagement with government of Albania regarding humanitarian assistance, including cooperation and coordination with international NGOs on refugee assistance.

3. Work to end the violence and promote regional stability and political reconciliation in Central Africa.

4. Develop more effective US-EU coordination in providing humanitarian assistance for disasters worldwide.

ASSUMPTIONS:

- Continued stability and security in the region in general, peaceful evolution of reforms in the states of the former Yugoslavia (except Serbia) and preservation of stability in Albania.
- Strengthened coordination with key EU member States on humanitarian assistance challenges, particularly in Central and West Africa.

EUR: FY 2000 REGIONAL PLAN

STRATEGIC GOAL: Environment (EN) -- Secure a sustainable global environment in order to protect the U.S. and its citizens from environmental degradation.

REGIONAL GOAL: Develop broader cooperation, and joint positions where possible, with Europe on key environmental issues and global environmental negotiations, including issues related to trade and environment.

NATIONAL INTEREST: Global Issues

STRATEGY:

We must build on U.S.-European cooperation to address environmental problems, particularly environmental issues in Central and Eastern Europe, the NIS, and Africa. Strengthening the U.S.-EU dialogue on environmental issues through the U.S. EU Summits, high-level environmental bilaterals, and dialogue with the EU Presidency and Troika is particularly important. We must focus EU attention on issues of reforming UN environmental agencies, climate change, sustainable forestry management, and water cooperation mechanisms for Central and Eastern Europe. The establishment of regional environmental hubs in key locations in a region, with a focus on issues related to the Baltics, Black and Caspian Seas, and Central and Eastern Europe, will help us achieve our regional goals. We should avoid potential conflicts related to trade and the environment, e.g. whaling, by continuing U.S.-EU and other bilateral dialogues. Finally, we must use existing regional initiatives addressing environmental issues as vehicles for advancing the U.S. environmental agenda.

OBJECTIVES:

1. Resolve differences with the EU over emissions trading and participation by developing countries in the climate change agreement negotiated in Kyoto in December 1997.
   FY 2000 TARGET: Continue work to resolve outstanding issues on the Kyoto Protocol.

2. Focus European efforts to ensure the sustainable management of the world's forests. Convince the EU -- particularly Germany -- that a forest convention is not the best vehicle to promote sustainable forest management

3. Work with the EU and Central and Eastern European countries to ensure the safe production and movement of toxic chemicals and pesticides, including persistent organic pollutants.

4. Use international science and technology initiatives to promote U.S. economic and trade objectives.

5. Ensure the sustainable use of the world's fisheries and protect the marine environment from degradation caused by man-made activities, with special attention to driftnet fishing (Italy) and whaling (Norway, Iceland

6. Promote the conservation and sustainable use of biodiversity, including forests, wetlands, coral reefs and other ecosystems.

7. Avoid potential trade conflicts by continuing U.S.-EU dialogue on eco-labelling.

8. Support the adoption of international environmental performance standards, particularly International Standards Organization (ISO) 14000 in Central and Eastern European countries, as a means to promote industry use of environmentally friendly technologies. FY 1998. (State/EUR, OES)
   FY 2000 TARGET: Continue work with individual countries within the region to bring each on board as quickly as possible.

9. Cooperate with the EU, Nordics and others on issues of nuclear waste and safety management particularly in NW Russia.
   FY 2000 TARGET: First prototype produced; regime for cooperation in place.

10. Work with European media and environmental NGOs to enhance understanding of U.S. positions and encourage public support.

ASSUMPTIONS:

- Continued cooperation on environmental issue with the EU through the NTA framework.
- EU willingness to engage the U.S. in discussing trade and environment.
- Funds are available to sustain new Regional Environmental Center (RECs).
- Budapest Regional Environmental Center will obtain adequate core funding.
- Whaling continues to be a difficult issue with Norway and Iceland.
- Driftnet fishing continues to be difficult issue with Italy.
- Other environmental issues will increase.

INDICATORS:

- Resolution of the EU emissions trading issue and role for developing countries in the Kyoto agreement.
- Successful implementation of U.S. and EU commitments to phase out or to reduce emissions of persistent organic substances (POPs).
- Development of a coordinated U.S.-EU strategy to phase out or reduce emissions of persistent organic substances (POPs) in Central and Eastern Europe
- Consensus for joint action to combat desertification in Africa.

- Development of U.S.-EU-Nordic regional environmental strategies related to the Baltics and interagency cooperation and participation on environmental security issues in the Baltics.
- Development of U.S.-EU-Nordic strategies related to nuclear waste and safety in NW Russia.
- Develop new projects under the U.S.-EU S&T agreement on environmental issues.

EUR: FY 2000 REGIONAL PLAN

STRATEGIC GOAL: Population (PO) -- Stabilize world population growth.

REGIONAL GOAL: Obtain European cooperation to stabilize world population growth by 2020.

NATIONAL INTEREST: Global Issues

STRATEGY:

Enhance U.S.-EU efforts to stabilize international population growth rates consistent with the goals and objectives of the 1994 Cairo International Conference on Population and Development Program of Action (ICPD). Work to sustain EU support for international family planning programs and expanded EU efforts to provide reproductive health services, in the context of a comprehensive approach and enlarges U.S.-EU cooperative efforts through the NTA framework in the area of population assistance. Enhance the effectiveness of our respective multilateral contributions (e.g. UNFPA and WHO) to population stabilization efforts. With lesser developed countries in the region (e.g., Turkey, Albania), work to encourage a more comprehensive reproductive health approach in the design of policies and programs that harmonize national population growth rates and distribution with national economic and social development strategies.

OBJECTIVES:

1. Use the NTA framework to encourage senior-level EU focus on the U.S.-EU population agenda and their commitment.

2. Obtain European cooperation to achieve the goals of the 1994 (ICPD) Program of Action and to improve access to quality reproductive health care in Eastern Europe. In select countries in Eastern Europe, provide technical and financial assistance to increase the availability and use of modern contraceptives and increase the awareness of the population and the training of health care providers regarding modern methods of family planning, safe motherhood and infant care practices, and the prevention and treatment of sexually transmitted diseases.

3. Cooperate with EU in the Mediterranean and Caribbean Regions on population issues by combining USAID project development with EU funds for population projects in the two regions.

4. Intensify discussions, via the NTA, to identify countries for U.S.-EU collaborative programs.

ASSUMPTIONS:

- Success in bridging the wide divergence of opinion and continuing sensitivity on population issues among EU member states.
- Progress in convincing the EU to focus their substantial resources on regional population-related programs rather than bilateral country specific collaborations.
- Existing international and regional support for the ICPD Program of Action is maintained.
- Participation of NGOs and civil society supported by national governments.

INDICATORS:

- Increased U.S.-EU cooperative population efforts at the country and/or regional level.
- More effective and systematic coordination of U.S. and EU positions related to multilateral population efforts.
- Improved national population strategic planning and resource allocation.
- Enhanced capacity for public, private, NGO and community-based organizations to design, implement, and evaluate sustainable population programs.

EUR: FY 2000 REGIONAL PLAN

STRATEGIC GOAL: Health (HE) -- Protect human health and reduce the spread of infectious diseases.

REGIONAL GOAL: Reaffirm the U.S. commitment to provide human and financial support to the development and implementation of an effective global early warning system and response network for communicable diseases.

NATIONAL INTEREST: Global Issues

STRATEGY:

Under the auspices of the NTA and in collaboration with the WHO, we must enhance U.S. and EU capabilities to monitor and to respond to outbreaks of infectious diseases and utilize that capability to implement an effective global early warning and response system. Support similar efforts in the context of the Summit of Eight.

OBJECTIVES:

1. Expand a prototype infectious disease monitor network using the European SALMET (EU network on international occurrence of food borne disease) to include other infectious diseases.
   FY 2000 TARGET: Consider the future expansion of the network.

2. Increase current cooperation with the EU through additional research workshops on infectious diseases, clinical trials, harmonization of case definitions, and cooperative efforts to combat antibiotic resistance.

3. Increase exchanges of personnel for epidemiological training in disease surveillance at the U.S. Center for Disease Control.

4. Expand the Task Force efforts to include the countries of Eastern Europe and Russia.

5. Promote the cooperation and support of developing countries outside the NTA framework to voluntarily report. and enhance their capacity to recognize disease situations.

6. Enhance third world nations' capacity to monitor and control infectious diseases.

ASSUMPTIONS:

- Continued cooperation with the EU through the NTA framework.
- Ability of U.S. and EU to provide human and financial support to the effort.
- Encouraging human and financial support of third party countries.

INDICATORS:

- Expansion of U.S.-EU network to indicate other infectious diseases such as E-coli and antibiotic resistant strains of TB.
- Increase in number of countries cooperating in efforts to monitor, report and combat infectious diseases.
- Inclusion of Russia and Central European countries in planning and development of network.
- Holding of workshops and carrying out of personnel exchanges directed to combating threat of communicable diseases.

Public Diplomacy
Educational And Cultural Exchanges

National Interests:

All international exchange programs organized and administered by the Public Diplomacy arm of the Department of State directly support U.S. national interests by creating a foundation of mutual understanding between current and future foreign leaders and their U.S. counterparts and by promoting linkages between U.S. and foreign institutions and citizens. Professional and academic exchange programs develop and maintain informed, cooperative, and productive relations between the U.S. and other countries by fostering constructive dialogue on individual strategic goals. As a complement to the policy advocacy of information programs, exchange programs build a community of shared interests and values that support traditional U.S. diplomacy.

Strategic Goals and Supporting Programs for FY 2000:

The principal aim of our longer term academic exchange programs (e.g., Fulbright Scholars and English Teaching) is to build mutual understanding and common values in order to provide a basis upon which positive bilateral and multilateral relations can be built. Therefore, these programs are not targeted at any particular short-term foreign policy objectives.

However, our shorter term professional exchange and institutional linkage programs are geared towards both broad and narrow foreign policy goals. In FY-2000, we plan to utilize program tools such as the International Visitor Program and the Citizen Exchange grants program to: 1) develop a "Euro-Atlantic Partnership for the 21st Century" that promotes democracy, prosperity and security within the region and works effectively to promote these goals beyond Europe; 2) establish a durable peace and reduce ethnic/religious tensions in the Balkans, Cyprus and Northern Ireland; 3) secure European support for further multilateral trade and investment flows; 4) assist the former bloc countries in their political and economic transition, positioning them for EU membership; 5) enhance cooperation with our European partners to bolster counter-terrorism measures, improve international cooperation on crime and drug trafficking, and develop broader cooperation on key environmental issues such as global warming; 6) work with our European partners to resolve the humanitarian issues related to the Holocaust, the Second World War and its aftermath.

Performance Evaluation:

International Visitor Programs and NATO tours organized by USIS Prague brought timely information to key Czech opinion leaders in the run-up to the April 1998 accession vote in the Czech parliament. One participant, a security issues advisor to the opposition party, organized a NATO conference for regional party leaders who, as a result, dropped demands for a NATO accession referendum.

USIA grants supported the development of the Mediation Network Northern Ireland (MNNI). The organization was instrumental in negotiating a compromise marching route in August 1998 for the Protestant "Apprentice Boys" with Catholic citizens groups in Londonderry. The settlement worked out through MNNI avoided the violence usually associated with this annual march and contributed to advancing the peace process.

Through its Fulbright-sponsored "Seeds of Peace" program, young people in the Greek and Turkish Cypriot communities have met and established lasting ties with one another. In light of the cutoff of travel across the "Green Line," USIS uses its web site to continue bi-communal contacts.

Civic education projects in the Balkans continued to contribute to democratization and helped create a climate to facilitate Dayton implementation.

USIA has made progress in changing European attitudes on the marketing of genetically modified organisms (GMOs). One USIA International Visitor (IV) from Spain changed her mind and her political position after her program, casting the deciding vote in the Spanish parliament to permit entry of GMO products, including Monsanto wheat, Novartis Roundup Ready soybeans, and BT corn.

A former IV grantee is Director General of the Enlargement Task Force of the European Commission, which coordinate negotiations to admit Estonia, Poland, Hungary, the Czech Republic, Slovenia and Cyprus to the European Union.

After visiting Boeing headquarters in Seattle on his IV program, an EC official arranged EU consultations for several top Boeing managers. Boeing has recognized the IV program for moving the company's agenda with the EU forward.

Public diplomacy efforts are aimed at increasing confidence that market economies bring general prosperity, as well as giving key individuals the practical knowledge to revise tax laws, establish regulatory mechanisms, set up a business, and actually perform in a free market situation. A Hungarian participant in a regional IV project on small business initiated cooperation between Nations Bank of Atlanta in the field of micro loans in village tourism in Hungary. Czech, Slovak, and Croatian participants in the same program agreed to establish a training center for people in small business.

As demonstration that exchange programs do change perceptions of the United States, a Portuguese journalist returned from his program to write a feature article entitled "The Admirable Mormon World" shedding much needed light on a religion that is largely viewed as a "cult" in Roman Catholic Europe.

USIA's Fulbright program continues to thrive and attract private funding support in most WEU countries. Spain provides a model for this public-private partnership. In June, the Spanish Fulbright Commission received co-funding from the Ministry of Health and nine pharmaceutical companies of $270,000 for academic year 1999-2000 and $500,000 each

year thereafter for post-graduate grants in health sciences. In March, a Spanish bank signed an agreement to fund two Fulbright grants for the 1999-2000 academic year worth $95,000. Earlier in the year, Spain's Ministry of Development signed an agreement with USIS making a $2 million commitment to a Fulbright program combining academic study with professional work experience. The Spanish Government has singled out the Fulbright Program for effectiveness and excellence and has cited the agreement as a model for cooperation under the New Transatlantic Agenda umbrella. The public-private partnership dates back to 1995 and has resulted in more than 20 Fulbright scholarship grants being privately funded.

USIA programs on U.S. society and values addressed lingering suspicions that are the legacy of decades of isolation and Cold War propaganda. In Hungary, nearly a third of the country's 450 Fulbright alumni gathered to discuss their U.S. experiences. Asked about their impressions, many mentioned the American work ethic, which they characterized as cooperative and efficient. The vice rector of a major university noted that after returning from Iowa State he helped produce a textbook series that addressed, inter alia, the business of running family farms, adopted by agricultural schools throughout Hungary.

Recent elections in Norway brought to power a former International Visitor (IV) grantee, who included three other exchange visitor alumni in his cabinet. In Denmark's new cabinet, the Prime Minister, along with the Ministers of Defense, Foreign Affairs, Finance and Justice and eight others have all taken part in the IV program. In 1998, forty-five percent of Cyprus' government had participated in the IV program.

Key Indicators for FY 2000 Performance:

- New bilateral or multi-lateral institutional linkages are formed, or existing linkages are strengthened.
- Former grantees advance to positions of greater influence and undertake actions or voice understanding or support for US positions.
- Editorials or broadcast commentary on disputed positions are balanced, accurate and/or favor U.S. positions.
- Public opinion polling indicates greater understanding and support for US positions.
- Increased number of individuals trained in market economics, business, and civics (Central Europe, South Central Europe and the Baltics).
- Regional ethnic conflicts are diminished (Balkans, Cyprus, Northern Ireland).

Educational and Cultural Exchange Programs
Bureau of European Affairs

	FY 1998 Actual	FY 1999 Estimate	FY 2000 Request
Albania	$418	$447	$463
Austria	863	916	925
Belgium/Luxembourg	944	992	1,004
Bosnia	635	671	684
Bulgaria	1,114	1,191	1,234
Croatia	734	950	961
Cyprus	1,005	1,041	1,060
Czech Republic	1,589	1,703	1,716
Denmark	719	760	772
Estonia	617	633	636
Finland	809	858	855
France	1,746	1,851	1,886
Germany	10,180	10,833	11,099
Greece	916	981	1,014
Hungary	1,901	2,037	2,059
Iceland	353	373	380
Ireland	1,383	757	762
Italy	2,214	2,348	2,354
Latvia	805	838	840
Lithuania	763	811	815
Macedonia	335	376	382
Malta	6	6	6
Netherlands	761	808	808
Norway	1,003	1,064	1,083
Poland	2,442	2,609	2,682
Portugal	928	983	994
Romania	1,820	1,944	1,990
Serbia	55	58	61
Slovak Republic	718	766	792
Slovenia	422	450	467
Spain	2,346	2,498	2,516
Sweden	618	655	667
Switzerland	53	54	54
Turkey	2,450	2,659	2,705
United Kingdom	2,379	2,651	2,696
Regional Programs	1,054	1,266	1,194
Total Exchanges	47,099	49,838	50,616

Public Diplomacy
International Information Programs

National Interests:

In the global information age, substantial changes have occurred in the way that governments conduct their business, enact policies, and take decisions. The range of actors -- NGOs, think-tanks, media, issue groups -- engaged in the development and formulation of policy has broadened considerably. Especially in the robust, developed democratic nations of western Europe, the process of making policy is more open, consultative, and responsive to public opinion. To an increasing extent, even less democratic governments tend to operate with an eye to domestic and international public reaction to their decisions. To successfully pursue the USG's foreign policy interests we have moved beyond traditional government-to-government diplomacy to engage influential individuals and organizations outside of government whose opinions and actions in turn affect policy formulation and shape public opinion in their own countries. Our international information programs are the tools that we use to publicly advocate our policies abroad.

Strategic Goals and Supporting Programs for FY 2000:

All of our international information programs -- such as the Speakers Program, our Information Resource Centers, our print and electronic publications, TV and video/audio conferencing facilities, opinion polling, our web sites -- and our most valuable asset, our public diplomacy officers -- are dedicated to advocating U.S. foreign policy positions and explaining U.S. society and values to foreign publics.

In Europe, these public diplomacy tools will be utilized to address many of the strategic goals. Specifically, developing a "Euro-Atlantic Partnership for the 21st Century" that promotes democracy, prosperity and security within the region and works effectively to promote these goals beyond Europe. Our activities will aim to establish a durable peace and reduce ethnic/religious tensions in the Balkans, Cyprus and Northern Ireland, and to secure European support for further multilateral trade and investment flows. Public diplomacy will strive to assist the former bloc countries in their political and economic transition, positioning them for EU membership. Information programs will enhance cooperation with our European partners to bolster counter-terrorism measures, improve international cooperation on crime and drug trafficking, and develop broader cooperation on key environmental issues such as global warming, and to resolve humanitarian issues related to the Holocaust, the Second World War and its aftermath, in concert with our European partners.

Performance Evaluation :

USIA's NATO tour program brought 38 groups of opinion leaders from Russia and the NIS, central and western Europe to NATO headquarters and other locations for U.S. and allied perspectives on security issues. NATO Tours for German security specialists and journalists demonstrated the strategic importance of Turkey and changed opinions about eventual EU membership for that country.

Successful accession of the three new members is expected by the 1999 NATO summit, and enlargement was a key public diplomacy issue throughout 1998. Posts insured timely distribution of texts and backgrounders to key audiences throughout the process. In Budapest, USIS (supported by Washington broadcast elements) assisted Hungarian TV's premier of a prime time news magazine, "World Picture" with Washington policy maker interviews. Over 1.5 million saw the program, which also featured interviews with the NATO Secretary General and a Russian foreign policy specialist. In Poland, a video conference with the State Department's Jeremy Rosner was perfectly timed: a Polish defense journal had just published a story claiming NATO candidates were militarily unprepared, and Rosner was able to respond, at the same time acknowledging Poles would have to work toward force inter-operability. USIS posts in all three Baltic capitals organized a joint TV cooperative, with television crews (assisted by Worldnet TV) filming documentaries on the U.S. military, including budget issues. While it is obviously impossible to connect poll results directly to such efforts, it is noteworthy that a June 1998 poll in Hungary showed, despite emphasis on domestic concerns, three quarters of respondents supported NATO membership, up from two thirds the previous year, and support for taking on NATO responsibilities also had increased.

In the Balkans, USIS public diplomacy supported U.S. security goals related to Dayton implementation and preserving stability in Bosnia. In Kosovo, the USIS Center recently established in Pristina became the focus for the USG presence in the province, and USIS provided public affairs support for U.S. diplomatic and humanitarian efforts, as well as for the Kosovo Diplomatic Observer Mission, a multinational effort to monitor the situation in the province.

Western European posts played an important role in explaining U.S. policy in the standoff with Iraq over its refusal to permit UN weapons inspections. Our posts placed articles and op-eds authored by the Secretaries of State and Defense and the National Security Advisor in major European newspapers. The Administration's white paper on Iraq's weapons programs was distributed to government leaders, journalists and regional affairs specialists. USIS London played a special role in reaching out to publics in the Middle East through its work with Arab media based in the United Kingdom.

Most posts underscored U.S. concerns about enforcement of the provisions of the Libertad and Iran-Libya Sanctions Acts with media, government, academic and business audiences. Posts coordinated media relations during visits by Commerce Under Secretary Eizenstat and other officials, resulting in factual presentation of U.S. views

towards Cuba in newspapers, radio and TV across Europe. When the agreement of confiscated property "disciplines" was reached in May, the text was immediately posted on the USEU Brussels website and distributed throughout Europe via the Washington File.

Open access to information is a key goal in the former bloc countries, where less than a decade ago totalitarian regimes controlled virtually all information sources. In a number of countries, Information Resource Centers (IRCs) provided up-to-date documents and information on U.S. policy concerns to important audience members. In Vilnius, the IRC provided parliament officials with the American "Freedom of Information Act" and background materials. The Deputy Chairman of the parliament successfully led efforts to win passage of a bill, "The Right to Get Information from Government and Municipal Institutions," which he acknowledged in newspaper articles was modeled on American legislation. In Bosnia, USIA co-founded the Open Broadcast Network (OBN), which reached 60% of viewers, and organized a televised candidate debates for the election of the Bosnian presidency in 1998.

European posts have been leaders in promoting the a tariff free, private sector-friendly environment for electronic commerce. For example, USIS Milan's work with the local Chamber of Commerce prompted a prominent member to publish a "wake up call" in Italy's leading financial daily exhorting businesses to follow the American model for electronic commerce. USIS Paris' briefings for senior financial journalists with Ira Magaziner resulted in a favorable editorial in "Le Monde" that adopted the U.S. message and pointed out the failures of the French position on electronic commerce. A USIA-provided speaker at the International Telecommunications Society seminar in Stockholm reiterated the U.S. insistence on relying on market forces, rather than government actions, to regulate electronic commerce.

Agricultural trade issues loom large in Germany, where USIS works closely with other U.S. agencies and American business. USIS Bonn worked in July with Agra-Europe, Germany's leading wire service specializing in agricultural policy, providing extensive background information and interviews with the Ambassador and Agricultural Attaché. The result was an extensive article on U.S. positions on GMOs (genetically modified organisms), specific risk materials, and the upcoming agricultural negotiations in the WTO that was picked up by media throughout Germany. Earlier, USIS Bonn sent the Agra-Europe editor to the U.S. on a USIS USEU and Foreign Press Center program on food safety. The editor has repeatedly drawn on this experience in deciding which articles to run, and now views the U.S. as "two to three years ahead" of Europe in agricultural developments.

Public diplomacy efforts in the former bloc countries were aimed at increasing confidence that market economies bring general prosperity, as well as giving key individuals the practical knowledge to revise tax laws, establish regulatory mechanisms, set up a business, and actually perform in a free market situation. Throughout the region, posts insured timely dissemination of information on market economics, as well as statements on U.S. economic policies. Some programs addressed specifics. In

Vilnius, USIS arranged for a representative of the Motion Picture Association to speak on international copyright laws and IPR issues; one of his interlocutors helped establish a specialized unit in the tax police to deal with IPR crimes.

In May, a USIA speaker in Germany gathered a cross section of the country's top experts, individuals that normally do not work together, to advocate joint efforts to fight money laundering. The program created new lines of cooperation within Germany and with the United States. As one State Attorney General told USIS Germany, "if I pursued something like this on my own, I would get into trouble with my minister, but, with USIS participation, we can bring together the necessary people from various government agencies and the state legislature and begin to make a difference."

USIS Turkey sponsored a conference with the University of Kansas and the Turkish Economic and Social Studies Foundation on legal reform. Attracting over 150 lawyers, judges, academics and journalists, the event covered legal reforms on issues ranging from case management to homicide to product liability litigation. USIS posted conference documents on a special web site and arranged for interviews with Kansas law professors and keynote speaker U.S. Circuit Judge Clifford Wallace. After reading an article about the conference in the leading national newspaper, the commander of the Ankara Gendarme asked conference coordinators to assist him with reform of Turkey's gendarme law.

USIS Geneva took action to dispel Cuban claims that rejection of the U.S.-sponsored UN Commission on Human Rights (UNCHR) resolution meant a clean bill of health for the Castro dictatorship. The day after the resolution was defeated, USIS Geneva organized a press event with the U.S. Delegation to point out that the UN's report on Cuba showed that serious abuses of human rights were being committed, and to reiterate that the U.S. would continue to use every means available to press for freedom in Cuba. Coverage in major wire services of these comments was an important counter to Cuban efforts to portray the resolution's defeat as an "endorsement" of Cuba's human rights practices.

Key Indicators for FY 2000 Performance:

- Foreign government/private officials undertake actions, voice understanding or support for US positions or society and values.
- Editorials or broadcast commentary on disputed positions are balanced, accurate and/or favor US positions.
- Public opinion polling indicates greater understanding and support for US positions.
- Regional ethnic conflicts are diminished (Balkans, Cyprus, Northern Ireland).
- Independent media, civic action/education groups, and other essential democracy-building entities are strengthened (former bloc countries).
- US exports to Europe are less encumbered by EU trade barriers; former eastern bloc countries make progress in adopting market economies.

Albania

($ in thousands)

National Interests: U.S. relations with Albania focus on promoting U.S. national security interests connected with stabilizing Southeastern Europe, developing democracy, protecting American citizens, defending the U.S. from international crime, providing humanitarian relief, addressing global environmental, population and health challenges, and promoting economic prosperity. Albania's pivotal role in the crisis in neighboring Kosovo places a high premium on the continued engagement and support of the U.S. In collaboration with European partners, through the EU, NATO and the OSCE, the U.S. will continue to reinforce and strengthen a process aimed at stabilizing Albania and eventually bringing it into the Euro-Atlantic mainstream.

Strategic Goals and Supporting Programs for FY 2000:

Regional Stability: The U.S. wants to ensure that Albania contributes to international efforts to reduce tensions in Southeastern Europe by addressing both internal political polarization and regional crises. FMF and IMET support and self-defense training are consistent with the U.S. and NATO goal of restructuring the Albanian military and assisting it to patrol its border and sea lanes. FMF also supports the transfer of military equipment with an emphasis on building the capabilities of the Albanian forces. Albania will be eligible in FY 2000 to receive grant Excess Defense Articles (EDA) under Section 516 of the Foreign Assistance Act. Transfer of EDA will assist Albania in meeting defense requirements and furthering NATO interoperability. $2,180

Weapons of Mass Destruction: With funds from the Nonproliferation, Anti-Terrorism, Demining (NADR) account the U.S. will continue to assist in the development of an effective Export Control system and enforcement capability. $73

Economic Development: The U.S. seeks to promote economic growth and free market institutions in Albania to improve the standard of living, improve stability in the region, and expand potential markets for U.S. exports. SEED supports expansion of the private sector with programs that assist: banking reform, development of a capital market, establishment of a micro-credit program, and support for Albanian-American Enterprise Fund. $13,054

International Crime: The recent expansion and increasing sophistication of transnational crime as well as sharp increases in local criminal activity represent a growing threat to the property and well-being of American citizens in Albania. Criminal groups are the major source of Albania's ever-rising rates of armed robbery, theft/destruction of property, and general street crime. Corruption is pervasive and international organized crime continues unabated. SEED money supports counter-narcotics and anti-organized crime training. The US will seek to help GOA law enforcement, domestic and international through the use of ICITAP and CEELI to train

Albanian police, prosecutors, and judges. The US will also seek to coordinate with European efforts. $1,017

Democracy: The U.S. will support development of human rights and Albania's domestic political institutions. Using SEED funds The US will work to solidify the base provided by a new constitution and growth of a viable NGO sector and coordinate with Friends of Albania, other international fora, and NGOs. $6,600

Humanitarian Assistance: The U.S. will continue to assist in demining efforts funded under the NADR appropriation. $1,000

Environment: Sustained development in Albania will contribute to reduced degradation of the global environment and reinforce USG efforts to encourage sustainable free market development to promote needed economic growth. The US will work with the GOA to design a development program that will reverse decades of environmental degradation. The focus will also be on improving agricultural and forestry practices. Using SEED funds The US will broaden several forestry development programs, undertake a sustainable watershed management program and develop a pest management initiative. $3,936

Population: The U.S. goal is to improve public and private sector reproductive health services. The SEED contribution provides clinical training and equipment, development and dissemination of publicity materials and mass media messages to promote family planning and strengthening of logistics systems, including information management systems, for contraceptives and other commodities. $543

Performance Evaluation

The Embassy shut down its public operations in August 1998 as a result of a credible terrorist threat. This shutdown persists into 1999 and affects the degree to which programs are effectively deployed.

- An inclusive drafting process for the constitution: U.S. efforts contributed to what advancement has occurred in the domestic political environment. The U.S. assisted in the drafting of, and referendum on, the new Constitution which was approved in November, 1998. The US worked in vain twice to stop the Parliamentary boycott by the leading opposition party. The U.S. helped in the formulation of legislation granting a measure of autonomy and independence to local government.

- Flourishing of private business activity: Creation of a friendly and accessible business climate in Albania. Persistent crime and corruption make that an uphill task, but there is some progress.

- Increased interoperability with NATO: Albania substantially expanded its contact and interaction with NATO and continues to build a cooperative defense relationship

with the U.S. A unique NATO cell office operates in an advisory capacity inside the defense ministry. Albania hosted several PfP exercises and, at NATO's prodding, drew up a national security strategy. IMET continues to foster Albania's positive interaction with the U.S. military through professional military education and expanded IMET training. Albania's FMF has provided patrol boats, communications equipment, clothing and uniforms, vehicle spare parts, and protective gear for explosive ordnance disposal.

- Efforts against narcotics and organized crime: Widespread crime continues to be a principal hindrance to Albania's political and economic development. Trafficking in a wide variety of illicit goods, including weapons, cigarettes, illegal narcotics, and women remain at record Continental levels. Initial U.S. efforts to train Albanian police have borne limited yet promising fruit.

Key Indicators for FY 2000 Performance

- Further consolidation of U.S. coordination and cooperation with other interested countries through the Friends of Albania process.
- A streamlined and right-sized military appropriate for Albania's military requirements.
- Greater stability and professionalism within the Albanian armed forces resulting in an increased in participation in PfP activities, and an enhanced ability to contribute to its won self-defense.
- Establishment of a sustainable depolarization in the political environment, including a realistic and practical domestic political dialogue.
- Reinforced efforts to play a constructive regional role, including a positive contribution to resolution of the Kosovo conflict.
- Continued efforts aimed at improving public order and security as a precursor to successful political and economic developments.

ALBANIA
FUNCTION 150 RESOURCES
($ in thousands)

Appropriations Accounts by Strategic Goal	Actual FY 1998	Estimate FY 1999	Request FY 2000
Regional Stability	**1,880**	**2,180**	**2,180**
FMF-G	1,700	2,000	2,000
IMET	180	180	180
Weapons of Mass Destruction	**7**	**28**	**73**
NADR-Export Control	7	28	73
Economic Development	**14,320**	**16,030**	**13,054**
SEED	14,320	16,030	13,054
International Crime	**1,000**	**500**	**1,017**
SEED	1,000	500	1,017
Democracy	**7,263**	**11,020**	**6,600**
IMET	433	420	420
SEED	6,830	10,600	6,180
Humanitarian Assistance	**607**	**500**	**1,000**
NADR-Demining	-	500	1,000
Title II	607	-	-
Environment	**4,350**	**2,000**	**3,936**
SEED	4,350	2,000	3,936
Population	**600**	**500**	**543**
SEED	600	500	543
Diplomatic Activities	**300**	**370**	**270**
SEED	300	370	270
Total	***30,327***	***33,128***	***28,673***

Appropriations Accounts	Actual FY 1998	Estimate FY 1999	Request FY 2000
FMF	1,700	2,000	2,000
IMET	613	600	600
NADR	7	528	1,073
SEED	27,400	30,000	25,000
Title II	607	-	-
Total	***30,327***	***33,128***	***28,673***
Other Accounts			
D&CP	1,975	2,099	2,513
ECE	418	447	463
IIP	278	312	-
Total	***2,671***	***2,858***	***2,976***
ALBANIA			
FUNCTION 150 RESOURCES GRAND TOTAL	***32,998***	***35,986***	***31,649***

Bosnia and Herzegovina

($ in thousands)

National Interests: The war in Bosnia threatened both European stability and NATO cohesion. The US led the negotiations for The Dayton Accords in 1995 that successfully ended this conflict. The U.S. plays the lead role in the peace process, the first real test for post-Cold War European security. The establishment of a durable peace in Bosnia will remove a major threat to European and U.S. security.

Strategic Goals and Supporting Programs for FY 2000:

Regional Stability: Stability in Bosnia and the Balkans is important to the U.S. goal of a stable Europe. International Military Education and Training (IMET) training will contribute to regional stability, eventually allowing the withdrawal of U.S. forces serving as part of the NATO-led Stabilization Force (SFOR). Bosnia will be eligible in FY 2000 to receive grant Excess Defense Articles (EDA) under Section 516 of the Foreign Assistance Act. $50,650

Economic Development: The Support for Eastern European Democracy (SEED) program in Bosnia is contributing to the reconstruction of the economy through the use of monetary and technical assistance, rebuilding damaged infrastructure and putting in place a legal framework to support a growing free-market economy, including privatization, bank, and legal reform. Progress on these reforms is vital to enable Bosnia to attract foreign investment and thereby sustain growth as international aid programs begin to phase down. $24,695

International Crime: The war devastated and divided Bosnian police. The SEED program supports the International Police Task Force's drive to restructure and professionalize Bosnia's police, assist in training to combat organized crime, civil disturbances, and drug smuggling, and to develop an anti-terrorism force. $15,000

Democracy: The SEED program will facilitate the enhancement of democratic institutions and practices as well as the prevention of renewed inter-ethnic conflict and will help to ensure respect for the human rights of all Bosnian citizens. The program will lead to expanded economic opportunities for all ethnic groups, reducing tensions and increasing the viability of dispute resolution at the ballot box. $21,056

Humanitarian Assistance: The reintegration of Bosnia's pre-war population is essential to the development of a stable peace. While progress has been made, continued efforts are required to encourage refugees and displaced persons to return home, reducing the threat of further conflict. $111,216

Performance Evaluation

- Continuation of a secure environment to carry on with the Dayton Accords. During FY98 SFOR maintained a secure environment that allowed the international community to carry out tasks mandated under Dayton, e.g., national elections conducted in September 1998, progress on the phased and orderly return of refugees, and the establishment of several Dayton-mandated commissions on human rights and refugees.

- Continued reconstruction of Bosnia. 80,000 refugees returned home. Open Broadcast Network established political non-partisanship. Political programs yielded gains for moderate opposition parties. Privatization laws were passed which formed a Securities Board, laws on share registries, securities, privatization investment funds and commercial enterprises. Customs were modernized and Federal Criminal Codes were revised.

- Military balance after SFOR departure. Major weapons and equipment were delivered and 800 officers and 400 noncommissioned officers completed training courses. Joint, Training, and Logistics commands moved toward integration while the armed forces were put under civilian control.

- Development of independent political parties and media. Independent, non-nationalist parties made gains in elections.

- Development of free market policies to support the private sector. Development of the legal structures for a free market economy proceeded, but require much more work.

Key Indicators for FY 2000 Performance:

- Ensure the absence of conflict through continued adherence to the agreed military balances established at Dayton as well as inter-entity military cooperation;
- Create the legal framework for a growing, self-sustaining market economy through fostering inter-entity trade and continuing privatization efforts;
- Ensure adequate measures are taken to stop the influence of international crime in the region;
- Ensure that results of 1998 national elections are implemented;
- Developed a permanent election law that is equitable and simple;
- Create conditions conducive to minority refugee returns, including improvement in the security atmosphere, legally-enforced property legislation, and economic growth to sustain employment.

BOSNIA AND HERZEGOVINA
FUNCTION 150 RESOURCES
($ in thousands)

Appropriations Accounts by Strategic Goal	Actual FY 1998	Estimate FY 1999	Request FY 2000
Regional Stability	**66,091**	**54,600**	**50,625**
CIPA	60,491	45,000	50,000
FMF-G	-	4,000	-
IMET	600	600	625
INC	5,000	5,000	-
Economic Development	**31,495**	**27,700**	**24,695**
SEED	31,495	27,700	24,695
International Crime	**15,000**	**-**	**15,000**
SEED	15,000	-	15,000
Democracy	**18,880**	**18,700**	**21,056**
SEED	18,880	18,700	21,056
Humanitarian Assistance	**162,453**	**148,900**	**111,216**
NADR-Demining	300	2,300	900
SEED	147,405	146,600	110,316
Title II	14,748	-	-
Population	**420**	**-**	**-**
SEED	420	-	-
Diplomatic Activities	**1,800**	**2,000**	**3,933**
SEED	1,800	2,000	3,933
Total	***296,139***	***251,900***	***226,525***

Appropriations Accounts	Actual FY 1998	Estimate FY 1999	Request FY 2000
CIPA	60,491	45,000	50,000
FMF	-	4,000	-
IMET	600	600	625
INC	5,000	5,000	-
NADR	300	2,300	900
SEED	215,000	195,000	175,000
Title II	14,748	-	-
Total	***296,139***	***251,900***	***226,525***
Other Accounts			
D&CP	8,918	9,468	9,855
ECE	635	671	684
Total	***9,553***	***10,139***	***10,539***
BOSNIA AND HERZEGOVINA FUNCTION 150 RESOURCES GRAND TOTAL	***305,692***	***262,039***	***237,064***

Bulgaria

($ in thousands)

National Interests: Facilitating Bulgaria's inclusion in a broad, inclusive European security structure will contribute to stability in Southeast Europe and reduce threats to the security and well-being of the U.S. and its allies. Regional stability is further enhanced by building a self-sustaining market economy in Bulgaria and assisting in the consolidation of democratic reforms. In addition, a prosperous Bulgaria is better able to purchase U.S. goods and services. Supporting Bulgaria's efforts to combat organized crime reduces the threat these organizations pose to the property and well being of American citizens. Finally, U.S. assistance programs address the environmental threats and damage that are the legacy of Communist-era policies and practices.

Strategic Goals and Supporting Programs for FY 2000:

Regional Stability: Foreign Military Financing (FMF) and International Military Education and Training (IMET) funds support Bulgaria's reform programs, particularly defense reform, which are designed to consolidate Bulgaria's democracy and transition to a market-oriented economy. This furthers broader US strategic goal of integrating Bulgaria into Trans-Atlantic institutions in order to enhance regional stability and, by extension, U.S. national security. Bulgaria will continue to be eligible in FY 2000 to receive grant Excess Defense Articles (EDA) under Section 516 of the Foreign Assistance Act and where appropriate the transfer of EDA will assist Bulgaria in meeting defense requirements and furthering NATO interoperability. $6,530

Weapons of Mass Destruction: With funds from the Nonproliferation, Anti-Terrorism, Demining (NADR) account the U.S. will continue to assist in the development of an effective Export Control system and enforcement capability. $535

Expand U.S. Exports: By supporting the development of a market economy, the Support for East European Democracy (SEED) program increases the level of comfort for Bulgarians dealing with American companies and, indirectly, makes Bulgarian needs known to American suppliers. This will position American companies to take advantage of current and anticipated export opportunities.

Economic Development Broad-based growth is the precondition for long-term Bulgarian social and political stability that contributes to U.S. national security by fostering regional stability. SEED and Peace Corps programs support this goal by strengthening the public and private institutions (e.g. the Central Bank, small and medium size enterprises) critical to a sound and efficient market-oriented economy. $19,181

International Crime: The SEED program helps enhance the effectiveness of Bulgaria's law enforcement services and judiciary by providing advisors, training, and limited equipment assistance. The program focuses on improving Bulgaria's legislative

framework for combating international crime and enhancing its transnational crime-combating capabilities. $409

Democracy: A strong democracy in Bulgaria is a critical pre-condition for achieving stability in the country and the region, and for ensuring the eventual integration of Bulgaria into Euro-Atlantic structures. SEED funds are used to strengthen civil society, improve in the rule of law, increase government responsiveness to its citizens, assure tolerance and respect human rights, and strengthen the legal framework for a free and independent media. IMET funds support civilian control of a democratic military. $7,876

Environment: Through SEED, Peace Corps and IMET, the U.S. encourages environmental clean-up and supports environmental education in such vital areas as lead-free gas, solid waste disposal, "greener" industries, nuclear safety, and environmentally sound military operations/practices. $156

Performance Evaluation:

- More competitive and market-responsive private financial sector. U.S. assistance to Bulgaria's banking system has focused on bank privatization, training commercial bankers, and improved supervision and regulation. All Bulgarian banks have been stabilized since the 1997 economic crisis. In November 1998, Bulgaria's privatization program sold the Bulgarian Post Bank to a consortium led by the U.S.-owned American International Group (AIG). With U.S. help, Bulgaria has also developed an internal bank rating system in order to appraise bank risks more accurately.

- More accountable local government. U.S. assistance played a central role in creating a network of municipal associations, the National Association of Municipalities in the Republic of Bulgaria, which now represents 86% of all municipal governments. U.S. assistance has also funded the non-profit Foundation for Local Government Reform (FLRG), which has been instrumental in training local government to improve services.

- Improvements in intellectual property enforcement. Bulgaria was moved from the USTR's "Priority Watch List" to the "Watch List" because of the significant progress made by the government in reducing the reduction and export of pirated optical media. This included implementing a new CD production facility licensing regime and a crackdown on pirates that resulted in the shut down of illegal CD production facilities and subsequent vigorous enforcement of International Property Rights (IPR) laws.

- Increase U.S. exports to, and investment in, Bulgaria. In calendar year 1998, the U.S. was the largest foreign investor in Bulgaria. U.S. companies invested $47 million in 1998 (January-September), an increase of $25 million from 1997. U.S.

exports to Bulgaria in 1998 (January-October) totaled $102 million compared to $91 million for the same period in 1997.

- Progress on reform of the defense establishment and greater participation in regional security alliances. Bulgaria continues to move in the direction of creating a better-managed, Western-oriented, streamlined, professional military force that is under civilian control. With prior-year training and equipment; airfield landing and navigational aids; ground surveillance night vision devices; global positioning system equipment, and an Air Sovereignty Operations Center.

Key Indicators for FY 2000 Performance:

- Adoption of a national security concept and military doctrine that emphasize Bulgarian contributions to regional stability through cooperative partnership with the nations of Southeast Europe and integration into Western institutions.
- Increased transfer of state-owned assets to the private sector.
- Increased numbers of viable small and medium-sized enterprises.
- Passage and effective implementation of anti-crime, anti-corruption and judicial reform legislation.

BULGARIA
FUNCTION 150 RESOURCES
($ in thousands)

Appropriations Accounts by Strategic Goal	Actual FY 1998	Estimate FY 1999	Request FY 2000
Regional Stability	**4,702**	**6,502**	**6,530**
FMF-G	4,200	6,000	6,000
IMET	502	502	530
Weapons of Mass Destruction	**104**	**225**	**535**
IMET	61	61	80
NADR-Export Control	43	164	455
Economic Development	**22,700**	**15,700**	**19,181**
SEED	22,700	15,700	19,181
International Crime	**-**	**-**	**409**
SEED	-	-	409
Democracy	**10,171**	**12,330**	**7,876**
IMET	330	330	330
SEED	9,841	12,000	7,546
Humanitarian Assistance	**5,685**	**-**	**-**
Title II	5,685	-	-
Environment	**182**	**57**	**156**
IMET	57	57	60
SEED	125	-	96
Diplomatic Activities	**1,014**	**500**	**768**
SEED	1,014	500	768
Total	***44,558***	***35,314***	***35,455***

Appropriations Accounts	Actual FY 1998	Estimate FY 1999	Request FY 2000
FMF	4,200	6,000	6,000
IMET	950	950	1,000
NADR	43	164	455
SEED	33,680	28,200	28,000
Title II	5,685	-	-
Total	***44,558***	***35,314***	***35,455***
Other Accounts			
D&CP	2,728	2,904	3,649
ECE	1,114	1,191	1,234
IIP	618	593	-
Peace Corps	1,536	2,032	2,112
Total	***5,996***	***6,720***	***6,995***
BULGARIA FUNCTION 150 RESOURCES GRAND TOTAL	***50,554***	***42,034***	***42,450***

Republic of Croatia

($ in thousands)

National Interests: Encouraging the transformation of Croatia into a democratic, economically prosperous, non-nationalist, and Western-oriented state firmly embedded in the Euro-Atlantic community is part and parcel of moving toward the long-term stability of the Balkan region. It is in the U.S. interest to have Croatia emerge from a former communist, nationalist state to a democratic, free-market country that fully embraces human and civic rights and can be considered a reliable partner in economic and security relations in Europe. Specific U.S. interests include encouraging broad-based growth, promoting democracy and humanitarian response, combating international crime and enhancing regional security.

Strategic Goals and Supporting Programs for FY 2000:

Regional Stability: The U.S. has a clear interest in encouraging Croatia, as a signatory to the Dayton Accords, to play a responsible role in the region. The IMET program provides incentive for a deepened bilateral security relationship and encourages Croatia to continue seeking closer integration into Western security structures. $300

Economic Development: Support for East European Democracy (SEED) programs which focus on privatization and enterprise, technical assistance to enterprises and urban development encourage the evolution of a market-oriented financial sector and a legal system which supports a free enterprise economy. Development of such a system reduces the economic domination of the government and ruling party. $3,729

International Crime: A modest SEED contribution funds anti-crime initiatives. $ 24

Democracy: SEED programs address the development of an independent media and assist in strengthening NGOs and the rule of law in Croatia. International Military Education and Training (IMET) funds foster appreciation among Croatian military officials for the proper role of the armed forces in a democracy. $1,601

Humanitarian Assistance: Croatia's continued recovery from the recent war, and its efforts to support significant Serb refugee returns are the basis for continued SEED funding of social welfare programs. $1,023

Performance Evaluation:

- Expanded citizen participation in political decision-making and the organization of effective opposition parties: The presidents of six of Croatia's opposition parties increased cooperation with each other following a USIS-sponsored trip to the United States. They have jointly presented electoral and media reform legislation in Parliament. Current polls indicate that the opposition has significantly surpassed the

ruling party in popularity. Unprecedented citizen criticism of the ruling HDZ has surfaced following several scandals involving its party members.

- Reliable and transparent mechanisms to protect human and minority rights: The government introduced a refugee return plan that spelled out plans and procedures for the return of all refugees, regardless of ethnicity. Provisions in the program related to the rights of property owners (Croats, Serbs and others), to recover their homes expeditiously and without undue complication were particularly welcomed. The government also announced a reconstruction program which provides funds to all ethnic groups to rebuild their damaged homes.

- Expansion of independent media and creation of alternative sources of information: Media, both television and print, continued to be heavily controlled by the government. SEED funds supported the fledgling "Forum 21", an independent media group composed of employees of the state-run media. SEED funds were also used to place "professionals-in-residence" in small, regional independent radio stations to demonstrate how an independent radio station should be run. Legislation was introduced in the Croatian parliament on reform of state-run radio and television.

Key Indicators for FY 2000 Performance:

- Passage of electoral reform legislation to ensure free and fair parliamentary elections.
- Establishment of complete freedom for an independent media.
- The continuation and strengthening of efforts to embrace democracy and human rights.
- Substantial cross-border refugee returns, particularly Croatian-Serb returns from the Serb entity (RS) of Bosnia and Herzegovina, and Bosnian-Croat returns to Bosnia and Herzegovina.
- Continued democratization and civilianization of Croatia's armed forces.

CROATIA
FUNCTION 150 RESOURCES
($ in thousands)

Appropriations Accounts by Strategic Goal	Actual FY 1998	Estimate FY 1999	Request FY 2000
Regional Stability	**249**	**213**	**300**
IMET	249	213	300
Economic Development	**14,480**	**3,030**	**3,729**
SEED	14,480	3,030	3,729
International Crime	**-**	**-**	**24**
SEED	-	-	24
Democracy	**5,798**	**6,562**	**1,601**
DA	500	-	-
IMET	248	212	300
SEED	5,050	6,350	1,301
Humanitarian Assistance	**2,030**	**1,950**	**1,023**
NADR-Demining	-	600	500
SEED	2,030	1,350	523
Diplomatic Activities	**1,650**	**1,270**	**423**
SEED	1,650	1,270	423
Total	***24,207***	***13,025***	***7,100***

Appropriations Accounts	Actual FY 1998	Estimate FY 1999	Request FY 2000
DA	500	-	-
IMET	497	425	600
NADR	-	600	500
SEED	23,210	12,000	6,000
Total	***24,207***	***13,025***	***7,100***
Other Accounts			
D&CP	3,010	3,190	3,312
ECE	734	950	961
Total	***3,744***	***4,140***	***4,273***
CROATIA FUNCTION 150 RESOURCES GRAND TOTAL	***27,951***	***17,165***	***11,373***

Cyprus

($ in thousands)

National Interests: The United States has three broad areas of national interest in Cyprus: (1) national security interests in a settlement of the political division of Cyprus; (2) economic prosperity interests in maintaining and expanding the U.S. position as the top exporter to Cyprus; and (3) law enforcement interests in anti-terrorism, money-laundering, and narcotics interdiction programs.

Strategic Goals and Supporting Programs For FY 2000:

Regional Stability: The U.S. is seeking to promote through the Economic Support Fund (ESF) and Contributions for International Peacekeeping Activities (CIPA) programs a fair and durable Cyprus settlement by promoting negotiations between the Greek and Turkish sides, promoting intercommunal reconciliation between the Turkish and Greek Cypriot communities (including administering USAID bicommunal projects), and seeking to reduce military tensions through negotiations and diplomatic efforts to prevent the arrival of destabilizing weapons systems. $15,000

Weapons of Mass Destruction: With funds from the Nonproliferation, Anti-Terrorism, Demining (NADR) account the U.S. will continue to assist in the development of an effective Export Control system and enforcement capability. $15

Democracy: Although both Cypriot communities embrace democratic practices, but the U.S. seeks to promote through USIA Exchanges a greater appreciation by both sides of how the principles of federalism can contribute to a political settlement based on a bizonal, bicommunal federal framework as called for in UN Security Council resolutions.

Performance Evaluation

- Genuine bicommunal cooperation. Initiatives by Special Presidential Emissary and the Special Cyprus Coordinator helped the U.S. to promote a negotiated settlement to the Cyprus dispute.

- Shared educational experience, value system and language among the young from both sides. The U.S. continued to promote contacts through activities (e.g. summer camps), seminars on conflict resolution and other people-to-people activities between the Turkish-Cypriot and Greek-Cypriot communities to increase mutual understanding and reduce tensions.

- Opportunities for short and long term interaction. The December 1997 Turkish-Cypriot ban on bicommunal contacts on the island remains a major obstacle to promoting intercommunal contacts and understanding. The U.S. continues to press the Turkish Cypriot leadership (and Turkish officials) to lift the suspension.

- Identification of projects which are relevant. Despite this suspension of contacts, Embassy Nicosia continues to develop and fund new bicommunal projects and training programs, as well as maintain ongoing projects such as the expansion of Nicosia's sewage treatment system.

Key Indicators for FY 2000 Performance

- Resumption of the settlement process;
- Lifting of Turkish-Cypriot suspension of bicommunal contacts;
- Genuine bicommunal cooperation in identifying, planning and implementing projects which benefit the entire island.

CYPRUS
FUNCTION 150 RESOURCES
($ in thousands)

Appropriations Accounts by Strategic Goal	Actual FY 1998	Estimate FY 1999	Request FY 2000
Regional Stability	**15,000**	**15,000**	**15,000**
ESF	15,000	15,000	15,000
Weapons of Mass Destruction	**15**	**8**	**15**
NADR-Export Control	15	8	15
Total	***15,015***	***15,008***	***15,015***

Appropriations Accounts	Actual FY 1998	Estimate FY 1999	Request FY 2000
ESF	15,000	15,000	15,000
NADR	15	8	15
Total	***15,015***	***15,008***	***15,015***
Other Accounts			
D&CP	2,903	3,085	3,949
ECE	1,005	1,041	1,060
IIP	646	710	-
Total	***4,554***	***4,836***	***5,009***
CYPRUS FUNCTION 150 RESOURCES GRAND TOTAL	***19,569***	***19,844***	***20,024***

Czech Republic

($ in thousands)

National Interests: The primary interest of the U.S. in the Czech Republic is the evolution of market capitalism and the deepening of democracy. These are important to ensure political stability, provide an environment in which U.S. business can operate successfully, and enable the Czech Republic to contribute to broader European security. Since the Czech Republic will soon join NATO and is currently negotiating accession to the EU, it must become certain that it is a contributing, not just a benefiting, member whose role in both organizations advances American interests.

Strategic Goals and Supporting Programs for FY 2000:

Regional Stability: Foreign Military Financing (FMF) and International Military Education and Training (IMET) assistance will help the Czechs identify and target defense weaknesses that will maximize Czech contributions to NATO's role in European security. The Czech Republic will be eligible in FY 2000 to receive grant Excess Articles (EDA) under Section 516 on the Foreign Assistance Act. $9,100

Weapons of Mass Destruction: With funds from the Nonproliferation, Anti-Terrorism, Demining (NADR) account the U.S. will continue to assist in the development of an effective Export Control system and enforcement capability. $10

Democracy: USIS-sponsored exchanges will help strengthen civil society and resolve human rights and restitution concerns that will anchor the Czech Republic's democratic transformation, contribute to regional stability, and increase the likelihood of Czech support for U.S. positions and programs in multilateral fora relating to humanitarian issues. $0

Performance Evaluation:

- A healthy banking sector with full Western-style oversight: While the work of bank privatization is largely unfinished, the current Czech government is moving to privatize indebted state banks as a key step to restoring health to the ailing financial sector.

- Continued/enhanced participation in Partnership for Peace (PFP) exercises, international peacekeeping and international humanitarian operations; expanded English language capability of military forces: The Czech Republic is active in all these areas, taking part in PFP exercises, continuing its presence in Bosnia, and committing resources for English language instruction in the military. It has also taken part in other international efforts, such as contributing funds to support the Middle East Peace Process and to the Korean Peninsula Energy Development Organization (KEDO).

- Increased interoperability with NATO: The Czech Republic has made good progress on interoperability with NATO, as shown by its imminent accession to that organization.

- Successful "graduation" from SEED in 1997: The Czech Republic "graduated" from the SEED program in the fall of 1997. This determination was based on the accomplishments the country has made since the fall of communism.

- Improvement in the living situation of the Roma minority: This is the indicator in which the Czech Republic has shown the least progress. The situation has not appreciably improved: Roma still suffer disproportionately from poverty, unemployment, interethnic violence, illiteracy and disease, and are the objects of deeply ingrained discrimination and prejudice.

Key Indicators for FY 2000 Performance:

- Improved public understanding of NATO.
- Maintenance of defense spending increases to match standard NATO outlays.
- Continued GOCR progress in meeting NATO interoperability goals.
- Decrease in physical attacks/harassment/discrimination against Roma as a result of resolute action by Czech police and prosecutors.
- A more mature Czech democracy, marked by a stronger NGO sector and enhanced attention to human rights for all.

CZECH REPUBLIC
FUNCTION 150 RESOURCES
($ in thousands)

Appropriations Accounts by Strategic Goal	Actual FY 1998	Estimate FY 1999	Request FY 2000
Regional Stability	**17,230**	**3,850**	**9,100**
FMF-G	15,800	2,500	7,500
IMET	1,430	1,350	1,600
Weapons of Mass Destruction	**11**	**6**	**10**
NADR-Export Control	11	6	10
Total	***17,241***	***3,856***	***9,110***

Appropriations Accounts	Actual FY 1998	Estimate FY 1999	Request FY 2000
FMF	15,800	2,500	7,500
IMET	1,430	1,350	1,600
NADR	11	6	10
Total	***17,241***	***3,856***	***9,110***
Other Accounts			
D&CP	3,009	3,201	3,345
ECE	1,589	1,703	1,716
Total	***4,598***	***4,904***	***5,061***
CZECH REPUBLIC FUNCTION 150 RESOURCES GRAND TOTAL	***21,839***	***8,760***	***14,171***

Estonia

($ in thousands)

National Interests: The prime U.S. objectives in Estonia are to strengthen civil society; bolster democratic and market institutions; assist the integration of non-citizens into Estonian society; and encourage civilian-controlled, NATO-compatible defense forces. The US wants to ensure 1) the continued reintegration of a democratic, tolerant, and prosperous Estonia into the West; 2) the success of the Regional Airspace Initiative, the Baltic Peacekeeping Battalion and Naval Squadron, and NATO-compatible training for Estonian defense forces (which will open the door to Estonia's continued participation in other missions beyond Stabilization Force (SFOR) and United Nations Force in Lebanon (UNIFIL); to include at the Baltic Defense College; and 3) consolidation of the successful transition to an open-market economy and of fair market access for U.S. business. The US is also supporting Estonian efforts to enhance regional security by improving its relations with Russia and playing an active role in the Partnership for Peace, the Organization for Security and Cooperation in Europe (OSCE), and other international institutions.

Strategic Goals and Supporting Programs for FY 2000:

Regional Stability: Estonia and the other Baltic States have helped to set the pace among transitioning Central and Eastern European (CEE) states in their integration into Western security structures; northern Europe's security depends on their stability and their relations with Russia. Estonia looks to the United States as its primary guide as it works to enhance its security. As Estonia prioritizes resources for its own legitimate defense needs and for its contribution to the overall security of Europe, International Military Education and Training (IMET) has a significant multiplier effect by training trainers and giving more junior officers the leadership and administrative skills to take over from the remaining officers still operating on Soviet guidelines. Estonia will continue to be eligible in FY 2000 to receive Excess Defense Articles (EDA) on a grant basis under Section 516 of the Foreign Assistance Act in order to enhance Estonia's NATO interoperability and help Estonia carry out NATO-compatible peacekeeping operations. Foreign Military Financing (FMF) will help keep Estonia focused on the practical, here-and-now steps toward NATO, support Estonia's participation in the full range of PFP exercises, ensure that the Baltic Peacekeeping Battalion (BALTBAT) is qualified to participate fully in peacekeeping or peace enforcement and help Estonia integrate its airspace with NATO equipment and standards. $5,750

Weapons of Mass Destruction: With funds from the Nonproliferation, Anti-Terrorism, Demining (NADR) account the U.S. will continue to assist in the development of an effective Export Control system and enforcement capability. $160

Open Markets: Estonia's market, one of the most open in the world, nevertheless is beset by bureaucratic impediments, including EU pressure for strict adherence to EU regulatory

regimes as part of its first-tier EU candidacy. Training and technical assistance are arranged to combat Estonia's lax protection of intellectual property, especially audio-visual products and computer software. $0

Expand U.S. Exports: In principle, Estonia is open to U.S. trade and investment and recognizes the security benefits of having a strong U.S. commercial presence. However, the distance from the U.S., Nordic competitiveness, and an indifference or lack of awareness of the market by U.S. companies are major barriers which result in a situation where there is considerable potential to increase U.S. presence. This is being done through aggressive participation in trade and investment promotions targeting U.S. firms seriously considering market entry, stronger media outreach, and closer cooperation and assistance to the American Chamber of Commerce. $0

Humanitarian Assistance: The U.S. will continue to assist in demining efforts funded under the NADR appropriation. $250

Performance Evaluation:

- Estonia becomes more NATO-interoperable and increases its contributions to European security. Estonia wants to join NATO but focused far more resources in 1998 on EU accession. Nonetheless, Estonia continued to send well-trained personnel to the NATO Stabilization Force (SFOR) and International Police Task Force in the former Yugoslavia. Estonia participated actively in a variety of PFP exercises, in BALTBAT, BALTRON, and in U.S. military training.

- Protection of intellectual property rights (IPR). Estonia passed Bern Convention-consistent legislation and has begun enforcing IPR regulations more thoroughly. Estonia also implemented U.S.-installed state-of-the-art inspection and export control systems and is close to acceding to the World Trade Organization (WTO).

- Estonia cements a pivotal U.S. presence in such infrastructure projects as power generation and rail transport. Major transport and energy privatization deals with U.S. companies have stalled.

- Training and support of the NGO community. USAID and the Soros Foundation jointly established the Baltic American Partnership Fund to develop the role of the weak NGO sector in building a pluralistic, open society.

Key Indicators for FY 2000 Performance:

- Increase in national defense budget heading towards 2% of GDP.
- Greater policy flexibility towards U.S. positions on U.S.-EU trade disputes.
- Increased seizures and reduced availability of pirated material on the market.
- Approval of the privatization of two power plants by Minneapolis-based NRG Energy, Inc. and of the freight railroad by Denver-based Omnitrax.
- Growth of NGO sector: effective public advocacy by Estonian NGOs affecting legislation on protecting minority and interest groups rights and roles in society.
- Decreasing number of civil rights complaints by non-ethnic Estonians which go unresolved.

ESTONIA
FUNCTION 150 RESOURCES
($ in thousands)

Appropriations Accounts by Strategic Goal	Actual FY 1998	Estimate FY 1999	Request FY 2000
Regional Stability	**9,023**	**4,350**	**5,750**
FMF-G	8,300	3,700	5,000
IMET	723	650	750
Weapons of Mass Destruction	**71**	**52**	**160**
NADR-Export Control	71	52	160
Humanitarian Assistance	**-**	**335**	**250**
NADR-Demining	-	335	250
Total	***9,094***	***4,737***	***6,160***

Appropriations Accounts	Actual FY 1998	Estimate FY 1999	Request FY 2000
FMF	8,300	3,700	5,000
IMET	723	650	750
NADR	71	387	410
Total	***9,094***	***4,737***	***6,160***
Other Accounts			
D&CP	1,166	1,244	1,304
ECE	617	633	636
Peace Corps	627	695	714
Total	***2,410***	***2,572***	***2,654***
ESTONIA FUNCTION 150 RESOURCES GRAND TOTAL	***11,504***	***7,309***	***8,814***

Greece

($ in thousands)

National Interests: Greece is a key NATO ally strategically located near Balkan and Mideast trouble spots, essential to allied ability to respond to threats in these areas. As a member of NATO and the EU, Greece is a role model for its neighbors and a leading participant in international efforts to counteract instability and promote development and democracy in the Balkans. Greece is central to U.S. efforts to promote stability in the Aegean region and a settlement on Cyprus. The U.S. also seeks to assist Greece in fulfilling its responsibilities to the NATO alliance, to strengthen cooperation on counterterrorism, and to promote U.S. business interests.

Strategic Goals and Supporting Programs for FY 2000:

Regional Stability/Democracy: By training Greek officers in the U.S. and establishing cooperative ties to U.S. officers, International Military Education and Training (IMET) contributes to the professionalization and strategic awareness of the Greek military as well as civilian-military relations. Greece will continue to be eligible in FY 2000 to receive grant Excess Defense Articles (EDA) under Section 516 of the Foreign Assistance Act and where appropriate the transfer of EDA will assist Greece in meeting defense requirements and furthering NATO interoperability.

$35

Performance Evaluation:

- Maintain modern defense capabilities: Greece has used Foreign Military Financing (FMF) funds from past years to sustain a modern military capable of fulfilling Greece's NATO responsibilities.

- Advancement of IMET graduates: Greek IMET graduates continue to advance into senior positions, providing a base of responsible and broadly informed military leaders.

- Greco-Turkish bilateral negotiations: Greece has cooperated in efforts to reduce Greco-Turkish military tensions.

- Active Greek involvement to promote a Cyprus settlement: Greece played a major role in helping to reduce tension on Cyprus in 1998 and is heavily engaged in diplomatic efforts aimed at a Cyprus settlement.

Key Indicators for FY 2000 Performance:

- Continued advancement of IMET graduates into senior military or Ministry of Defense positions.
- Progress toward Greco-Turkish dispute resolution and a Cyprus settlement.
- Continued Greek involvement in multinational regional peacekeeping, Balkan stabilization efforts, and cooperative programs with other regional NATO allies and Partnership for Peace members.

GREECE
FUNCTION 150 RESOURCES
($ in thousands)

Appropriations Accounts by Strategic Goal	Actual FY 1998	Estimate FY 1999	Request FY 2000
Democracy	**31**	**25**	**35**
IMET	31	25	35
Total	***31***	***25***	***35***

Appropriations Accounts	Actual FY 1998	Estimate FY 1999	Request FY 2000
IMET	31	25	35
Total	***31***	***25***	***35***
Other Accounts			
D&CP	8,621	9,138	9,489
ECE	916	981	1,014
Total	***9,537***	***10,119***	***10,503***
GREECE FUNCTION 150 RESOURCES GRAND TOTAL	***9,568***	***10,144***	***10,538***

Hungary

($ in thousands)

National Interests: The United States has significant national interests in facilitating the quick, complete transformation of Hungary from the communist system to a fully integrated part of the West. By 2000, Hungary will already be a full member of the North Atlantic Alliance and the Organization of Economic Cooperation and Development (OECD) and will be in the final stages of preparation for membership in the European Union. Incorporation of Hungary into the Euro-Atlantic community will expand the zone of peace and prosperity in Europe and permit the projection of security further to the east. Hungary's strategic position on the edge of the Balkans makes it an essential partner in U.S. efforts to build security in that volatile area.

Strategic Goals and Supporting Programs for FY 2000:

Regional Stability: Hungary will formally join NATO in early 1999. The process of fully integrating into the Alliance will take several years. U.S. assistance will be important to helping Hungary achieve this objective as efficiently and quickly as possible. Foreign Military Financing (FMF) funds will assist the Hungarian military in acquiring NATO compatible hardware and systems to aid in their rapid integration into the Alliance. International Military Education and Training (IMET) funds will allow Hungarian officers to master the skills and obtain the training common to other NATO officers. Hungary will also continue to provide a support base for NATO activities in Bosnia and elsewhere in the Balkans. Hungary will continue to be eligible in FY 2000 to receive grant Excess Defense Articles (EDA) under Section 516 of the Foreign Assistance Act and where appropriate the transfer of EDA will assist Hungary in meeting defense requirements and furthering NATO interoperability. $8,700

Weapons of Mass Destruction: With funds from the Nonproliferation, Anti-Terrorism, Demining (NADR) account the U.S. will continue to assist in the development of an effective Export Control system and enforcement capability. $110

Performance Evaluation:

- Promotion of a stable, market-oriented democracy. In 1998, Hungary held its third parliamentary election since 1989, resulting in the orderly transfer of power from the Socialist-led coalition to a Fidesz-led center right coalition. Since the fall of communism, Hungary has been one of the most economically dynamic countries in Central Europe, attracting over $18 billion in direct foreign investment. Hungary graduated from the Support for East European Democracy (SEED) program in 1998.

- Integration into Western Institutions including NATO and European Union. Hungary will formally join NATO in the spring of 1999 and is preparing to meet the full obligations of membership. The European Union gave Hungary an excellent

evaluation on its progress on adapting to EU requirements and Hungary expects to enter the Union early in the next century.

- Encourage environmental development throughout the region. Hungary has made great strides to improve its environment as part of its preparations for EU membership. Through the Southeast Europe Cooperative Initiative (SECI), it has worked with its neighbors on environmental issues affecting the entire region.

- Promotion of coordinated drug strategy. Hungary has proved a close partner to U.S. efforts to stem the spread of organized crime in Central Europe and hinder the flow of narcotics through the region. The U.S. has provided training for hundreds of senior law enforcement officials and launched a joint U.S.-Hungarian strike force in October 1998 targeting organized crime groups.

Key Indicators for FY 2000 Performance:

- Effective and rapid integration into NATO structures, continued rationalization of defense expenditures, and modernization of military infrastructure and equipment tied to Alliance goals.
- Continued constructive Hungarian engagement with its neighbors to project security to the south and east.
- Decreased activity by international crime groups, effective prosecution of crime figures, strengthened laws on money laundering and racketeering.
- Greater development in rural Eastern Hungary, including increased foreign investment.

HUNGARY
FUNCTION 150 RESOURCES
($ in thousands)

Appropriations Accounts by Strategic Goal	Actual FY 1998	Estimate FY 1999	Request FY 2000
Regional Stability	**17,147**	**4,000**	**9,100**
FMF-G	15,800	2,500	7,500
IMET	1,347	1,500	1,600
Weapons of Mass Destruction	**46**	**6**	**110**
NADR-Export Control	46	6	110
U.S. Exports	**-**	**-**	**-**
IMET	-	-	-
Economic Development	**4,738**	**-**	**-**
SEED	4,738	-	-
International Crime	**-**	**-**	**-**
SEED	-	-	-
Democracy	**1,847**	**-**	**-**
SEED	1,847	-	-
Diplomatic Activities	**511**	**-**	**-**
SEED	511	-	-
Total	***24,289***	***4,006***	***9,210***

Appropriations Accounts	Actual FY 1998	Estimate FY 1999	Request FY 2000
FMF	15,800	2,500	7,500
IMET	1,347	1,500	1,600
NADR	46	6	110
SEED	7,096	-	-
Total	***24,289***	***4,006***	***9,210***
Other Accounts			
D&CP	3,896	4,140	4,320
ECE	1,901	2,037	2,059
Total	***5,797***	***6,177***	***6,379***
HUNGARY FUNCTION 150 RESOURCES GRAND TOTAL	***30,086***	***10,183***	***15,589***

Ireland/Northern Ireland

($ in thousands)

National Interests: The United States has a strong interest in assuring full implementation of the "Good Friday" peace agreement in Northern Ireland through support for the International Fund for Ireland. The Northern Ireland conflict has been a major preoccupation for both the British and Irish governments and a source of instability in Western Europe. The "Good Friday" accord provides the best opportunity this century for lasting peace and reconciliation in the province. Deep ties of kinship, culture, history, and shared values also underpin the longstanding U.S. determination to help bring about a permanent settlement of the Northern Ireland conflict. U.S. interests also flow from commitment to a peaceful, democratic, and prosperous Europe and to respect for human rights worldwide.

Strategic Goals and Supporting Programs for FY 2000:

Regional Stability: The annual U.S. contribution to the International Fund for Ireland (IFI) helps foster economic regeneration, job opportunities, and cross-community cooperation in Northern Ireland and the border counties of Ireland. It is widely seen as a tangible expression of U.S. support for the peace process. The IFI was established by the British and Irish governments in 1986 to promote economic and social advancement and to encourage contact, dialogue and reconciliation between nationalists and unionists throughout Ireland and Northern Ireland. Two elements identified as priorities of the USG in its contributions to the Fund are job creation and the leveraging of additional investment into the economy. Financial contributors are the United States, European Union, Canada, Australia, and New Zealand. $19,600

Performance Evaluation:

- Employment Creation: The Fund has promoted peace by creating thousands of jobs over the past decade and by improving the economic situation of Northern Ireland and the border counties of Ireland. The Fund has underwritten over 3,000 projects in the areas of urban development, education, tourism, community infrastructure, and assistance to small businesses. Fund projects have produced over 30,000 jobs for young adults who might otherwise have joined paramilitary groups.

- Leveraged investment: The Fund seeks to leverage public and private sector investments. For every dollar that the Fund has committed, an additional $1.90 has been committed from other sources.

- Increased cross-border cooperation projects: Disbursements from the Fund were made on the basis of equality of opportunity and nondiscrimination in employment, addressing needs in both Catholic and Protestant communities. Cross-border cooperation projects included the Ballinamore and Ballyconnell Canal Restoration

Project which links the two main waterways in Ireland to support important trade and business development for tourism.

Key Indicators for FY 2000 Performance:

- Improved economic opportunities for sectarian youth in both communities;
- Enhanced climate for trade and investment;
- Start-up of U.S. initiated micro-enterprise fund to promote entrepreneurship;
- Launching of cross-border economic development infrastructure.

IRELAND
FUNCTION 150 RESOURCES
($ in thousands)

Appropriations Accounts by Strategic Goal	Actual FY 1998	Estimate FY 1999	Request FY 2000
Regional Stability	**19,600**	**19,600**	**19,600**
ESF	19,600	19,600	19,600
Total	***19,600***	***19,600***	***19,600***

Appropriations Accounts	Actual FY 1998	Estimate FY 1999	Request FY 2000
ESF	19,600	19,600	19,600
Total	***19,600***	***19,600***	***19,600***
Other Accounts			
D&CP	4,080	4,316	4,744
ECE	1,383	757	762
IIP	733	272	-
Total	***6,196***	***5,345***	***5,506***
IRELAND FUNCTION 150 RESOURCES GRAND TOTAL	***25,796***	***24,945***	***25,106***

Latvia

($ in thousands)

National Interests: U.S. objectives in Latvia are to strengthen civil society, bolster democratic and market institutions, and encourage civilian-controlled, NATO-compatible defense forces. The US wants to ensure 1) the further integration of a democratic, tolerant, and prosperous Latvia into the West; 2) the success of the Regional Airspace Initiative, the Baltic Peacekeeping Battalion (BALTBAT) and Baltic Naval Squadron (BALTRON), and NATO-compatible training and education for Latvian defense forces (which will open the door to Latvia's participation in other missions beyond the Stabilization Force (SFOR); to include at the Baltic Defense College; and 3) a successful transition to an open-market economy offering fair market access for U.S. business. The US supports Latvia's efforts to enhance regional security by improving relations with all neighboring countries by playing an active role in Partnership for Peace (PfP), the Organization of Security and Cooperation in Europe (OSCE), and other international institutions.

Strategic Goals and Supporting Programs for FY 2000:

Regional Stability: Latvia and the other Baltic States have set the pace among transitioning CEE states in their integration into Western structures; northern Europe's security depends on their stability and their relations with Russia. Latvia looks to the United States as its primary guide as it works to enhance its security. As Latvia more clearly defines its national security strategy and prioritizes resources for its own legitimate defense needs and for its contribution to the overall security of Europe, IMET has a significant multiplier effect by training trainers and giving more junior officers the leadership and administrative skills to take over from the remaining officers still operating on Soviet guidelines. Latvia will continue to be eligible in FY 2000 to receive Excess Defense Articles (EDA) on a grant basis under Section 516 of the Foreign Assistance Act in order to enhance Latvia's NATO interoperability and helping Latvia carry out NATO-compatible peacekeeping operations. Foreign Military Financing (FMF) will help keep Latvia focused on the practical, here-and-now steps toward NATO, support cash-strapped Latvia's participation in the full range of PFP exercises, ensure that the BALTBAT is qualified to participate fully in peacekeeping or peace enforcement and help Latvia integrate its airspace with NATO equipment and standards. At the same time, Latvia is focusing less attention on defense reform efforts than its Baltic neighbors, so its FMF levels are slightly lower than Lithuania's and Estonia's.
$5,250

Weapons of Mass Destruction: With funds from the Nonproliferation, Anti-Terrorism, Demining (NADR) account the U.S. will continue to assist in the development of an effective Export Control system and enforcement capability. $191

Democracy: The consolidation of democracy, tolerance, and the rule of law, as well as the integration of the Russian-speaking non-citizen minority, are essential for long-term stability

in Latvia. By supporting exchanges, NGOs, and the goals of the resident OSCE mission, the U.S. is promoting a stronger civil society to benefit the entire population and to promote better Latvian-Russian ties. $0

Open Markets: The development of a well-regulated, prosperous Latvian economy integrated into global economic organizations will support U.S. goals for democracy, stability, and independence of the Baltic states. It also will provide a firm basis for the U.S. Northern European Initiative and increase U.S. business access and exports to Latvia. Latvia needs to complete privatization, strengthen capital markets and the financial sector, and enforce laws on intellectual property protection and money laundering. $0

International Crime: There is a disturbing evidence of high-level corruption and strong evidence of organized criminal activity in Latvia. Criminal elements pose a serious menace to internal stability and security and have forged links with organized crime in Russia, Western Europe, and the U.S. The US is fighting these developments by providing advice and training to Latvian officials on crime fighting technology/methods. $0

Performance Evaluation:

- Latvia becomes more NATO-interoperable and increases its contributions to European security. Latvia wants to join NATO but has not clearly defined its national security strategy. It has not increased its military funding, fiscal accountability, nor improved its military preparedness and quality of life. Nonetheless, Latvia continued to send personnel to the NATO Stabilization Force (SFOR) and the International Police Task Force in the former Yugoslavia. Latvia participated in a variety of PFP exercises, in BALTBAT, BALTRON, and in U.S. military training.

- Training and support of the NGO community. USAID and the Soros Foundation jointly established the Baltic American Partnership Fund to develop the role of the weak NGO sector in building a pluralistic, open society.

- Protection of intellectual property rights (IPR). Latvia joined the World Trade Organization (WTO) and has begun enforcing IPR regulations more thoroughly. Latvia also implemented U.S. installed state-of-the-art inspection and export control systems.

- More thorough prosecution of organized crime and corruption. The FBI, DEA, US Customs, and Secret Service provided training in prosecutorial and judicial procedures, combating fraud, and establishing programs in witness protection, forensics, bomb squads, and surveillance. Seizures of illegal drugs have risen, but Latvia remained an attractive target for organized crime groups in Russia and elsewhere in the region, particularly in financial crime. The judiciary and police

were inefficient and perceived as corrupt, and the concept of "conflict of interest" among government leaders remained weak.

Key Indicators for FY 2000 Performance:

- Increase in defense budget approaching 2% of GDP and a cogent national security strategy;
- Development of civil society through increased NGO activism and improved NGO advocacy skills, leadership, communication and outreach;
- Greater seizures and reduced availability of pirated material on the market;
- Increased arrests and convictions for fraud, smuggling, counterfeiting, bribery, etc.

LATVIA
FUNCTION 150 RESOURCES
($ in thousands)

Appropriations Accounts by Strategic Goal	Actual FY 1998	Estimate FY 1999	Request FY 2000
Regional Stability	**7,701**	**4,350**	**5,250**
FMF-G	6,950	3,700	4,500
IMET	751	650	750
Weapons of Mass Destruction	**102**	**52**	**191**
NADR-Export Control	102	52	191
Economic Development	**1,830**	**-**	**-**
SEED	1,830	-	-
Democracy	**100**	**-**	**-**
SEED	100	-	-
Diplomatic Activities	**470**	**-**	**-**
SEED	470	-	-
Total	***10,203***	***4,402***	***5,441***

Appropriations Accounts	Actual FY 1998	Estimate FY 1999	Request FY 2000
FMF	6,950	3,700	4,500
IMET	751	650	750
NADR	102	52	191
SEED	2,400	-	-
Total	***10,203***	***4,402***	***5,441***
Other Accounts			
D&CP	1,288	1,370	1,870
ECE	805	838	840
IIP	432	422	-
Peace Corps	903	984	959
Total	***3,428***	***3,614***	***3,669***
LATVIA FUNCTION 150 RESOURCES GRAND TOTAL	***13,631***	***8,016***	***9,110***

Lithuania

($ in thousands)

National Interests: The prime U.S. objectives in Lithuania are to strengthen civil society, bolster democratic and market institutions, and develop civilian-controlled, NATO-compatible defense forces. The US wants to ensure 1) the continued integration of a democratic, prosperous Lithuania into the West; 2) the success of the Regional Airspace Initiative, the Baltic Peacekeeping Battalion (BALTBAT) and Baltic Naval Squadron (BALTRON), and NATO-compatible training and education for Lithuanian defense forces (which will open the door to Lithuania's participation in other missions beyond Stability Force [SFOR]), to include at the Baltic Defense College; and 3) a successful transition to an open-market economy offering even greater market access for U.S. business. The US supports Lithuanian enhancement of regional security through improved relations with all neighboring countries and its active role in the Partnership for Peace, the Organization for Security and Cooperation in Europe (OSCE), and other international institutions.

Strategic Goals and Supporting Programs for FY 2000:

Regional Stability: Lithuania has helped to set the pace among transitioning CEE states in its integration into Western security structures; northern Europe's security depends on Baltic stability and Baltic-Russian relations. Lithuania looks to the United States as its primary guide as it works to enhance its security. As Lithuania prioritizes resources for its own legitimate defense needs and for its contribution to the overall security of Europe, International Military Education and Training (IMET) has a significant multiplier effect by training trainers and giving more junior officers the leadership and administrative skills to take over from the remaining officers still operating on Soviet guidelines. Lithuania will continue to be eligible in FY 2000 to receive Excess Defense Articles (EDA) on a grant basis under Section 516 of the Foreign Assistance Act in order to enhance Lithuania's NATO interoperability and help Lithuania carry out NATO-compatible peacekeeping operations. Foreign Military Financing (FMF) will help keep Lithuania focused on the practical here-and-now steps toward NAT), support Lithuania's participation in the full range of Partnership for Peace (PFP) exercises, ensure that the BALTBAT is qualified to participate fully in peacekeeping or peace enforcement and help Lithuania integrate its airspace with NATO equipment and standards. Lithuania has focused the most attention on defense reform efforts out of the three Baltic states and therefore, it is receiving a slightly larger amount of FMF in FY 2000 than Estonia and Latvia. $6,250

Weapons of Mass Destruction: With funds from the Nonproliferation, Anti-Terrorism, Demining (NADR) account the U.S. will continue to assist in the development of an effective Export Control system and enforcement capability. $192

Open Markets: Lithuania has aggressively supported U.S. investment, which in turn reinforces Lithuania's sovereignty, strengthens its linkages to Western institutions, and provides U.S. business with a base in the region's emerging markets. However, Lithuania still needs to harmonize its trade regime with international practices and focus on market-friendly regulations and systems. USIA, USAID, and USTR will work with the private sector through exchanges, media programs, training, the local Enterprise Fund, and U.S. loan credit guarantees to help Lithuania develop WTO-consistent practices and strengthen the status of small and medium-sized enterprises. $0

Democracy: A democratic country where democratic institutions are in place and human rights respected after 50 years of Soviet occupation, Lithuania still needs to fully comprehend its responsibilities to the rule of law, as well as to maintaining democratic structures and curbing organized crime. USAID's and USIA's support for enhancing the credibility and professionalism of political leaders and parties, government officials, NGOs, and the media; promoting judicial reform; and developing further the rule of law will produce a stronger civil society and buffer it against political tension and instability among Lithuania's neighbors. $0

Performance Evaluation

- NATO-interoperability. Lithuania has led a very focused effort to demonstrate its readiness to join NATO within the next few years. It has raised FY99 defense spending to 1.5% of GDP and aspires to increase such spending to 2% of GDP shortly thereafter. Lithuania continued to send well-trained personnel to the NATO Stabilization Force (SFOR) and International Police Task Force in the former Yugoslavia. Lithuania participated actively in a variety of PFP exercises, in BALTBAT, BALTRON, U.S. military training, and in Polish defense cooperative activities.

- Protection of intellectual property rights (IPR). Lithuania remained weak in establishing IPR enforcement regulations but successfully implemented U.S.-installed state-of-the-art inspection and export control systems. Its efforts at World Trade Organization (WTO) accession fell short of expectations.

- Development of sound, long-term strategies on all types of fiscal policy, energy pricing, nuclear safety, and capital markets consistent with U.S. goals. SEED assistance strengthened Lithuania's tax and banking systems, public debt management, budget planning, and energy pricing commission with a view to privatization of the energy sector. Lithuania ratified a $300 million agreement, allowing Oklahoma-based Williams International to manage oil and gas pipeline and refinery projects in Lithuania.

- Training and support of the NGO community. USAID and the Soros Foundation jointly established the Baltic American Partnership Fund to develop the role of the weak NGO sector in building a pluralistic, open society.

Key Indicators for FY 2000 Performance:

- The national defense budget approaches or meets 2% of GDP, a NATO standard;
- Lithuania joins the WTO and remains flexible towards U.S. positions on U.S.-EU trade disputes; U.S. exports and investments continue steady growth;
- Lithuanian fiscal institutions substantially increase their efficiency and stability;
- Energy price subsidies are removed, the energy sector is privatized, and the decision is made to relicense the Ignalina Nuclear Power Plant (NPP) accords with international safety standards.
- Establishment of Baltic American Partnership Fund (BAPF) and growth of NGO sector: effective public advocacy by Lithuanian NGOs promotes legislation on protecting minority and interest groups' rights and roles in society.

LITHUANIA
FUNCTION 150 RESOURCES
($ in thousands)

Appropriations Accounts by Strategic Goal	Actual FY 1998	Estimate FY 1999	Request FY 2000
Regional Stability	**7,614**	**4,350**	**6,250**
FMF-G	6,950	3,700	5,500
IMET	664	650	750
Weapons of Mass Destruction	**166**	**79**	**192**
NADR-Export Control	166	79	192
Economic Development	**3,495**	**1,830**	**-**
SEED	3,495	1,830	-
Democracy	**225**	**-**	**-**
SEED	225	-	-
Diplomatic Activities	**1,030**	**380**	**-**
SEED	1,030	380	-
Total	***12,530***	***6,639***	***6,442***

Appropriations Accounts	Actual FY 1998	Estimate FY 1999	Request FY 2000
FMF	6,950	3,700	5,500
IMET	664	650	750
NADR	166	79	192
SEED	4,750	2,210	-
Total	***12,530***	***6,639***	***6,442***
Other Accounts			
D&CP	1,378	1,464	1,896
ECE	763	811	815
IIP	347	361	-
Peace Corps	847	878	937
Total	***3,335***	***3,514***	***3,648***
LITHUANIA FUNCTION 150 RESOURCES GRAND TOTAL	***15,865***	***10,153***	***10,090***

F.Y.R. Macedonia

($ in thousands)

National Interests: The key U.S. interests in the Former Yugoslav Republic of Macedonia (Macedonia) are: the maintenance of peace and stability in Macedonia and Southeastern Europe, the cementing of its nascent democracy, and its full transition to a market economy. With an economy nearly destroyed by two embargoes (the UN embargo against Serbia in the 1990's and the Greek imposed embargo in 1994-5), and with an army built from scratch after Yugoslavia's breakup, Macedonia has contributed to regional stability against daunting odds. The US has a compelling interest in reinforcing Macedonia against external threats to its stability, thus in supporting its internal political and economic transition and promoting the full acceptance of its sovereignty by it neighbors and the international community.

Strategic Goals and Supporting Programs for FY 2000:

Regional Stability: Foreign Military Financing (FMF) and International Military Education and Training (IMET) support U.S. and NATO goals of restructuring the Macedonian military and assisting it to patrol and defend its borders. FMF also supports the transfer of military equipment with an emphasis on building the capabilities of the Macedonian border brigades. Support for the UN Preventative Deployment Force is funded from the request for Contributions for International Peacekeeping Activities (CIPA). Macedonia will continue to be eligible in FY 2000 to receive grant Excess Defense Articles (EDA) under Section 516 of the Foreign Assistance Act and where appropriate the transfer of EDA will assist Macedonia in meeting defense requirements and furthering NATO interoperability. $21,380

Economic Development: Development of a market-driven economy will facilitate Macedonia's entry into the European Union and further underpin stability in the region. SEED supports expansion of the private sector with programs that assist banking reform, development of a capital market, reform of the commercial code, development of rural credit, improved accounting practices, and directly support Macedonian firms. $9,180

International Crime: SEED money supports counter-narcotics and anti-organized crime training for Macedonian investigators and customs officials. $280

Democracy: Support for East European Democracy (SEED) funds political party building, administrative reforms, NGO development, independent media, and political decentralization. Encouraging inter-ethnic participation, especially bringing more ethnic Albanians into the mainstream, is a feature of all these activities. IMET training supports civilian control of a democratic military. $3,000

Humanitarian Assistance: The key strategic goal is to shore up Macedonia against any spillover of refugees from Kosovo and to assist in the preparation for a possible natural disaster. SEED money supports Intergovernmental Organizations' work to pre-position relief supplies and coordinate response scenarios with the Macedonian government.

$710

Environment: SEED funds technical assistance to the Macedonian Environment Fund, which will give municipalities the ability to improve environmental infrastructure.

$390

Performance Evaluation:

- Increased interoperability with NATO. U.S. security assistance has focused on training and equipment transfers. In FY 1998, FMF was utilized to provide comprehensive contractor training to the Macedonian Ministry of Defense to assist with the reorganization of Macedonia's military along NATO compatible lines. In addition, Macedonia used FMF to acquire vehicles, HUMVEE's, night vision goggles, howitzers, communications equipment, vehicle maintenance training and English language training.

- Participation in Partnership for Peace (PfP) exercises. With U.S. support, Macedonia hosted a battalion-level PfP exercise (Cooperative Best Effort) which underscored international acceptance of Macedonian sovereignty and supported its territorial integrity against the threat of a spillover of the conflict then raging in Kosovo.

- Exchange of military information with other south Balkan countries. In October 1998, Skopje hosted the Southeast European Defense Ministerial, and presented a White Paper (subsequently posted on the internet) on defense structure and planning -- an unprecedented example of defense transparency in the Balkans.

- Expanded citizen participation in political decision-making. SEED programs assisted Macedonia throughout FY 1998 to develop election laws, political parties, free media and opinion polling. This contributed to the October-November 1998 parliamentary elections being judged the most free and fair since independence, the smooth transition from outgoing government to the former opposition party, and the continued inclusion of ethnic-Albanians in government.

- Competitiveness and responsiveness of the private sector. SEED assistance focused on successful progress in commercial law reform, development of a capital market, technical assistance to Macedonia's accession to the World Trade Organization, rural and small enterprise credit, and improved accounting standards.

Key Indicators for FY 2000 Performance:

- Receivership of U.S military training and equipment received;
- Noncommissioned officer corps established;
- Increased assistance for WTO membership;
- Continued economic growth with large investment from the U.S.;
- Greater municipality authority for tax collection and services;
- Enhanced relations with the European Union.

MACEDONIA
FUNCTION 150 RESOURCES
($ in thousands)

Appropriations Accounts by Strategic Goal	Actual FY 1998	Estimate FY 1999	Request FY 2000
Regional Stability	**30,989**	**18,360**	**21,380**
CIPA	11,372	12,000	16,000
FMF-G	19,257	6,000	5,000
IMET	360	360	380
Economic Development	**11,656**	**11,180**	**9,180**
SEED	11,656	11,180	9,180
International Crime	**-**	**-**	**280**
SEED	-	-	280
Democracy	**3,741**	**3,520**	**3,000**
IMET	97	90	120
SEED	3,644	3,430	2,880
Humanitarian Assistance	**900**	**500**	**710**
SEED	900	500	710
Environment	**500**	**400**	**390**
SEED	500	400	390
Diplomatic Activities	**500**	**500**	**560**
SEED	500	500	560
Total	***48,286***	***34,460***	***35,500***

Appropriations Accounts	Actual FY 1998	Estimate FY 1999	Request FY 2000
CIPA	11,372	12,000	16,000
FMF	19,257	6,000	5,000
IMET	457	450	500
SEED	17,200	16,010	14,000
Total	***48,286***	***34,460***	***35,500***
Other Accounts			
D&CP	1,345	1,429	1,941
ECE	335	376	382
IIP	410	438	-
Peace Corps	576	701	717
Total	***2,666***	***2,944***	***3,040***
MACEDONIA FUNCTION 150 RESOURCES GRAND TOTAL	***50,952***	***37,404***	***38,540***

Malta

($ in thousands)

National Interests: Malta is strategically located in the Mediterranean, in close proximity to Italy and Libya. U.S. national interests in Malta include ensuring Malta's pro-Western orientation and checking Libyan influence. The Security Assistance Training Program is the most visible evidence of U.S. support for Malta and demonstrates US commitment to the country's pro-Western political policies and institutions. U.S. assistance to Malta enhances its ability to participate in regional security activities of importance to the United States, including matters involving counter-narcotics, counter-terrorism, interdiction of embargoed goods to restricted countries, and interdiction of weapons of mass destruction materials in transit through Malta's waters. The U.S. also actively promote exports of U.S. goods and services to Malta.

Strategic Goals and Supporting Programs for FY 2000:

Regional Stability: Participation in International Military Education and Training (IMET) funded exchange programs enhances Malta's regional security capabilities and provides the Maltese military with a positive, pro-Western experience. Malta will be eligible in FY 2000 to receive grant Excess Articles (EDA) under Section 516 on the Foreign Assistance Act. $100

Weapons of Mass Destruction: NADR Export Control funding supports the Maltese effort to keep their island from being used as a way station for controlled materiel. $15

Performance Evaluation:

- Maltese participation in U.S., NATO and international missions. Malta welcomed two ship visits in 1998. Visits included Maltese participation in training in nuclear biological and chemical recognition and decontamination.

- Maltese support for UN-sponsored sanctions on Libya. The Armed Forces of Malta, the police and Customs services all received training on new equipment designed to enforce UN sanctions.

- Improved armed forces' standards of maintenance and operational readiness. After IMET-funded training, the Maltese Armed Forces was able to design and lead a joint exercise with the Italian military.

- Improved interdiction and anti-terrorism capabilities. The Armed Forces of Malta developed a new standard operating plan for security at Malta's international airport based on U.S. principles and methodology. Also, capabilities to detect weapons of mass destruction have also increased.

Key Indicators for FY 2000 Performance:

- Maltese participation in U.S. ship visits and other NATO and international missions.
- Maltese support for and enforcement of UN-sponsored sanctions on Libya.
- Improved Maltese armed forces' operational readiness and professionalism.
- Maltese IMET graduates assume key positions in Malta's armed forces.
  Improved interdiction capabilities.

MALTA
FUNCTION 150 RESOURCES
($ in thousands)

Appropriations Accounts by Strategic Goal	Actual FY 1998	Estimate FY 1999	Request FY 2000
Regional Stability	**91**	**135**	**100**
IMET	91	135	100
Weapons of Mass Destruction	**15**	**8**	**15**
NADR-Export Control	15	8	15
Total	***106***	***143***	***115***

Appropriations Accounts	Actual FY 1998	Estimate FY 1999	Request FY 2000
IMET	91	135	100
NADR	15	8	15
Total	***106***	***143***	***115***
Other Accounts			
D&CP	1,208	1,285	1,561
ECE	6	6	6
IIP	226	209	-
Total	***1,440***	***1,500***	***1,567***
MALTA FUNCTION 150 RESOURCES GRAND TOTAL	***1,546***	***1,643***	***1,682***

Poland

($ in thousands)

National Interests: Occupying a key geopolitical location in Central Europe, Poland is a linchpin of U.S. efforts to stabilize transatlantic security through the enlargement of NATO and other Western institutions. In anticipation of NATO membership, Poland has become a close partner for the U.S. in the region and beyond, playing a leading role in the Organization for Security and Cooperation in Europe (OSCE) (including serving as Chairman-in-office in 1998) and contributing to a broad range of multinational peacekeeping efforts. As the largest state in East-Central Europe and a pathfinder in the transition to free market democracy, Poland is also a positive model for political and economic reform throughout the region. At the same time, its location at a crossroads for international criminal activity gives Poland a key place in US efforts to stem illicit narcotics trafficking into Europe from the East. Finally, its growing economy and large population make it an important market for U.S. goods and investments. In sum, the United States has a strong interest in helping Poland consolidate its democratic institutions and develop a prosperous and environmentally responsible, free market economy that can contribute to European stability.

Strategic Goals and Supporting Programs for FY 2000:

Regional Stability: International Military Education and Training (IMET) and Foreign Military Financing (FMF) programs that help Poland to integrate politically and militarily into NATO will enhance Poland's ability to provide regional leadership in stabilizing regional security, and strengthen the foundation for continued NATO enlargement and adaptation. Poland will be eligible in FY 2000 to receive grant Excess Defense Articles (EDA) under Section 516 on the Foreign Assistance Act. $11,600

Weapons of Mass Destruction: With funds from the Nonproliferation, Anti-Terrorism, Demining (NADR) account the U.S. will continue to assist in the development of an effective Export Control system and enforcement capability. $2,711

Democracy: Peace Corps and USIA exchange programs that continue the consolidation of Polish democracy will promote stability throughout Central and Eastern Europe by demonstrating to neighboring states which are not so far along in the reform process that the transition to a free market democracy is achievable and beneficial. $0

Performance Evaluation:

- Increased interoperability with NATO. Expanded defense cooperation between Poland and the United States has helped to reorient the Polish armed forces toward a more defensively oriented, Western style force structure capable of working side-by-side with NATO and the United States. This has positioned Poland to meet

minimum NATO military requirements in time for accession in early 1999. However, a major, sustained effort will be needed over the medium and long term to achieve full interoperability with NATO.

- Transfer of state-owned assets to the private sector. Nearly all small and medium state enterprises have been privatized, though progress has been more modest in some sectors dominated by large companies, such as energy, chemicals, spirits, coal and defense.

- Stronger and more accountable local government. U.S. programs to support the development of local government helped bring about a new, significantly decentralized system of local government; the first elections under this new system were held in 1998.

- Continued transformation of the Polish legal system based on democratic and free-market principles: Expanded antidrug and crime cooperation has assisted Poland in countering drug and crime organizations that are smuggling illicit drugs through the region, opening markets, laundering funds, and producing illicit amphetamines. While the technical capabilities of the Polish National Police are quite high, their efforts continue to be often squandered by poorly trained and bureaucratically hamstrung prosecutors and judges.

- A more competitive and market-responsive private financial sector. With help from U.S. financial sector advisors, privatization and the entry of new banks have reduced state ownership to between one quarter and one third of the banking sector. However, privatization of some of the remaining state banks has slowed.

Key Indicators for FY 2000 Performance:

- Effective and rapid integration into NATO structures;
- Continued rationalization of defense expenditures and modernization of military infrastructures;
- Increased citizen participation in democracy at the local level.

POLAND
FUNCTION 150 RESOURCES
($ in thousands)

Appropriations Accounts by Strategic Goal	Actual FY 1998	Estimate FY 1999	Request FY 2000
Regional Stability	**25,018**	**3,600**	**11,600**
FMF-G	23,700	2,000	10,000
IMET	1,318	1,600	1,600
Weapons of Mass Destruction	**6**	**142**	**2,711**
NADR-Export Control	6	142	2,711
Economic Development	**25,394**	**16,260**	**-**
SEED	25,394	16,260	-
Democracy	**3,458**	**900**	**-**
SEED	3,458	900	-
Environment	**3,145**	**1,250**	**-**
SEED	3,145	1,250	-
Diplomatic Activities	**3,112**	**1,600**	**-**
SEED	3,112	1,600	-
Total	***60,134***	***23,752***	***14,311***

Appropriations Accounts	Actual FY 1998	Estimate FY 1999	Request FY 2000
FMF	23,700	2,000	10,000
IMET	1,318	1,600	1,600
NADR	6	142	2,711
SEED	35,110	20,010	-
Total	***60,134***	***23,752***	***14,311***
Other Accounts			
D&CP	13,520	8,494	11,314
ECE	2,442	2,609	2,682
IIP	1,996	2,385	-
Peace Corps	2,548	2,688	2,236
Total	***20,506***	***16,176***	***16,232***
POLAND FUNCTION 150 RESOURCES GRAND TOTAL	***80,640***	***39,928***	***30,543***

Portugal

($ in thousands)

National Interests: Portugal is a charter member of NATO and a member of the EU. The Lajes Base Agreement reached in 1995 allows U.S. forces broad access to this key and strategic military facility in the Azores. This year the United States and Portugal will initiate re-negotiation of the Lajes Base Agreement. Ongoing cooperation at Lajes is essential if the US wishes to maintain Portuguese support for U.S. military operations and EU positions. As a NATO ally, Portugal's ability to conduct military operations directly benefits U.S. security goals.

Strategic Goals and Supporting Programs for FY 2000:

Regional Stability: A stable and cooperative security relationship with Portugal is essential to maintaining U.S. access to Lajes Air Base. Portugal is a NATO member and will assume the EU Presidency in January 2000. International Military Education and Training (IMET) programs will reinforce Portugal's support for a major U.S. role in Europe and for U.S. positions on key regional and multilateral issues. Portugal will be eligible in FY 2000 to receive grant Excess Defense Articles (EDA) under Section 516 of the Foreign Assistance Act. $700

Performance Evaluation:

- Portuguese participation in international peacekeeping operations. In 1998, Portuguese units and/or observers participated in peacekeeping operations in Angola (MONUA), Western Sahara (MINURSO), and the Balkans. Portugal also played an active role in several joint multilateral exercises including STRONG RESOLVE in Portugal with units from Romania and Hungary.

- Continued Portuguese cooperation on key issues of European defense, and continued excellent access to Portuguese civilian and military decision-makers. Cooperation with Portugal on key defense issues has been outstanding. During 1998, five members of President Clinton's Cabinet and seven congressional delegations have visited Portugal; all U.S. visitors were provided high-level access to senior decision-makers.

Key Indicators for FY 2000 Performance:

- Successful re-negotiation of the Lajes Air Base Agreement;
- Active Portuguese participation in peacekeeping operations;
- Portuguese support for U.S. positions with regard to NATO and EU enlargement.

PORTUGAL
FUNCTION 150 RESOURCES
($ in thousands)

Appropriations Accounts by Strategic Goal	Actual FY 1998	Estimate FY 1999	Request FY 2000
Regional Stability	**844**	**700**	**700**
IMET	844	700	700
Total	***844***	***700***	***700***

Appropriations Accounts	Actual FY 1998	Estimate FY 1999	Request FY 2000
IMET	844	700	700
Total	***844***	***700***	***700***
Other Accounts			
D&CP	4,958	5,258	6,464
ECE	928	983	994
IIP	1,067	969	-
Total	***6,953***	***7,210***	***7,458***
PORTUGAL FUNCTION 150 RESOURCES GRAND TOTAL	***7,797***	***7,910***	***8,158***

Romania

($ in thousands)

National Interests: Romania lies at the crossroads of Central Europe, the Balkans, and the former Soviet Union. One noted observer recently called it "the fulcrum of Europe." As the largest country in Southeastern Europe, a prosperous and democratic Romania can make a significant contribution to security in a troubled region that has commanded major U.S. attention in a recent years. Presidents Bill Clinton and Emil Constantinescu declared a strategic partnership between the United States and Romania in July 1997.

Strategic Goals and Supporting Programs for FY 2000:

Regional Stability: Romania was the first country to join the Partnership for Peace in 1994 and has contributed significantly to International Force (IFOR) and the Stability Force (SFOR) missions in Bosnia. Romania has also participated in the "Friends of Albania" group and agreed, despite strong historical ties to the Serbs, to possible NATO use of Romanian airspace had NATO action proved necessary in Kosovo in fall 1998. Full membership in NATO remains Romania's strategic goal. International Military Education and Training (IMET) and Foreign Military Financing (FMF) funds contribute to helping the Romanian military increase its interoperability with NATO and deepen the institutional foundations for democratic civilian control over the armed forces. Romania will continue to be eligible in FY 2000 to receive grant Excess Defense Articles (EDA) under Section 516 of the Foreign Assistance Act and where appropriate the transfer of EDA will assist Romania in meeting defense requirements and furthering NATO interoperability. $8,160

Weapons of Mass Destruction: With funds from the Nonproliferation, Anti-Terrorism, Demining (NADR) account the U.S. will continue to assist in the development of an effective Export Control system and enforcement capability. $458

Economic Development: Romania's economic transition is at a critical stage. Agreements with the World Bank, the International Monetary Fund (IMF) and other financial institutions are necessary for the GOR to avoid balance of payments problems. The government of Prime Minister Vasile is beginning to move forward on privatization and the closure of inefficient state-owned enterprises while presenting a tight budget. U.S. assistance through the Support for Eastern European Democracy (SEED) program provides crucial help to Romania in its reform efforts and in laying the foundations for sustainable economic growth. $22,898

International Crime: A center aimed at combating international organized crime is slated to open in Bucharest in 1999 with SEED assistance. A Department of Justice resident legal advisor is also in place at Embassy Bucharest. Romania's location at the crossroads of Southeastern Europe makes it a particularly suitable candidate for assistance with border controls. $432

Democracy: SEED efforts help support the development of democratic institutions, including local government, public administration, NGOs, and the courts. Exchange programs promote democratic thinking and expose current and future leaders to American democracy. The next national elections (expected in 2000) will be a significant milestone in the consolidation of democracy. $3,326

Environment: The SEED program is seeking to improve energy efficiency, protect old-growth forests, and preserve the Danube Delta. $1,522

Population: SEED funds are deployed to assist Romania in family planning and women's health. $1,890

Performance Evaluation:

- Progress on Macroeconomic Reform. Progress in privatization, the closure of inefficient state enterprises, and keeping the budget deficit down are crucial factors for Romania's economic development.

- Agreements with the International Financial Institutions (IFIs). Recession since 1997 and lagging reforms have created balance of payments problems for Romania. Agreements with the IMF and World Bank are vital if Romania is to avoid possible default and get on the road to broad-based growth.

- Progress on NATO Interoperability. Bilateral military cooperation with the U.S. should complement Romania's engagement with NATO to advance NATO interoperability and advance defense reform.

- Support for Peacekeeping. A measure of Romania's goal of being a stability exporter is its continued strong support for SFOR in Bosnia and international peace efforts in Kosovo.

- SECI Center on Crime. Non-traditional threats such as organized crime continue to rise in prominence in bilateral relations. The opening of a Southeast European cooperation Initiative (SECI) center on cross-border crime should reaffirm Romania's commitment to cooperation with the U.S. in this important area.

Key Indicators for FY 2000 Performance:

- Progress on Macroeconomic reform including privatization and closure of inefficient state-owned enterprises;
- Agreements with and implementation of IMF and World Bank programs;
- Progress on NATO Interoperability goals and Defense Reform;
- Continued Support for OSCE Kosovo Verification Mission and SFOR;
- Opening of SECI Center on Cross-Border Organized Crime.

ROMANIA
FUNCTION 150 RESOURCES
($ in thousands)

Appropriations Accounts by Strategic Goal	Actual FY 1998	Estimate FY 1999	Request FY 2000
Regional Stability	**14,447**	**4,513**	**8,160**
FMF-G	13,900	4,000	7,500
IMET	547	513	660
Weapons of Mass Destruction	**47**	**143**	**458**
NADR-Export Control	47	143	458
Economic Development	**28,589**	**20,825**	**22,898**
SEED	28,589	20,825	22,898
International Crime	**-**	**-**	**432**
SEED	-	-	432
Democracy	**4,027**	**7,913**	**3,326**
IMET	547	513	540
SEED	3,480	7,400	2,786
Humanitarian Assistance	**-**	**3,350**	**-**
SEED	-	3,350	-
Environment	**1,900**	**2,000**	**1,522**
SEED	1,900	2,000	1,522
Population	**2,360**	**1,625**	**1,890**
SEED	2,360	1,625	1,890
Diplomatic Activities	**791**	**800**	**472**
SEED	791	800	472
Total	***52,161***	***41,168***	***39,158***

Appropriations Accounts	Actual FY 1998	Estimate FY 1999	Request FY 2000
FMF	13,900	4,000	7,500
IMET	1,094	1,025	1,200
NADR	47	143	458
SEED	37,120	36,000	30,000
Total	***52,161***	***41,168***	***39,158***
Other Accounts			
D&CP	3,607	3,836	5,204
ECE	1,820	1,944	1,990
IIP	1,119	1,154	-
Peace Corps	1,510	1,772	1,876
Total	***8,056***	***8,706***	***9,070***
ROMANIA FUNCTION 150 RESOURCES GRAND TOTAL	***60,217***	***49,874***	***48,228***

Slovakia

($ in thousands)

National Interests: The position of Slovakia as a positive force for regional stability in Central and Eastern Europe (CEE) is in the national interest of the United States. To accomplish this, the U.S. supports continued economic and political reform and Slovakia's eventual integration into Euro-Atlantic institutions, particularly NATO, OECD, and the EU. The U.S. is also interested in Slovakia implementing effective export control strategies to prevent transfer of arms to pariah states as well as bolstering crime-fighting efforts to minimize the impact on the U.S. from CEE criminal organizations. Developing an improved business climate to create expanded trade and investment opportunities for U.S. firms will be supported by the development of a democratic, market-oriented society.

Strategic Goals and Supporting Programs for FY 2000:

Regional Stability: Slovakia is a small country in the heart of Europe which will soon be nearly surrounded by NATO member states and has its own aspirations to join the alliance. Continuing Slovakia's Foreign Military Financing (FMF) and International Military Education and Training (IMET) programs will help Slovakia play a better role as a regional defense and security partner and prepare the country for possible future NATO membership. FMF will enhance Slovakia's participation in Partnership for Peace (PfP) activities by providing U.S. and NATO compatible equipment and training. The IMET program will continue to promote professionalism of the Slovakian armed forces, respect for the rule of law and human rights and a greater understanding of the concept of civilian control of the military. $3,150

Weapons of Mass Destruction: With funds from the Nonproliferation, Anti-Terrorism, Demining (NADR) account the U.S. will continue to assist in the development of an effective Export Control system and enforcement capability. $391

Democracy: Slovakia is in the process of strengthening viable, but fragile, democratic institutions after free and fair elections in September 1998 brought a reform-minded government to power. The Peace Corps program and USIA exchanges will bolster democracy and respect for civil society, human rights, and the rule of law. $0

Performance Evaluation:

- Protection of Free Speech, Academic Freedom, Media Independence and NGOs: U.S. assistance to independent media and support for domestic observers and voter educators helped bring about free Parliamentary elections with more than 84 percent voter turnout in September, despite the former government's attempts to stifle independent media and control state-run channels.

- Protection of Minorities: The new government includes members of ethnic Hungarian minority (including Deputy Prime Minister) and has reissued bilingual school report cards in Hungarian language schools. GOS has pledged to adopt a minority language law and to address discrimination against Roma.

- Establishment of Vigorous Export Control Regime: The U.S. installed a "Tracker" export control system and trained Slovaks in its use. The new government has pledged stricter adherence to export controls, linking its adherence directly to closer relations with the U.S. and eventual NATO membership.

- Deepening Participation in PfP and International Peacekeeping: The Slovak government sent a large contingent of peacekeepers to Gaza in a joint operation with Austria. In December the new government tripled the number of troops participating. In the same month, Parliament approved an expanded participation in PfP exercises. The new Defense Minister Kanis pledged involvement in Stabilization Force (SFOR). Slovakia has utilized its prior year FMF to purchase an Air Sovereignty Operations Center (ASOC), communications equipment; English language training; and small unit equipment; among other defense articles and services that will increase its interoperability with U.S. and NATO forces.

Key Indicators for FY 2000 Performance:

- Greater resolve to finalize disputes with Hungary and the Czech Republic.
- Expeditious promotion of military officers who have learned English or attended the IMET programs.
- Continued engagement with economic problems particularly fiscal deficits and the financial/banking sector.
- Initiation of cooperation with the FBI, INS, and the Customs Bureau in investigating international criminal and smuggling cases.
- Greater efforts in the development of a language law.

SLOVAK REPUBLIC
FUNCTION 150 RESOURCES
($ in thousands)

Appropriations Accounts by Strategic Goal	Actual FY 1998	Estimate FY 1999	Request FY 2000
Regional Stability	**3,821**	**2,900**	**3,150**
FMF-G	3,200	2,300	2,500
IMET	621	600	650
Weapons of Mass Destruction	**48**	**113**	**391**
NADR-Export Control	48	113	391
Economic Development	**3,219**	**-**	**-**
SEED	3,219	-	-
Democracy	**3,315**	**2,000**	**-**
SEED	3,315	2,000	-
Environment	**1,138**	**-**	**-**
SEED	1,138	-	-
Diplomatic Activities	**403**	**1,000**	**-**
SEED	403	1,000	-
Total	***11,944***	***6,013***	***3,541***

Appropriations Accounts	Actual FY 1998	Estimate FY 1999	Request FY 2000
FMF	3,200	2,300	2,500
IMET	621	600	650
NADR	48	113	391
SEED	8,075	3,000	-
Total	***11,944***	***6,013***	***3,541***
Other Accounts			
D&CP	1,272	1,352	2,086
ECE	718	766	792
IIP	546	550	-
Peace Corps	1,508	1,743	1,772
Total	***4,044***	***4,411***	***4,650***
SLOVAK REPUBLIC FUNCTION 150 RESOURCES GRAND TOTAL	***15,988***	***10,424***	***8,191***

Slovenia

($ in thousands)

National Interests: Slovenia has the potential to positively influence other Southeast European countries at differing stages of reform and integration. It is a key country in US policy of containing regional conflicts and paving the way for a community of democratic, stable, prosperous nations acting together and adhering to the principles of national sovereignty and international law. A Slovenia that is actively engaged in addressing regional security problems and a Slovenian military force that is stable, strong, well-administered, and closely tied to Euro-Atlantic institutions serves U.S. national security interests.

Strategic Goals and Supporting Programs for FY 2000:

Regional Stability: U.S. Foreign Military Financing (FMF) and International Military Education and Training (IMET) programs foster development of a strong bilateral military-to-military relationship and assist Slovenia in preparing its forces for entry into NATO in a future round of enlargement, and for deepening engagement in regional security arrangements, Partnership for Peace (PFP), Euro American Partnership Council (EAPC), and peacekeeping in the area's zones of conflict. Slovenia will continue to be eligible in FY 2000 to receive grant Excess Defense Articles (EDA) under Section 516 of the Foreign Assistance Act and where appropriate the transfer of EDA will assist Slovenia in meeting defense requirements and furthering NATO interoperability. $3,700

Weapons of Mass Destruction: With funds from the Nonproliferation, Anti-Terrorism, Demining (NADR) account the U.S. will continue to assist in the development of an effective Export Control system and enforcement capability. $453

Performance Evaluation:

- Deepening participation in the PFP and in international peacekeeping (PKO) and humanitarian operations. In addition to hosting its first multinational PFP exercise and fully participating in other PfP activities in 1998, Slovenia has opened some of its specialist facilities for training and joint exercises with Partners. These include a first-rate Alpine training facility at Pokljuka and a demining and unexploded ordnance training facility at Ig. Slovenia now participates in or intends to contribute forces to five major multinational/regional peacekeeping bodies: the Trilateral Brigade with Italy and Hungary; the Central European Nations Cooperation in Peacekeeping (CENCOOP); the Southeast Europe Brigade (as observers); the Standby High Readiness Brigade (SHIBRIG); and SFOR. Slovenia is also providing a military police platoon to the Multilateral Specialized Unit (MSU) in Sarajevo, up to 10 participants to the Kosovo Verification Mission (KVM), a contingent of 27 to

the UN PKO mission on Cyprus, and two officers for the UN PKO mission on the Lebanese border of Israel.

- Promotion of U.S.-trained officers to senior military or defense military positions. The current Deputy Chief of Defense, Brigadier Alojz Jehart, was promoted to his current position after attending the National Defense University (NDU). The current G7, Brigadier Janez Kavar, was promoted after attending the Army War College.

- Increased interoperability with NATO, as measured by acquisition of NATO-compatible equipment and adoption of NATO doctrine and standards. Slovenia has accepted 27 of NATO's Interoperability Objectives (IOs) for its 10th Mountain Battalion, a rapid reaction force that it is forming, It is making progress at applying these IOs to the elements of the battalion that have been formed. Slovenia's Defense Ministry and Genreral Staff also increased its participation in the Marshall Center. With prior year FMF, Slovenia has purchased training simulators, pilot equipment and English language training. Slovenia also purchased training simulators, pilot equipment and English language training. Slovenia has purchased training simulators, pilot equipment and English language training. Slovenia also purchased an Air Sovereignty Operations Center with its own national funds. Through IMET, Slovenia has sent officers to senior level training at each of the military service war colleges, and has focused on training that enhances interoperability with U.S. and NATO forces.

Key Indicators for FY 2000 Performance:

- Deepening Slovenian participation in PfP, EAPC, and regional security initiatives.
- Continued GOS progress on reform and reorganization of military and Ministry of Defense bureaucracy toward meeting NATO interoperability objectives.
- Expansion of Slovenian International Demining Trust Fund activities within the region.
- Increasing number of U.S.-trained officers in senior military or defense military positions.
- Intensified U.S.-Slovenian military-to-military cooperation and contacts.
- IMET programs.
- Continued engagement with economic problems particularly fiscal deficits and the financial/banking sector.
- Initiation of cooperation with the FBI, INS, and the Customs Bureau in investigating international criminal and smuggling cases.
- Greater efforts in the development of a language law.

SLOVENIA
FUNCTION 150 RESOURCES
($ in thousands)

Appropriations Accounts by Strategic Goal	Actual FY 1998	Estimate FY 1999	Request FY 2000
Regional Stability	**10,042**	**3,250**	**3,700**
CIPA	6,888	-	-
FMF-G	2,500	2,600	3,000
IMET	654	650	700
Weapons of Mass Destruction	**41**	**41**	**453**
NADR-Export Control	41	41	453
Total	***10,083***	***3,291***	***4,153***

Appropriations Accounts	Actual FY 1998	Estimate FY 1999	Request FY 2000
CIPA	6,888	-	-
FMF	2,500	2,600	3,000
IMET	654	650	700
NADR	41	41	453
Total	***10,083***	***3,291***	***4,153***
Other Accounts			
D&CP	1,217	1,293	1,859
ECE	422	450	467
IIP	488	500	-
Total	***2,127***	***2,243***	***2,326***
SLOVENIA FUNCTION 150 RESOURCES GRAND TOTAL	***12,210***	***5,534***	***6,479***

Turkey

($ in thousands)

National Interests: Turkey is vitally important to U.S. national security. Turkey is a key NATO ally located at the strategic nexus of Europe, the Middle East, the Caucasus and the Caspian, and an active participant in regional stabilization initiatives. Turkey borders three countries -- Iran, Iraq and Syria -- which pose military, terrorist, Weapons of Mass Destruction (WMD) and strategic economic threats to the United States. Turkey provides crucial cooperation with the U.S. on Iraq, including hosting Operation Northern Watch (ONW). The U.S. national interest in Democracy is reflected in programs with the Turkish military that promote improved civil-military relations. Turkish efforts to combat narco-trafficking are also of serious national security concern to the U.S. A highly effective USAID-funded population control program reflects another important U.S. interest in the region.

Strategic Goals and Supporting Programs for FY 2000:

Regional Stability: International Military Education and Training (IMET) programs provide Turkish military personnel with the training needed to improve interoperability with U.S. and NATO forces and help support Turkey's participation in international peacekeeping operations. Turkey will continue to be eligible in FY 2000 to receive grant Excess Defense Articles (EDA) under Section 516 of the Foreign Assistance Act and where appropriate the transfer of EDA will assist Turkey in meeting defense requirements and furthering NATO interoperability. $1,200

Illegal Drugs: U.S. counternarcotics assistance will provide training and equipment to strengthen Turkey's investigation and interdiction efforts, as well as promote demand reduction and public awareness. An experimental licit poppy-breeding project helps enhance the economic viability of the industry in order to prevent diversion of crops and farmers into the illicit market, and to support the market for pharmaceutical raw products. $500

Democracy: The issues of military justice, to include internationally recognized human rights, effective defense resources management, and improved civil-military relations are specifically addressed under IMET programs. $300

Performance Evaluation:

- Government of Turkey support for U.S. regional initiatives. Turkey has supported U.S. regional initiatives by consistently renewing authorization of ONW, strongly supporting the Middle East Peace Process and building solid, multifaceted ties with Israel. Turkey played the leading role in the establishment of the Multinational Peace force-Southeastern Europe, and has participated constructively in the Southeast Europe Cooperation Initiative and the Black Sea Economic Cooperation Council. The USG has been able to promote and obtain Turkish participation in the Multinational

Peacekeeping Force for Southeast Europe, the Southeast Europe Cooperation Initiative, and the Black Sea Economic Cooperation Council.

- Increased operational readiness of the Turkish military. Turkey has embarked on a major effort to upgrade and modernize its armed forces to enable it to meet NATO obligations and to counter the increasing security threat posed by terrorism and WMD being pursued by neighboring countries.

- Absence/limitation of flare-ups in the Aegean. U.S. diplomatic intervention proved decisive in averting war between NATO allies Greece and Turkey on two occasions since 1994. While provocative actions by the armed forces of both countries took place in FY98, there was a marked decrease of such incidents compared with FY97.

- Statistics on narcotics seizures. During 1998 Turkish law enforcement agencies seized over three tons of heroin and five tons of hashish. Drug seizures were up 50% from 1997. There were over 5,000 drug-related arrests. There were a number of successful bilateral investigations in 1998, including the seizure of 550 kilograms of cocaine.

Key Indicators for FY 2000 Performance:

- Reduced military involvement in politics;
- Normalization of Greek-Turkish relations and progress toward a Cyprus settlement;
- Agreement among the Turkish and Greek governments to technical changes for the prevention of conflicting exercises in the Aegean and the interception of NATO military aircraft;
- Number of narcotics seizures in Turkey;
- Reduced total birth rate;
- Reduced complaints/incidents of human rights violations.

TURKEY
FUNCTION 150 RESOURCES
($ in thousands)

Appropriations Accounts by Strategic Goal	Actual FY 1998	Estimate FY 1999	Request FY 2000
Regional Stability	**1,200**	**1,200**	**1,200**
IMET	1,200	1,200	1,200
Illegal Drugs	**500**	**500**	**500**
INC	500	500	500
Democracy	**4,305**	**2,300**	**300**
DA	4,000	2,000	-
IMET	305	300	300
Total	***6,005***	***4,000***	***2,000***

Appropriations Accounts	Actual FY 1998	Estimate FY 1999	Request FY 2000
DA	4,000	2,000	-
IMET	1,505	1,500	1,500
INC	500	500	500
Total	***6,005***	***4,000***	***2,000***
Other Accounts			
D&CP	8,575	9,128	14,141
ECE	2,450	2,659	2,705
IIP	2,803	3,572	-
Total	***13,828***	***15,359***	***16,846***
TURKEY FUNCTION 150 RESOURCES GRAND TOTAL	***19,833***	***19,359***	***18,846***

The Federal Republic of Yugoslavia (FRY)

($ in thousands)

National Interests: The search for a solution to the crisis in Kosovo and the promotion of regional stability are key U.S. priorities in the Federal Republic of Yugoslavia (FRY). Support for the development of a democratic FRY that respects human rights and the rule of law is essential to the eventual integration of Serbia-Montenegro into the international community and to the long-term stability of the Balkan region. Of the SEED resource for the FRY, 90 percent will be dedicated to meeting program needs in Kosovo. The ultimate programmatic breakout will depend on progress made toward peace in Kosovo.

Strategic Goals and Supporting Programs for FY 2000:

Regional Stability: The conflict in Kosovo threatens regional stability in the Balkans and works against the efforts of the international community to secure peace and stability in Bosnia and Albania. The Kosovo Verification Mission will continue to require significant financial support through the Peacekeeping Operation (PKO) and Support for Eastern European Democracy (SEED) accounts.

Economic Development: To pave the way for real economic reform in the FRY the US is working closely with the reform-minded Montenegrin government as a positive model for Serbia. Both the U.S. and the EU have been careful to exempt Montenegro from sanctions and are providing technical assistance to Montenegro on a range of issues including tax policy, privatization, business development, and banking and financial reforms. $16,494

Democracy: Establishing a more open democratic society in Yugoslavia is essential to the overall stability of the Balkan region. SEED and USIA funds are devoted to programs that enhance respect for the rule of law, support independent media, protect human and civil rights, strengthen civil society and foster individual economic opportunity. $39,801

Humanitarian Assistance: The U.S. contributes significantly to international efforts to meet immediate and projected humanitarian needs with a focus on saving lives, reducing suffering, and helping victims return to self-sufficiency. U.S. assistance programs focused in Kosovo, where the current need is greatest, have improved the situation dramatically. Refugees from recent conflict in Croatia and Bosnia also require relief and related assistance. $8,680

Performance Evaluation:

NOTE: No Indicators were developed in FY 1998. Nevertheless progress was made:

- U.S.-led negotiations, and the establishment of the OSCE Kosovo Verification and the NATO Air Verification Missions, have helped contain and manage the conflict in Kosovo.

- The Montenegrin government continues on the path of democratic and economic reform with significant assistance from the United States and other members of the international community.

- Despite new obstacles in the FRY and a repressive legal environment, many independent media outlets continue to operate. Some have moved their base of operations to Montenegro. A number of important independent voices have been silenced, however the international community has responded with additional assistance for the media and increased sanctions on the government.

- Attempts to establish a broad coalition of democratic forces through the Alliance for Change are a positive development and will reinforce efforts of the international community to foster development of democratic institutions.

Key Indicators for FY 2000 Performance:

- Full FRY cooperation with international negotiators, monitors, and relief workers regarding Kosovo, including implementation of any settlement.
- Satisfactory implementation of the Dayton Accords.
- Expansion of political and economic reform in Montenegro.
- Emergence of meaningful pro-democracy forces in Serbia.
- Independent media operations strengthened throughout the FRY.
- Creation of a military personnel management system separate from the Slovenian civil service.
- Creation of an indigenous training program for young military offices/NCOs

YUGOSLAVIA
FUNCTION 150 RESOURCES
($ in thousands)

Appropriations Accounts by Strategic Goal	Actual FY 1998	Estimate FY 1999	Request FY 2000
Regional Stability	**1,478**	**58,000**	**-**
CIPA	1,478	48,000	-
SEED	-	10,000	-
Economic Development	**4,329**	**3,340**	**16,494**
SEED	4,329	3,340	16,494
Democracy	**14,195**	**19,360**	**39,801**
CIPA	6,545	12,000	14,500
DA	500	-	-
SEED	7,150	7,360	25,301
Humanitarian Assistance	**12,233**	**19,251**	**8,680**
SEED	2,380	2,700	8,680
Title II	9,853	16,551	-
Diplomatic Activities	**1,446**	**870**	**4,525**
SEED	1,446	870	4,525
Total	***33,681***	***100,821***	***69,500***

Appropriations Accounts	Actual FY 1998	Estimate FY 1999	Request FY 2000
CIPA	8,023	60,000	14,500
DA	500	-	-
SEED	15,305	24,270	55,000
Title II	9,853	16,551	-
Total	***33,681***	***100,821***	***69,500***
Other Accounts			
D&CP	4,401	4,664	6,447
ECE	55	58	61
IIP	1,536	1,614	-
Total	***5,992***	***6,336***	***6,508***
YUGOSLAVIA FUNCTION 150 RESOURCES GRAND TOTAL	***39,673***	***107,157***	***76,008***

EUR Peacekeeping Operations

($ in thousands)

National Interests: The FY 2000 request for EUR PKO provides U..S. voluntary contributions to the Organization for Security and Cooperation in Europe (OSCE) and its 20 missions in support of U.S. policy goals of preventing destabilization in the states of the former Soviet Union, reducing and containing conflict in the Balkans, and fulfilling the OSCE's and Office of the High Representative (OHR) responsibilities under the Dayton Accords.

Strategic Goals and Supporting Programs for FY 2000:

The FY 2000 request for European Peacekeeping Operations (PKO) provides U.S. voluntary contributions to the OSCE and its 20 missions in support U.S. policy goals of preventing destabilization in the states of the former Soviet Union, reducing and containing conflict in the Balkans, and fulfilling the Organization of Security and Cooperation in Europe (OSCE) and Office of the High Representative (OHR) responsibilities under the Dayton Accords.

Regional Stability: Of the total $79 million allocated, $36 million will support the OSCE activities in Bosnia, Croatia and other non-Kosovo activities, and the remaining $43 million will be used in support of the OSCE's activities in Kosovo. In Bosnia, a substantial portion of funds will be used to support electoral reform and supervision, democratization, human rights, and refugee return efforts. The 250-person OSCE Croatia Mission will continue to support democratization, electoral and legal reforms, human rights and refugee returns. The balance of funds will be used to support the U.S. contributions to on-going OSCE Missions in Albania, Belarus, Estonia, Georgia, Kazakhstan, Kyrgyzstan, Latvia, Macedonia, Moldova, Russia (Chechnya), Tajikistan, Turkmenistan, and Ukraine, as well as planned OSCE Missions in Azerbaijan and Armenia.

In Kosovo, $43 million in PKO funds will be used to support the OSCE's Kosovo Verification Mission (KVM). The KVM has a broad mandate to verify compliance with the cease fire and other international commitments, to supervise elections, monitor human rights and policing operations, and generally exercise preventative diplomacy in an effort to facilitate conditions for a negotiated solution to the situation in Kosovo.

$79,000

Performance Evaluation:

- Successful OSCE missions to contain conflict and tensions throughout Europe and particularly in the Balkans and the Former Soviet Union. In FY 1998, PKO funds supported OSCE conflict prevention and resolution activities throughout the Balkans and Former Soviet Union. The OSCE established new missions in Belarus, Kyrgyzstan, Turmenistan, and Kazakhstan to assist these states in compliance with fundamental human rights commitments, economic reform and democratization.

- Safeguarded and consolidated peace in Bosnia consistent with the reduction and withdrawal of IFOR. established conditions for significant reductions in the number of SFOR peacekeepers in Bosnia , and successfully supervising 1998 parliamentary elections.

- Successful implementation of the Dayton Accords. The OSCE Missions in Bosnia and Croatia consolidated progress on implementation of the Dayton Accords.

Key Indicators for FY 2000 Performance:

- Containment and prevention of conflict and tensions throughout Eurasia, particularly in the Balkans and Former Soviet Union;
- Verification of the cease-fire in Kosovo, including the enhancement of stability on the ground and the evolvement of conditions conducive to a negotiated settlement of the situation in Kosovo;
- Improved outreach to Central Asia and the Caucasus to foster democratization and respect for fundamental human rights;
- Consolidation of peace in Bosnia consistent with the reduction and withdrawal of SFOR;
- Continued progress in the implementation of the Dayton Accords.

EUR PEACEKEEPING OPERATIONS (PKO)
FUNCTION 150 RESOURCES
($ in thousands)

Appropriations Accounts by Strategic Goal	Actual FY 1998	Estimate FY 1999	Request FY 2000
Regional Stability	**25,000**	**35,000**	**79,000**
PKO	25,000	35,000	79,000
Total	***25,000***	***35,000***	***79,000***

Appropriations Accounts	Actual FY 1998	Estimate FY 1999	Request FY 2000
PKO	25,000	35,000	79,000
Total	***25,000***	***35,000***	***79,000***
EUR PEACEKEEPING OPERATIONS (PKO) FUNCTION 150 RESOURCES GRAND TOTAL	***25,000***	***35,000***	***79,000***

European Regional

($ in thousands)

National Interests: The regional program will enhance the stability of the European continent, provide fertile ground for U.S. business investment, ultimately reducing the need for future U.S. expenditures to restore peace.

Strategic Goals and Supporting Programs for FY 2000:
To establish a durable peace and reduce ethnic tensions in the states of the former Yugoslavia, Albania and the Balkan region, we will continue to promote full implementation of the Dayton Accords, with reinforced efforts in public security, arms reduction compliance, freedom of movement, return of refugees, war crimes cooperation, democratization and economic liberalization.

Regional Stability: ESF will provide a small but critical element in U.S. plans for managing conflict in the Balkans. The flexibility provided by ESF makes it an essential rapid-reaction fund for supporting cease-fires, bolstering political settlement and managing spillover. Needs are anticipated arising out of potential crises in Croatia, Bosnia, Kosovo/Serbia and Albania. This is a regional request because the ethnic nature of likely conflicts requires us to engage with refugees, arms smuggling, stationing of international forces and impact on state succession talks as well as diplomatic coordination, involving several neighbors, including Slovenia, Hungary, Romania, Bulgaria, Greece and Turkey. $10,000

EUR REGIONAL
FUNCTION 150 RESOURCES

($ in thousands)

Appropriations Accounts by Strategic Goal	Actual FY 1998	Estimate FY 1999	Request FY 2000
Regional Stability	-	-	**10,000**
ESF	-	-	10,000
Total	-	-	***10,000***

Appropriations Accounts	Actual FY 1998	Estimate FY 1999	Request FY 2000
ESF	-	-	10,000
Total	-	-	***10,000***
EUR REGIONAL FUNCTION 150 RESOURCES GRAND TOTAL	-	-	***10,000***

Support for East European Democracy (SEED) - Regional Account

($ in thousands)

National Interests: SEED regional programs promote economic restructuring, democratic transition, and social stabilization in Central and Eastern Europe (CEE). A stable, prosperous, and democratic CEE region will enhance the stability of the European continent, provide fertile ground for U.S. business investment, reduce the need for future U.S. expenditures to restore peace, and minimize the impact of international crime on the U.S. and its citizens.

Strategic Goals and Supporting Programs for FY 2000:

Economic Development: Regional SEED programs which promote broad-based economic growth focus on economic restructuring and private enterprise development; energy efficiency, health administration reform; economic (Treasury) experts to advise Ministries of Finance on budget, debt, tax and banking reform issues; technical assistance to democratic and market-oriented labor and social sector programs; Baltic Enterprise Fund financing; and the Southeast Europe Cooperative Initiative, to promote regional cooperation on common environmental and economic problems among the countries of Southeast Europe. $84,706

International Crime: Regional programs combat international organized crime and strengthen national law enforcement institutions, including training law enforcement officers to combat auto theft, financial institution fraud, money laundering; technical assistance to draft and implement counter-crime legislation; and training of prosecutors, judges, and defense attorneys. $732

Democracy: Regional programs will promote democracy, establish self-supporting foundations for NGOs in countries which no longer have a USAID mission; fund the National Endowment for Democracy; provide scholarships for study at American universities; and provide grants for educational institutions to conduct research and studies on CEE issues. $12,986

Humanitarian Assistance: Supporting programs contribute to the reconstruction of the Balkan region in the aftermath of the wars in Bosnia, Croatia, and Kosovo through emergency rehabilitation, reconstruction finance, municipal infrastructure and services restoration, demining, debt rescheduling, trade development, election assistance, and democracy promotion. $232

Environment: Regional programs aim to reduce global climate change (GCC), conserve biological diversity, promote sustainable urbanization including pollution management, increase provision of environmentally sound energy services, and improve natural resource management. $5,582

Performance Evaluation:

- Further develop market economies and strong private sectors in CEE. Despite a year of financial uncertainty stemming from the Russian and Asian financial crisis, CEE economies were surprisingly unaffected, an indication of their economic strength.

- Develop cooperative initiatives with CEE countries to combat organized crime. U.S. technical assistance to combat international organized crime, identify and combat financial crimes such as money laundering and counterfeiting, to counter narcotics trafficking, and to develop legislative and institutional capacities to address these problems has resulted in a strengthened partnership with Central and East European law enforcement institutions, agencies and officials.

- Increase foreign government adherence to democratic practices and respect for human rights. New governments in Bulgaria, Slovakia and Macedonia continued or began important reforms; governments in Slovakia and Macedonia took steps to reduce ethnic tensions.

- Provision of emergency food and shelter to vulnerable refugee and returnee populations in several areas of the former Yugoslavia. Reconstruction of municipal infrastructure enabled the return of significant numbers of refugees; free and fair elections were held by the Organization for Security and Cooperation in Europe (OSCE) with the financial support of SEED.

- Continue regional cooperation through the Budapest Regional Environmental Center (REC) in the areas of water and land use, energy, urban degradation, and air quality. Through the REC, USAID conducted an energy efficiency training program to conserve energy and increase reliance on renewable resources. A climate-change mitigation program aimed to decrease the growth of net greenhouse gas emissions by reducing emissions from power plants and other sources, and to maintain or increase greenhouse gas "sinks" such as forests.

Key Indicators for FY 2000 Performance:

- Improved market indicators which demonstrate the growth of the private sector;
- Strengthened and more transparent law enforcement institutions through training of law enforcement personnel;
- Establishment of self-supported foundations for NGOs in countries which no longer receive USAID assistance;
- Reduced need for humanitarian assistance in Bosnia and Kosovo as refugees return home and reconstruction program continues;
- Increased efficiency and reliance on renewable resources for energy conservation.

SUPPORT TO EAST EUROPEAN DEMOCRACY (SEED)
FUNCTION 150 RESOURCES
($ in thousands)

Appropriations Accounts by Strategic Goal	Actual FY 1998	Estimate FY 1999	Request FY 2000
Economic Development	**30,417**	**32,174**	**34,706**
SEED	30,417	32,174	34,706
International Crime	**6,450**	**3,200**	**732**
SEED	6,450	3,200	732
Democracy	**11,833**	**10,771**	**12,986**
SEED	11,833	10,771	12,986
Humanitarian Assistance	**211**	**-**	**232**
SEED	211	-	232
Environment	**5,041**	**3,000**	**5,582**
SEED	5,041	3,000	5,582
Diplomatic Activities	**4,920**	**14,155**	**5,762**
SEED	4,920	14,155	5,762
Total	***58,872***	***63,300***	***60,000***

Appropriations Accounts	Actual FY 1998	Estimate FY 1999	Request FY 2000
SEED	58,872	63,300	60,000
Total	***58,872***	***63,300***	***60,000***
SUPPORT TO EAST EUROPEAN DEMOCRACY (SEED) FUNCTION 150 RESOURCES GRAND TOTAL	***58,872***	***63,300***	***60,000***

NEAR EAST

Bureau of Near Eastern Affairs
Statement by Assistant Secretary Martin S. Indyk

The Bureau of Near Eastern Affairs (NEA) manages an extensive portfolio of security, political, economic and non-proliferation initiatives in a region characterized by heavy reliance on U.S. diplomatic leadership and crisis management. Many NEA regional goals have been shared across Administrations as truly vital to our national interests. For over four decades, successive U.S. Administrations have defined a peaceful resolution of the Arab/Israeli conflict and secure access to the energy resources of the Persian Gulf among their top foreign policy objectives. Bureau personnel--both in the field and in Washington--are intimately engaged in the formulation and execution of U.S. foreign policy initiatives that include advancing the Middle East peace process, countering the Iraqi threat, ensuring stability in the oil-rich Gulf, and promoting democratic values and religious tolerance. Advancing U.S. political and economic interests in the Middle East is complicated by a legacy of ethnic conflicts, border disputes, economic dislocations and inequities, ecological disruptions, and human rights abuses--to say nothing of terrorism and intolerance. It is within that context that the Bureau of Near Eastern Affairs is charged with the delicate combination of crisis management, while also shaping policies and programs to deal with the core underlying issues.

The legacy of strong, vigorous U.S. leadership in the Middle East has entailed substantial commitments of both diplomatic energy as well as foreign assistance resources over the past several decades. In prior budgets, attention focused on the $5 billion in annual security assistance resources traditionally commanded by our Camp David partners Israel and Egypt--which as recently as FY 1998 represented some 40% of our worldwide foreign assistance budget. Less frequently mentioned is the fact that supporting all our remaining Middle East foreign assistance funding initiatives absorbs less than 3% of the worldwide total. Furthermore, our diplomatic readiness--in a region in which Ambassadors and their staffs remain the primary interlocutors across the full gamut of diplomatic and commercial issues--is the second smallest of any regional bureau. Our work is accomplished through a lean bureau and field organization of only 46 Washington-based professionals, 20 missions overseas and an annual budget of $62 million.

Even given that NEA has one of the smallest operating budgets and staffs, our personnel manage one of the largest foreign assistance programs -- the traditional earmarked funding for Israel and Egypt that dates from the Camp David Accords in the Arab/Israeli peace process. Faced with the disparity between these large traditional earmarks and acute unmet funding needs for other regional priorities, NEA has assumed leadership restructuring foreign assistance allocations for the region. We hope to continue gradual declines in assistance entitlements to Israel and Egypt, thereby freeing up resources for other requirements in the region.

NEA is a leadership bureau. On the Middle East peace process, we work closely with the President's Special Middle East Coordinator (SMEC) on the full range of negotiations involving Israel, the Palestinians, Lebanon and Syria. We lead the multilateral steering group and the five multilateral working groups associated with the peace process, new regional economic institutions, and the Palestinian donor coordination process. Our staff chair interagency processes, lead discussions with our Russian, European Union and Japanese partners, galvanize coordinated support for our Iraq and Libya policies with all Security Council members as well as with our Arab friends, and lead interagency deliberations on Iran policy. Despite differing priorities among our regional partners, we seek to enhance bilateral ties, while at the same time pursuing broader agendas in the U.S. national interest.

Furthering the Middle East peace process continues to dominate our diplomatic agenda, just as it has for every U.S. Administration since Truman. The rationale for vigorous U.S. engagement in peace process diplomacy remains the same -- U.S. commitment to the security of the state of Israel and recognition of the substantial risks of broader regional instability if the peace process were to founder. Our emphasis continues to be on assisting the Israelis and Palestinians to implement existing agreements and conclude an agreement on permanent status issues. We will pursue every opportunity to revitalize the Syrian and Lebanese tracks. While the risk of a superpower conflict stemming from Arab-Israeli tensions may have receded, the underlying justification for U.S. engagement has not.

U.S. engagement is also critical to limiting opportunities for the growth of radical regimes and further proliferation of weapons of mass destruction in an already heavily militarized region and with a number of fragile, non-democratic regimes. We seek regional stability in the Gulf as a vehicle for bolstering our close partnerships with the Gulf Cooperation Council states, and safeguarding world access to the substantial energy resources available from that region. NEA countries account for more than 75% of proven world oil reserves, and some 35% of total world production. Since Saddam Hussein's invasion of Kuwait in 1990, we have coordinated closely with the Defense Department on an enhanced forward presence for U.S. military assets, and our regional diplomacy is heavily oriented toward ensuring that those assets support our overall security priorities.

Countering the threat Iraq poses to regional stability and to our worldwide nonproliferation policies is a critical Bureau priority. We have managed the threat using diplomacy backed by the credible use of force, pending a change of regime in Baghdad. This includes mobilizing a wide array of diplomatic resources in Washington, New York, and our posts around the world to rally support for the U.S. containment and regime change effort, including efforts such as Operation Desert Fox. The Gulf States are not like NATO; every new deployment or coalition effort requires extensive diplomatic coordination at senior levels. Efforts also include closer engagement with Iraqis, both inside and outside Iraq, who seek Iraq's reintegration into the family of nations. To that end, the Secretary has appointed a Special Representative for Transition

in Iraq, who will -- inter alia -- oversee the use of Economic Support Funds and ensure implementation of the Iraq Liberation Act in support of our policy objectives.

Achieving change in Iranian practices that violate international norms remains a key regional goal. We seek to convince Iran to alter its foreign practices on terrorism and WMD means of delivery. At the same time, we work with friends and allies to deny WMD capabilities or the financial windfalls that might enable Iran to buy these capabilities. We have and will continue to expend considerable energy with European and other allies to achieve these goals. We will continue our advocacy of government-to-government dialogue with Iran while facilitating people-to-people exchanges that may foster an environment in which such a dialogue is possible. We are increasing our efforts considerably to explain our Iran policy and to rally consensus.

NEA's mixture of diplomatic activities and funding priorities is changing in response to developments in the region as well as to worldwide trends. Our Egypt economic policy--grounded in the four-year-old Gore-Mubarak partnership--is encouraging a transition from a largely assistance-based relationship to one based on greater market access and foreign investment. Our encouragement of intra-regional trade and investment initiatives is in response to the chronic failure of countries to develop economic relations amongst themselves. Our efforts are manifested in creative initiatives such as the Qualifying Industrial Zone (QIZ) program involving Jordan and Israel. The QIZ marries U.S. market access, Jordanian-Israeli cooperation, and international capital in a win-win combination. The Gaza Industrial Estate program is another example of this creativity. We continue to support the MENA economic conference process as a vehicle for drawing the international private sector into the region. We also continue to advocate for U.S. companies as they bid on major privatization projects in Egypt and Morocco, pursue commercial opportunities in Lebanon, and remain the principal suppliers of defense equipment in the Gulf.

North Africa has suffered economic dislocation and political dysfunction as its countries make the difficult transition toward more open, democratic governance. Our policies aim to bolster the efforts of moderate, constructive governments in Morocco and Tunisia and reinforce change in Algeria. We have begun an initiative in North Africa that would give new coherence to our approach, particularly in our bilateral relations with Tunisia and Morocco. We plan to inaugurate a cutting-edge program of private sector trade--not aid--that will enhance investment opportunities and build civil institutions.

Our economic and democracy programs are mutually reinforcing as NEA faces the challenge of addressing critical global issues. Multiple efforts to enhance private sector development and a better investment climate will seek to address the root causes of societal dislocation, but much remains to be done. We have introduced a strong initial program for developing civil society in this region which often lacks the most rudimentary institutions for peaceful transition of leadership, freedom of expression or respect for women's rights. Our missions are also actively engaged in fostering religious tolerance. We are also tackling the societal/structural factors that foster a climate of intolerance and extremism.

More broadly, we have long been encouraging the region to address environmental issues such as limited water resources and environmental degradation through the Middle East peace process working groups. We are leading a new interagency Nile Basin initiative that will explore proactive strategies to defuse future tensions.

Foreign assistance resources enable us to achieve our regional objectives. Beyond our bedrock commitments to Israel and Egypt, our remaining FY 99 foreign assistance resources were targeted to meet our most urgent needs for Jordan, the Palestinians, Morocco, Lebanon, and valuable regional programs, many of which support the Middle East Peace Process. The Bureau directly manages a $3 million ESF fund to promote multilateral Arab/Israeli cooperation, as well as a $2.5 million fund to promote democratic initiatives in the Middle East. This democracy funding has led to new U.S. leadership in support for political parties and elected parliaments from Algeria to Yemen and to regional programs that facilitate women's political participation. We work closely with USAID on funding strategies for our largest bilateral economic assistance programs for Egypt, Jordan and the Palestinians.

In addition, these are some key programs we intend to pursue in FY 2000:

- Middle East Peace process. We will seek $225 million in total assistance for Jordan and $100 million for the Palestinians, to bolster the commitment of both parties to the peace process. We will seek a total of $15 million for funding for the successful Middle East Regional Cooperation program of scientific exchanges as well as other programs to support multilateral cooperation on key regional issues.

- Middle East Democracy. We will seek $7 million in FY 2000 resources to build on our efforts to promote democratic openings across the region, particularly in Algeria, Morocco, Yemen, Lebanon and Oman. We will target strengthening new parties, parliaments and basic areas of the rule of law, press freedom, selected elections monitoring activities, and women's rights issue.

- Iraqi Transition. We will seek $10 million in FY 2000 to expand the program to support transition in Iraq. This funding will foster increased activity with Iraqis, both inside and outside the country, to promote a rehabilitated Iraq's reintegration into the international community under new leadership. We expect the program to advance to intensive coalition building and a general opposition congress. Conferences on Iraq's future will continue, with the prospect of an opposition-wide plenary on a post-dictatorship Iraq. Opposition leaders will enlist support through visits to key countries. And the campaign to hold the regime accountable for its past war crimes and crimes against humanity will intensify with the goal of establishing an international Commission of Experts or ad hoc Tribunal.

- U.S. North Africa Partnership. We seek $5 million to support a new regional initiative to develop closer privates sector ties between the U.S. and Morocco, Tunisia, and Algeria. This innovative program will fund technical assistance on market-oriented economic reforms, highlighting U.S. companies' capabilities and challenging European control of North African project design and trade promotion.

- Separately, we seek to advance military to military relations with Morocco and Tunisia through a modest FMF program for each country. The Tunisia program will redress F-5 needs and the Morocco program will enhance training and joint exercises.

To pursue NEA's diverse agenda, both in Washington and overseas, the bureau must interact with a complex, multilingual, multicultural society, often under difficult and, occasionally, threatening circumstances. Cultivating a work force with the flexibility, motivation, and language skills and training to staff our embassies and consulates abroad and the NEA bureau in Washington is the bureau's highest diplomatic readiness priority. Our efforts are taking place within the context of the overall reorganization of the foreign affairs agencies. Cost-effective, productive, and equitable integration of USIA's Near East operations is another key objective.

NEA seeks operating resources sufficient to manage our most urgent FY 2000 priorities. In Washington, in spite of the substantial workload entailed by peace process and Iraq crisis management, we are seeking only five new positions to implement the new congressionally mandated support for the Iraqi opposition. We plan to use contractor support to enhance our Iran watching capabilities. In the field, we are seeking six additional U.S. direct hire positions recommended by posts through the Mission Program Planning process, at an annualized total cost of $300,000. These additions will enhance our capability to report on emerging economic issues in the Gulf and in Algiers as well as to address enhanced consular needs in both Jordan and Yemen.

We are also requesting ten additional Information Management positions to maintain sophisticated new computer systems overseas and ensure adequate information security. The annual cost of these positions to the bureau is estimated at $500,000. Information Management staffing and expertise at many posts in NEA are inadequate to maintain sophisticated new systems like ALMA and the proposed classified Windows NT LAN with Cable Xpress. Efficient, dependable, Y2K-compliant information systems are vital to supporting and enhancing the bureau's goals. All NEA posts will have ALMA installed by the end of FY 1999, giving them unclassified Y2K compliance.

To fill the staffing gaps hampering overseas operations due to small embassies and staffing shortages in Information Management, Administration and Office Management Specialists, NEA is activating a When Actually Employed (WAE) roster to ensure experienced assistance to posts with the most urgent needs. We must also identify resources to provide adequate compensation to all Locally Engaged Staff at NEA posts.

The NEA bureau also requires adequate, secure facilities to accommodate expanding U.S. government operations in the region. To replace and rehabilitate the most inadequate facilities expeditiously, domestic and overseas bureau staff are working with FBO and DS to find creative solutions for Doha, Dubai, Beirut, Rabat, Tunis and Abu Dhabi's facilities requirements. We believe that our existing lean structure of missions and consulates is adequate to meet our requirements, and are suggesting no additional post openings or closings.

NEAR EAST
FUNCTION 150 RESOURCES
($ in thousands)

Appropriations Accounts by Strategic Goal	Actual FY 1998	Estimate FY 1999	Request FY 2000
Regional Stability	**3,992,505**	**4,120,675**	**4,000,725**
CIPA	60,978	66,500	65,400
ESF	1,210,500	1,089,000	944,000
FMF-G	2,700,000	2,744,000	2,819,500
IMET	4,717	4,675	4,825
PKO	16,310	16,500	17,000
Wye - ESF	-	200,000	150,000
Weapons of Mass Destruction	**450,030**	**465,245**	**480,301**
FMF-G	450,000	465,000	480,000
NADR-Export Control	30	245	301
Economic Development	**650,060**	**698,405**	**625,050**
DA	5,330	2,500	2,500
ESF	644,730	695,905	622,550
Counter-Terrorism	**8,874**	**8,766**	**7,000**
NADR-ATA	8,874	8,766	7,000
Democracy	**41,855**	**47,175**	**65,475**
ESF	40,880	46,200	64,500
IMET	975	975	975
Humanitarian Assistance	**1,300**	**3,730**	**4,000**
NADR-Demining	1,300	3,730	4,000
Environment	**206,390**	**222,836**	**231,995**
DA	3,200	2,826	3,000
ESF	203,190	220,010	228,995
Population	**17,670**	**24,900**	**39,500**
DA	2,670	2,500	2,500
ESF	15,000	22,400	37,000
Health	**41,210**	**32,985**	**45,955**
ESF	41,210	32,985	45,955
Total	***5,409,894***	***5,624,717***	***5,500,001***

Appropriations Accounts	Actual FY 1998	Estimate FY 1999	Request FY 2000
CIPA	60,978	66,500	65,400
DA	11,200	7,826	8,000
ESF	2,155,510	2,106,500	1,943,000
FMF	3,150,000	3,209,000	3,299,500
IMET	5,692	5,650	5,800
NADR	10,204	12,741	11,301
PKO	16,310	16,500	17,000
Wye - ESF	-	200,000	150,000
Total	***5,409,894***	***5,624,717***	***5,500,001***
Other Accounts			
D&CP	90,286	96,123	101,664
ECE	14,041	14,750	15,534
Peace Corps	3,246	3,671	3,789
Total	***107,573***	***114,544***	***120,987***
NEAR EAST FUNCTION 150 RESOURCES GRAND TOTAL	***5,517,467***	***5,739,261***	***5,620,988***

NEA: FY 2000 REGIONAL PLAN

STRATEGIC GOAL: Regional Stability (RS)

REGIONAL GOAL: Achieve a comprehensive Arab-Israeli Peace. Ensure that local and regional instabilities among the core peace process countries do not threaten the security and well being of the U.S. or its allies.

NATIONAL INTEREST: National Security: Engagement in the Arab-Israeli peace process prevents a drift toward violence and reduces the potential for escalation to a confrontational situation that might require U.S. deployment of expensive military resources, possible interruption of the Persian Gulf oil flow, and political damage to our relations with key regional states.

STRATEGY:

A primary goal of the Administration's policies and activities in the Near East is the achievement of a just, lasting, and comprehensive Arab-Israeli peace, including full implementation of existing agreements between Israel and its neighbors. The treaty between Israel and Jordan and the agreements between Israel and the Palestinians, and the long-standing peace between Israel and Egypt form the foundation of a comprehensive settlement of the Arab-Israeli conflict. The U.S. brings to bear its full range of resources to support the parties' efforts to implement fully the Israeli-Palestinian agreements, move to accelerated permanent status negotiations, reach Israeli-Syrian and Israeli-Lebanese agreements, promote normalization of political and economic relations between Israel and the Arab world, and broaden the scope of activities and regional participation in multilateral cooperative initiatives. Many of our economic prosperity, law enforcement, democracy, humanitarian assistance and global issues objectives are directly linked to support for the peace process, and will be cross-referenced in the appropriate goal papers.

OBJECTIVES:

1. Continue with active U.S. diplomatic efforts to help the Israelis and Palestinians restore trust, establish and maintain constructive working relationships, implement the provisions of the 1995 Interim Agreement, and engage in accelerated permanent status negotiations; also, encourage Egypt and other key Arab states to support progress in the peace process.
   FY 2000 TARGET: Advance permanent status talks.

2. Continue active U.S. diplomatic efforts to help the Israelis, Syrians and Lebanese to reach durable peace agreements; also, to encourage Egypt and other key Arab states to support progress in the peace process.
   FY 2000 TARGET: Advance Israel/Syria negotiations.

3. Restructure bilateral economic and military aid to Israel in order to meet that country's legitimate security needs; promote continued economic reform and broad-based economic growth; help maintain Israel's security, well-being and qualitative military edge; facilitate peace negotiations and stability in the region; and begin to free-up funding for other regional requirements.
   FY 2000 TARGET: Implement assistance restructuring.

4. Restructure bilateral economic assistance to Egypt in order to reinforce that country's moderating influence in the region; help it play a critical role in the negotiation process; preserve Egypt's role as a key partner in the peace process and in regional security; encourage a continued deepening of relations between Egypt and Israel; enhance Egypt's ability to operate as a coalition partner in regional military operations; and begin to free-up funding for other regional requirements.
   FY 2000 TARGET: Implement assistance restructuring.

5. Promote Arab-Israeli cooperation through support for technical cooperation and collaborative research; continued funding for the Peace Process' five multilateral working groups in the areas of water, environment, regional economic development, refugees, and arms control and regional security; continue funding AID's Middle East Regional Cooperation (MERC) Program; support for UNRWA programs that complement activities of the Refugee Working Group; and other diplomatic initiatives to advance Arab/Israeli ties.
   FY 2000 TARGET: Increase the projects and activities supported by 10-20%.

6. Help build an economic constituency for peace and help promote open and responsive Palestinian self-rule through economic development and democratic institution building in the West Bank and Gaza. Maintain high levels of coordination with other donors.
   FY 2000 TARGET: Continue efforts to bolster the Palestinian economy and support good governance at the $100 million level.

7. Work to expand and deepen Israeli-Jordanian ties while enhancing Jordan's economic stability, promoting its economic development, and building its military capabilities.
   FY 2000 TARGET: Doubling of the number of Israeli-Jordanian ventures since 1998; joint use of a fully operational airport at "Aqaba." Secure a substantial increase in bilateral trade between Israel and Jordan; and plan additional projects.

8. Work to begin operation of new regional institutions, such as the Middle East/Mediterranean Travel and Tourism Association (MEMTTA), which fosters private/public partnership.
   FY 2000 TARGET: Expansion of MEMTTA.

9. Continue efforts to finally eliminate all vestiges of the Arab boycott of Israel. Although the majority of the Arab countries have primary boycotts on the books, few are actually observing it.
   FY 2000 TARGET: Prevent backsliding.

10. Work to prevent backsliding in the normalization of relations between Israel and Morocco, Tunisia, Oman, Qatar, and Mauritania. Encourage other Arab states to move toward normal relations with Israel, as the state of the peace process permits.
    FY 2000 TARGET: Deepen the process of normalization through the endorsement of greater trade links between Israel and other Arab countries.

11. Continue to use U.S. and foreign media and public speaking to reinforce U.S., regional, and Western support for our Arab-Israeli diplomatic efforts and to build understanding for our national interests in the Middle East and North Africa.
    FY 2000 TARGET: Accurate and balanced coverage of U.S. positions U.S. society, and U.S. values.

12. Bring the Palestinians and Israelis together through people-to-people projects that emphasize common interests and foster normal relations between Israel and its Arab neighbors.
    FY 2000 TARGET: Continued involvement of exchange alumni in support of the peace process.

13. Conduct programs that demonstrate American respect for Islam and the freedom with which Muslims practice their religion in the United States.
    FY 2000 TARGET: Polls show decline in the perception that the U.S. is anti-Islam.

ASSUMPTIONS:

- Commitment and political will by the parties to achieve a comprehensive Arab-Israeli settlement.
- Congressional support for restructuring traditional levels of economic and security assistance to key players in the region, allowing allocation of resources to other regional needs.

INDICATORS:

- Further implementation of the 1995 Israeli-Palestinian Interim Agreement and beginning of accelerated permanent status talks.
- Re-engagement of Israel and Syria in substantive negotiations.
- Additional moves by Arab states toward normalizing relations with Israel and no reversals by states that currently have relations.
- Movement on Israeli implementation of UNSC 425.
- Increased frequency and attendance at multilateral plenary and intersessional meetings.
- Continued contact between Arab and Israeli alumni of USG exchange programs.

NEA: FY 2000 REGIONAL PLAN

STRATEGIC GOAL: Regional Stability (RS)

REGIONAL GOAL: Maintain full and secure access to energy resources of the Gulf through diplomatic initiatives and active participation of U.S. defense capabilities.

NATIONAL INTEREST: National Security: Unfettered, free-flowing access to vital petroleum reserves in the Persian Gulf is critical to our national security and economy.

STRATEGY:

The continued availability of Persian Gulf energy resources is an essential element in U.S. national strategic planning and is vital to the protection of U.S. prosperity at home. To help ensure this access, the U.S. will continue its active political and diplomatic engagement and security cooperation with the member states of the Gulf Cooperation Council -- Saudi Arabia, Kuwait, Oman, Bahrain, Qatar, and the United Arab Emirates -- and with the GCC Secretariat itself The U.S. seeks increased U.S.-GCC defense cooperation; GCC participation in regional military exercises; improved defense capabilities of GCC states through the provision of equipment and training; and reduced U.S. response time to military emergencies through agreements and improvements to inter-operability, integration of command and control, and enhancements to sea/airlift.

Military assistance to Egypt is a key part of this strategy, supporting the development of a credible regional military force to take part in coalition operations. This was demonstrated in Egypt's provision of over 40,000 troops in the Gulf War. Military assistance to Egypt also bolsters Suez Canal security. The canal serves both as an important international oil route and as a critical route for U.S. warships transiting to the Gulf. Our close relationship with Egypt helps assure permission for the overflight of U.S. aircraft and the rapid transit of warships through the Canal, en route to the Gulf Military assistance to Jordan increases its capabilities and confidence in resisting Iraqi pressures. Access to Jordanian airspace and air bases provides additional options should it again be necessary to confront Iraqi aggression.

OBJECTIVES:

1. Continue active U.S. diplomatic efforts with GCC member states to encourage stability in Gulf region.
   FY 2000 TARGET: Programmed and coordinated stream of high level U.S. military and non-military visits.

2. Maintain forward military presence in the region to discourage Iran, Iraq, and other hostile states from acting to limit production or distribution of Gulf energy resources.
   FY 2000 TARGET: Solidify host nation support agreements. Emphasize infrastructure development for long term presence.

3. Ensure free passage through international waterways, particularly the Strait of Hormuz.
   FY 2000 TARGET: Maintain agreements in the Gulf region to reduce tensions.

4. Maintain open access for U.S. ships transiting the Suez Canal, for overflight of Egyptian airspace, and to air and sea staging facilities.
   FY 2000 TARGET: Continued rapid access to, through, and over Egypt.

5. Support efforts by U.S. commercial firms to assist in the development of Gulf energy resources through infrastructure projects, exploration, upstream and downstream projects, and other efforts.
   FY 2000 TARGET: Enhanced U.S. contents in services and support of Gulf energy products.

6. Use public speaking and the U.S. media to ensure Americans understand vital U.S. national interests in the region. Use U.S. and foreign media to promote understanding among foreign publics of our mutual security interests in the region.
   FY 2000 TARGET: More accurate and balanced coverage in key media.

ASSUMPTIONS:

- Continued U.S. economic requirement for oil, that could be displaced if those using Gulf oil have to look elsewhere (i.e. growing economic requirement for oil/gas).
- Continued Congressional support for maintenance of U.S. military forces in the region, even after conclusion of activities, such as Operation Southern Watch, related to Iraq sanctions.
- No delays for nuclear-powered warships transiting the Suez Canal.
- Continued Egyptian political support for our regional strategic objectives.

INDICATORS:

- Continued export of energy resources from the Gulf at levels which meet the needs of the U.S. and its allies at reasonably stable prices.
- Requests for transits, overflights, and staging facilities to Egypt are handled routinely and expeditiously.
- Continued Egyptian willingness to participate in joint/multinational and international peacekeeping operations.
- Accurate and balanced coverage in key media of U.S. positions.
- Editorials in key media supporting U.S. position.

NEA: FY 2000 REGIONAL PLAN

STRATEGIC GOAL: Regional Stability (RS)

REGIONAL GOAL: Ensure regional stability and the security of all regional partners.

NATIONAL INTEREST: National Security: Stable and secure partners are less likely to precipitate rivalries that might draw the U.S. into confrontations.

STRATEGY:

Iran and Iraq remain the greatest threat to regional stability. The United States pursues a strategy of strengthening the ability of regional partners to withstand coercion and internal instability; to deter aggression; and should deterrence fail, to contribute to a common regional defense. The modernization of friendly regional armed forces is a key element in this strategy, accomplished through FMF and Excess Defense Article grants and sales, IMET and other joint military training and cooperation. We propose continued FMF assistance to Morocco and Tunisia in FY 2000. The second element of this strategy, the forward presence and crisis response of U.S. forces, contributes decisively to regional stability and requires regional cooperation for necessary movements and access, to include the propositioning of U.S. military equipment in the Gulf area. Every U.S. administration since Truman has worked to help safeguard Israel's security and well being, and that commitment remains. Through the provision of security assistance, close cooperation with Israel on security issues, and contributions to international peacekeeping efforts, we continue to ensure Israel's qualitative military edge. These efforts, along with our efforts to encourage military-to-military relations between Israel and other states, and our contributions to international peacekeeping efforts, reinforce Israel's confidence in its own security, thus promoting Arab-Israeli peace.

OBJECTIVES:

1. Maintain Israel's qualitative military edge through FMF funding and follow-on support for major multi-year military procurement programs, joint development programs, military-to-military cooperation, and the provision of grant Excess Defense Articles (EDA). Contribute to Israel's sense of security and the peace process by supporting international peacekeeping efforts on Israel's borders, by assisting efforts to reduce military tensions, and by encouraging the development of military-to-military relations between Israel and other regional states.
   FY 2000 TARGET: Review concept for Golan non-military in case of Syria-Israel breakthrough; Israel retains qualitative edge; and expected increases in FMP employed to support the IDF's efforts to modernize its forces.

2. Support the modernization of Egyptian and Jordanian armed forces and recognize and support the key role of Egypt and Jordan in the peace process through FMF programs and other military cooperation. Assist the Egyptian Armed Forces in replacing aging Soviet equipment with up-to-date U.S. equipment, and the Jordanian Armed Forces

in the acquisition of a squadron of F-16 aircraft.
FY 2000 TARGET: $75 million in FMF; $45 million used to pay for F-16s; 60% of F-16 payments received by USG; continue to assist Egypt in military modernization efforts; continue restructuring.

3. Ensure regional governments' support for U.S. military activities, including freedom of movement through critical waterways and airspace, access for U.S. forces, and propositioning of U.S. equipment in the Gulf region.
FY 2000 TARGET: Smooth coordination for peacetime and crisis response.

4. Raise the level of professionalism in friendly armed forces and support the ideals of democracy, human rights, and civilian control over the military through IMET programs in Egypt, Jordan, Bahrain, Oman, Algeria, Tunisia, Morocco, Lebanon and Yemen, and encouraging other friendly countries to send military students to the United States for professional military education.
FY 2000 TARGET: Continued participation by all IMET programs.

5. Continue FMF funding for Tunisia and Morocco. Tunisia will use this money to upgrade F-5's; Morocco will use this money to enhance training and joint exercises.
FY 2000 TARGET: Continue with the FMF assistance program.

6. Reduce the threat of violence against civilians in southern Lebanon and northern Israel through meetings of the Israel-Lebanon Monitoring Group (ILMG).
FY 2000 TARGET: Environment sufficiently calm. Preparing for a role in the post-Israeli withdrawal phase (if needed).

ASSUMPTIONS:

- Bipartisan and public support for Israel's security and well being.
- Critical importance of U.S. military access in the region.
- Continued support for our strategic objectives from friendly Arab states.

INDICATORS:

- Israeli sense of security as it moves forward on peace negotiations.
- Performance of Egyptian and Jordanian armed forces and ability to participate in coalition military and international peacekeeping operations.
- Inter-operability of U.S. and regional forces.
- Rapid approval for passage of U.S. ships through the Suez Canal.

NEA: FY 2000 REGIONAL PLAN

STRATEGIC GOAL: Regional Stability (RS)

REGIONAL GOAL: Contain regional conflicts and prevent the outbreak of hostilities through diplomatic efforts and support for international peacekeeping operations.

NATIONAL INTEREST: National Security: Multinational peacekeeping operations help prevent the U.S. from being singularly drawn into military conflict.

STRATEGY:

Peacekeeping operations may prevent the outbreak of fighting in key areas of the Middle East and North Africa. The Multinational Force and Observers (MFO) is a critical component of the Israeli-Egyptian peace treaty, preserving the peace treaty between Israel and Egypt, and serving as a model confidence-building measure and security arrangement in the context of the ongoing negotiations between Israel and its neighbors. In the absence of formal peace agreements among Israel, Syria and Lebanon, the Israel-Lebanon Monitoring Group promotes stability in the volatile southern Lebanon region by helping to limit civilian casualties and by providing an important confidence building forum for all parties. Through various UN peacekeeping operations, including UNTSO, UNIFIL, and UNDOF, the U.S. seeks to prevent hostilities between Israel and its neighbors and maintain security along Israel's borders. The U.S. also supports UN Peacekeeping missions elsewhere in the region, including MINURSO's efforts to encourage a resolution of the conflict over the Western Sahara and UNIKOM's monitoring of the demilitarization along Iraq-Kuwait border. Enhance participation in and effectiveness of ACRS multilateral working group.

OBJECTIVES:

1. Continue successful work of the MFO to preserve the peace between Egypt and Israel.
   FY 2000 TARGET: Absence of conflict between Israel and Egypt in the Sinai.

2. Encourage the parties to continue to respect the cease-fire in the Western Sahara and work towards a lasting settlement.
   FY 2000 TARGET: A new phase of negotiations will start; post-referendum settlement begins.

3. Continue to demonstrate that confidence-building measures are viable alternatives to military occupation of strategic territory.
   FY 2000 TARGET: Continued participation in ACRS workshops.

4. Continue operation of the ILMG in order to provide the parties with an alternative to military escalation.
   FY 2000 TARGET: Promote mutual confidence and trust at the negotiating table; encourage direct controls between Israel and the Lebanese and Syrian representatives.

ASSUMPTIONS:

- Israeli and Egyptian commitment to participate in the MFO.
- Israeli, Syrian, and Lebanese commitment to participating in the ILMG.
- Continued support from Congress for peacekeeping operations.
- UN settlement process continues; MINURSO is not pulled out.

INDICATORS:

- Absence of hostilities between Israel and its neighbors.
- Egyptian and Israeli compliance with Treaty security arrangements.
- Continued cooperation and constructive interaction between Israeli and Egyptian of finials.
- Israeli and Lebanese restraint in the use of force and increased protection of civilians in southern Lebanon and northern Israel.
- Cooperation and interaction between Israeli, Syrian, and Lebanese representatives to the Monitoring Group and successful coordination with the French.
- Absence of fighting in the Western Sahara.

NEA: FY 2000 REGIONAL PLAN

STRATEGIC GOAL: Regional Stability (RS)

REGIONAL GOAL: Contain the ability of Iran, Iraq, and Libya to pose a threat to regional stability.

NATIONAL INTEREST: National Security: Stable and secure partners are less likely to precipitate rivalries that might draw the U.S. into confrontation.

STRATEGY:

Iran and Iraq continue to pose distinct threats to the region's security and stability and to energy sources in the Gulf region. For example, Iran continues to support terrorist groups in the region and beyond. Both states continue to develop weapons of mass destruction. In the face of these threats, we seek to safeguard the security of the U.S., its friends and allies in the Gulf and throughout the region, including Israel, Jordan, and Egypt. The U.S. is working to achieve full Iraqi compliance with UN resolutions and to maintain support for coalition military operations enforcing UN Security Council resolutions against Iraq. We maintain UN sanctions on Iraq in order to end the Iraqi buildup of weapons of mass destruction and the Iraqi missile program through vigorous monitoring, inspection, and destruction efforts by the UN Special Commission. Libya continues to harbor terrorists, including the suspects in the PanAm 103 bombing and openly flouts international sanctions. An active, high-level dialogue with U.S. allies in Europe and Canada is a key component of U.S. efforts to reduce threats posed by Iran, Iraq, and Libya.

OBJECTIVES:

1. Pursue a strategy that maintains sanctions, facilitates UNSCOM's work and keeps other elements of pressure on Iraq.
   FY 2000 TARGET: Ensure continuation of multilateral sanctions against Iraq so long as Iraq fails to comply with all relevant UN sanctions.

2. As Iraq engages with the UN on the UN's oil for food program, ensure that sufficient controls are maintained and that the anti-Saddam coalition remains convinced of U.S. commitment to maintaining containment.
   FY 2000 TARGET: Ensure continuation of expanded programs as long as Iraq remains under sanctions.

3. Ensure that Iran-specific legislation such as the Iran/Libya Sanctions Act and the President's 1995 Executive Order on Iran is implemented in a manner that maximizes the benefits to U.S. interests and limits any unnecessary detrimental impact on relations with U.S. allies.
   FY 2000 TARGET: Using U.S. laws as leverage, expand international cooperation on counter-terrorism and counter-proliferation efforts against Iran.

4. Continue active diplomatic efforts to coordinate the policies toward Iran, including the work of the U.S.-Canada-EU Working Group on Iran.
   FY 2000 TARGET: Strengthen policy coordination among the Working Group.

5. Work with Iraqi Kurds, Turkey and the UK to ensure that U.S. efforts to promote intra Kurdish reconciliation are focused to contribute most effectively to containing the ability of Baghdad, Tehran, and others from posing a threat to regional stability.
   FY 2000 TARGET: Achieve PUK-KDP political reconciliation.

6. Continue bilateral and multilateral efforts to maintain international support for the continuation of sanctions until Libya complies with the relevant UN Security Council resolutions.
   FY 2000 TARGET: Libyan compliance with sanctions.

7. Use U.S. and foreign media, public speaking, and congressional consultation to secure a common regional and international approach to containing the states that threaten to support terrorist groups and develop WMD.
   FY 2000 TARGET: Accurate and balanced coverage in key media of U.S. positions.

8. Continue efforts to inform foreign publics about the reasons for U.S. support for sanctions against Saddam Hussein and about U.S. concern for the suffering which Saddam Hussein has caused the Iraqi people.
   FY 2000 TARGET: More accurate and favorable coverage of USG positions. Public opinion polls show increase in support for USG positions.

9. Establish a program to promote political party building and documentation of war crimes by Iraqi Opposition parties.
   FY 2000 TARGET: (x+1) constituencies in (x+1) parties.

ASSUMPTIONS:

- Since the election of President Khatami, the Government of Iran has reduced its rhetorical opposition to the Middle East Peace Process, but its support for groups violently opposed to the MEPP. Moreover, Iran is continuing its efforts to develop weapons of mass destruction and may well continue to view terrorism, including assassination, as a legitimate extension of political policies.
- Under Saddam Hussein, Baghdad will continue its efforts to undermine U.N. sanctions against Iraq, to preserve its WMD programs, and to reestablish its influence throughout Iraq and to rebuild the power of its military and security forces.
- USG can work with Iraqi opposition parties' headquarters in London.
- The Libyan government will continue in the near term to refuse to surrender the PanAm 103 suspects, according to UN resolutions.

INDICATORS:

- Continued international consensus to maintain UN Security Council Resolutions 731, 748, and 883.
- Bi-monthly continuation by the Security Council of UNSC that sanction on Iraq remain in force.
- Implementation of the Iran/Libya Sanctions Act, including determinations by the Secretary.
- The continuation of the multilateral sanctions-enforcement activities of the Maritime Interception Force, including the diversion of sanctions-busting vessels to Arab Gulf ports.
- Continued inspections in Iraq by the UN Special Commission.
- Accurate and balanced coverage in foreign media of U.S. positions
- Editorials in key media supporting U.S. positions.
- Results of public opinion surveys.

NEA: FY 2000 REGIONAL PLAN

STRATEGIC GOAL: Weapons of Mass Destruction (WD)

REGIONAL GOAL: Expand regional support for WMD nonproliferation regimes and raise awareness of conventional arms control and transparency as valid tools of security.

NATIONAL INTEREST: National Security: The prevention of nuclear proliferation is a fundamental national interest. We seek to reduce the threat to the U.S. and its allies posed by the proliferation of weapons of mass destruction (WMD) and destabilizing conventional arms races in the Middle East and North Africa.

STRATEGY:

The U.S. promotes universal adherence to global nonproliferation regimes and works with other states to prevent the transfer of sensitive technologies and destabilizing arms sales to most states in the region. In particular, we are working to prevent further development of Libya's chemical weapons program, to forestall Iran from obtaining weapons of mass destruction, and to achieve UN certification that Iraq is no longer in possession of, or developing, weapons of mass destruction or their delivery systems. The U.S. works to safeguard the security of U.S. allies in the Gulf and throughout the region, including Israel, Jordan, and Egypt, and to encourage reduced regional demand for WMD. U.S. efforts to secure a comprehensive Arab-Israeli peace settlement, in tandem with the renewal of work in the multilateral Arms Control and Regional Security working group is key to this strategy. Through the ad interim ACRS Track II process, we are developing a constituency among regional diplomatic and military officials that would accept, in a context of greater regional stability, discussion of arms restraint and transparency measures as valid ways to enhance national and regional stability.

OBJECTIVES:

1. Impede foreign assistance to WMD and ballistic missile programs in the region, particularly in Iran, Iraq, Libya and Syria; block Russians and Chinese sales.
   FY 2000 TARGET: No activity in WMD programs (R&D, testing, deployment).

2. Maintain and improve UNSCOM's effectiveness in discovering and eliminating Iraq's possession, procurement and development of missiles and other WMD.
   FY 2000 TARGET: Ensure continuation of multilateral sanctions against Iraq so long as Iraq fails to comply with all relevant UN sanctions.

3. Reinforce the security of U.S. friends and allies in the region by strengthening their ability to resist threats from missiles and WMD. Continue to assist Israel in developing the ARROW anti-missile system and strengthening civil defenses against attack.
   FY 2000 TARGET: Begin developing TMD measures and cooperation in all GCC states.

4. Renew activity and make progress in the multilateral Arms Control and Regional Security working group.
   FY 2000 TARGET: Seek to focus ACRS on establishing a timetable for substantive confidence building discussions and steps.

5. Foster public understanding of the dangers of WMD. (USIA, State/NEA)
   FY 2000 TARGET: Accurate and balanced coverage in key media.

ASSUMPTIONS:

- Expansion of Arab-Israeli peace is a key to regional stability in the Middle East and to reducing the demand for conventional and non-conventional weapons.
- A significant number of regional parties possess WMD and ballistic missiles and will seek to strengthen these capabilities.
- Support by Russia and China for WMD and ballistic missile programs in the Middle East, particularly in Iran, will remain a source of major concern.
- Universal accession by regional parties to global nonproliferation regimes will be difficult as long as Israel will not sign the OPT, and before significant progress is made towards a comprehensive Arab-Israeli peace settlement.
- Building regional understanding of arms control, restraint and transparency measures will encourage reduced militarization and less demand for weapons in the region.
- Continued close consultation and information-sharing with our allies in the region, including Israel and Egypt, largely through bilateral channels.

INDICATORS:

- More regional parties ratify the CWC and sign and ratify the CTBT.
- China and Russia withhold support for Iran's nuclear, chemical and ballistic missile programs.
- All regional parties in the ACRS working group and Lebanon participate in U.S.-offered arms control training. Follow-up training activities take place in the region.
- The ACRS working group resumes formal activity. Regional Security Centers are set up under its auspices and increased numbers of parties use the ACRS network regularly.
- Accurate coverage in foreign media of the dangers of WMD.
- Public opinion polls reflect understanding of the dangers of WMD.

NEA: FY 2000 REGIONAL PLAN

STRATEGIC GOAL: Open Markets (OM)

REGIONAL GOAL: Reduce barriers to U.S. exports of goods and services to, and U.S. investment in, the Middle East and North Africa.

NATIONAL INTEREST: Economic Prosperity: Trade is essential to the continuing strength of the U.S. economy. We seek to open foreign markets to free flow of goods, services and capital.

STRATEGY:

The U.S. will continue to advocate full membership in the WTO and accelerated implementation of WTO undertakings. (Nine NEA countries have already joined the WTO: Bahrain, Egypt, Israel, Kuwait, Mauritania, Morocco, Qatar, Tunisia and the UAE; four more have requested membership: Oman, Algeria, Jordan and Saudi Arabia; and we anticipate that Yemen and Lebanon will make formal applications this year.) The U.S. has signed bilateral investment treaties with Egypt, Morocco, Tunisia, and Jordan. We also have established a Trade and Investment Framework Agreement (TIFA) with Morocco and are considering additional TIFAs with Tunisia, Algeria, Egypt, and Jordan. In addition, the U.S. has established a number of bilateral fore to discuss economic issues with NEA countries, including the GCC Dialogue; the U.S.-Israel Joint Economic Development Group (JEDG); the Joint Economic Committee (JEC), including Israel; the U.S.-Jordan Bilateral Commission; and the Gore-Mubarak Partnership for Economic Growth and Development. The U.S. has also proposed the establishment of a new economic partnership with North Africa, beginning with Tunisia, Morocco, and Algeria. The U.S. will use these fore, as well as regional trade initiatives, to urge reduced barriers to U.S. exports and an enhanced environment and legal protection for U.S. investments. The Middle East North Africa Economic Summits allow the states and communities of the region to showcase both the economic reforms they are undertaking and the investment opportunities resulting from these reforms. We have used these summits to show American exporters the opportunities in the region and to call on Middle Eastern governments to reform their economies in order to attract private investment.

OBJECTIVES:

1. Employ bilateral economic fore, including the U.S.-GCC Economic Dialogue, the JEC, the JEDG, the Gore-Mubarak Partnership, the U.S.-Jordan Bilateral Commission and U.S. /North Africa economic partnership to encourage liberalization of trade and investment regimes.
   FY 2000 TARGET: Accelerated economic reforms.

2. In the context of their accessions to the World Trade Organization, encourage Jordan, Saudi Arabia, Oman and Algeria to further open their markets to U.S. goods and services, building on the existing strong trade relations between our countries. Improve Intellectual Property Rights (IPR) protection in the region by encouraging WTO members to accelerate implementation of IPR and other WTO undertakings.
   FY 2000 TARGET: Jordanian and Omani accession to the WTO and TRIPs; facilitate progress toward WTO accession for Saudi Arabia and Algeria.

3. Regionally, use trade and investment framework agreements to help reduce barriers to U.S. trade and investment.

4. Liberalize trade policies to promote exports and create jobs through tariff reduction, relaxed quantitative restrictions and streamlined customs procedures.
   (Egypt, Morocco, Jordan)
   FY 2000 TARGET: Implementation of a WTO-consistent trade regime.

ASSUMPTIONS:

- Interest throughout the region in expanding bilateral trade and investment with the U.S.
- Positive movement in the peace process which will tend to encourage integration of Israel and Arab states into the regional economy.
- U.S. mounts an effective response to the Euro-Med Initiative.

INDICATORS:

- Progress toward WTO membership by Saudi Arabia, Oman and Jordan.
- Progress by WTO members in implementing WTO undertakings.
- Reduced barriers to U.S. trade and investment.

NEA: FY 2000 REGIONAL PLAN

STRATEGIC GOAL: Expand U.S. Exports (EX)

REGIONAL GOAL: Work together with U.S. export assistance agencies and governments of the Middle East and North Africa to facilitate increased U.S. exports to the region. Expand U.S. exports to the Middle East / North Africa region from $26 billion to $30 billion by the year 2000.

NATIONAL INTEREST: Economic Prosperity: Trade is essential to the continuing strength and expansion of the U.S. economy. Some of these trade efforts, such as the Middle East / North Africa Economic Summit, also support our Peace Process efforts and our national security goals.

STRATEGY:

State Department officers in Washington, the Middle East, and North Africa work with host governments to ensure fair treatment and consideration of U.S. companies for commercial contracts. They work to promote U.S. exports while reinforcing the message that trade and investment reforms are essential for attracting direct investment. The U.S. continues to press for the end of the Arab League boycott of Israel in all its aspects, as it is nothing more than an impediment to trade with and within the region. The U.S. has a strong interest in promoting U.S. private sector interest in the Middle East as a contributing factor to the development of economic prosperity and as a fundamental underpinning of peace in the region.

OBJECTIVES:

1. Support the Middle East North Africa (MENA) Economic Summit process through outreach efforts designed to generate strong U.S. private sector participation in the summits; provide substantive guidance to development of the summit program; ensure the continuation of the summit process, which is a key link in our peace process strategy.
   FY 2000 TARGET: MENA conference held in the region.

2. Through the Trade Promotion Coordination Committee, ensure that U.S. companies competing for contracts in the region receive fair consideration for major contracts by host governments.
   FY 2000 TARGET: $18 billion in non-defense related projects being tracked, with U.S. export content of $9.5 billion.

3. Participate in and facilitate interagency commercial policy initiatives to expand U.S. exports to the region.
   FY 2000 TARGET: $30 billion in U.S. exports to the Middle East / North Africa.

4. Ensure that adequate information is available to U.S. businesses regarding both economic and political conditions in the region.
   FY 2000 TARGET: Update CCGs, as necessary.

5. Continue to work with host governments and regional commercial entities to reduce secondary and tertiary boycott-related requests made of U.S. entities.
   FY 2000 TARGET: Continue to bring the issue up in official contacts and hopefully, with progress in the MEPP, reduce secondary and tertiary boycotts.

ASSUMPTIONS:

- Trade with Iran, Iraq and Libya will continue to be embargoed in the near term.
- The application of secondary and tertiary boycott restrictions, particularly, will continue to decline in accordance with their stated public policy.
- Firms consider the region sufficiently stable, secure and profitable to merit their interest.
- MENA economic conference process can resume with resumption of Arab-Israeli peace process.

INDICATORS:

- Level and number of U.S. private sector participants in the Middle East/North Africa Economic Summits.
- Percentage decline of secondary and tertiary boycott-related requests made of U.S. entities.
- Value of U.S. exports to the region, as a percentage of total U.S. exports (which increased from 3.7% of total U.S. exports in 1995 to 3.9% in 1996).
- Successful advocacy efforts on behalf on U.S. commercial concerns seeking contracts in the region.

NEA: FY 2000 REGIONAL PLAN

STRATEGIC GOAL: Global Economic Growth (EG)

REGIONAL GOAL: Work to create free market conditions in the countries of the Middle East and North Africa conducive to healthy economic growth, a key underpinning of the Arab-Israeli peace process and regional stability.

NATIONAL INTEREST: Economic Prosperity: Increased opportunities for U.S. investors strengthen our national economy. In addition, stronger commercial relations between regional partners reinforce our strategic interests in regional stability and the peace process.

STRATEGY:

The U.S. seeks to provide a foundation for regional peace and stability by supporting higher rates of economic growth through: (a) policies which strengthen markets; and (b) expansion of economic opportunities for the poor, including women. In pursuing this strategy, the U.S. will use microenterprise programs to create employment opportunities for the poor, economic policy reform programs and established bilateral fore, including the U.S.-Israel Joint Economic Development Group, the Gore-Mubarak Partnership, the GCC Dialogue and the U.S.-Jordan Bilateral Commission. Economic assistance in many countries will be tied to relevant sector reforms such as privatization, deregulation and the removal of price subsidies. Where possible, the U.S. will encourage economic reform by engaging the private sector and using the prospect of increased foreign investment to augment the leverage associated with generous U.S. assistance. The U.S. will also seek to encourage economic reform by working with multilateral institutions, including the World Bank, the IMF and such informal donor coordination mechanisms as the Ad Hoc Liaison Committee on Assistance to the Palestinians. We will work to encourage regional governments to take ownership of regional institutions, such as the Middle East Development Bank, the Middle East/Mediterranean Travel and Tourism Association, and the Regional Business Council all of which foster private/public partnership. We will develop a regional Trade and Investment Initiative to assure that regional partners have access to U.S. policies and procedures that are conducive to open economies.

OBJECTIVES:

1. Remove constraints to private-sector led economic growth in Egypt, Jordan, Lebanon, West Bank/Gaza, through policy reforms in the capital and financial services markets.
   FY 2000 TARGET: Increased availability of capital and increased capitalization of stock markets. WTO membership.

2. Improve competition in local markets through regulatory reform and privatization of state-owned enterprises. (Egypt, Jordan, and Morocco)
   FY 2000 TARGET: Partial privatization of two additional major entities and complete privatization of at least one entity in each country.

3. Increase access to financial services for small- and micro-entrepreneurs in Egypt, Morocco, Jordan, West Bank/Gaza, Lebanon through economically sustainable institutions.
   FY 2000 TARGET: Continue USAID assistance support efforts.

4. Sound macroeconomic policies, especially as regards inflation and government expenditures.
   FY 2000 TARGET: Continue consultations with a view to encouraging further declines in inflation and fiscal deficits.

5. Increased economic cooperation between Israel, Jordan, Egypt, the West Bank & Gaza, and other Arab countries. Progress in developing the Jordan Rift Valley through Israeli-Jordanian joint initiatives.
   FY 2000 TARGET: Substantially increased regional, cross-border trade.

6. Utilize a U.S./NA economic partnership to increase economic cooperation among Morocco, Algeria, and Tunisia thereby reducing intra-regional barriers to trade and investment. Steps to create a more unified regional market for U.S. exporters and investors, and enhance private sector ties between U.S. and the region.
   FY 2000 TARGET: Successful steps to increase intraregional economic cooperation and U.S. economic ties to the region, under the auspices of the U.S. / North Africa economic partnership.

ASSUMPTIONS:

- Continued assistance to the NEA region at current levels.
- The benefits of economic reform are sufficiently broad-based so that the people and the governments of the region value continued economic liberalization.
- Where the benefits of reform are not seen in the short-term, the governments of the region maintain the political will to push forward with reforms to establish the groundwork for sustained economic growth.
- Progress is made in the Middle East Peace Process to encourage regional cooperation and enhance the investment climate.
- The governments of the region support policy objectives that balance the needs of the poor with the fiscal restraint needed to spur private-sector led economic growth.
- Algeria, Tunisia, and Morocco are amenable to U.S. proposal for a U.S. / North Africa economic partnership.

INDICATORS:

- Private sector-led economic growth at a level sufficient to reduce unemployment rates.
- Stable macroeconomic indicators.
- Increase in private sector share of GDP.
- Increase in intra-regional trade.
- Inauguration of Jordan Rift Valley projects.
- Reduction in effective rate of protection on imports to the region.
- Increase informal credit extended to the private sector, including small- and microenterprises, as a percent of all credit extended.
- Increased operational sustainability of microfinance institutions.
- Increased FDI and portfolio investment.
- Increase in number of women obtaining small- and microenterprise credit as a percent of all small- and micro-finance borrowers.

NEA: FY 2000 REGIONAL PLAN

STRATEGIC GOAL: Economic Development (ED)

REGIONAL GOAL: Work with the governments of the Middle East and North Africa to increase the standard of living and address the social and economic conditions in which extremism thrives.

NATIONAL INTEREST: Economic Development: As the U.S. is committed to minimizing human suffering, this part of our peace process strategy is closely linked with the humanitarian assistance goal. This strategic goal also addresses our national interest in protecting U.S. citizens from the spread of infectious disease. Furthermore, it also helps our regional partners achieve a stable population growth rate that is synchronal with available resources.

STRATEGY:

The U.S. provides bilateral assistance -- ESF and Development Assistance funds, both administered by USAID -- to alleviate poverty through programs that encourage investment in reproductive health, basic education, and microenterprise finance, in order to reduce income inequality in Egypt, Jordan, Lebanon, Morocco, Yemen, and the West Bank and Gaza.

OBJECTIVES:

1. In Egypt, through policy reform and direct assistance, continue programs to decrease fertility rates, improve the health and education of women and children, including programs to combat the practice of FGM, and create jobs to improve the well being of Egyptians.
   FY 2000 TARGET: Sustained GDP growth rate, female education rate; seek to lower population growth rate, and increase the number of new jobs to lower the unemployment rate.

2. In Jordan, slow the rate of population growth and support economic opportunities for lower-income families.
   FY 2000 TARGET: Contraceptive prevalence rate at 41.5%.

3. In Lebanon, revitalize war-damaged and poverty-stricken rural communities' basic infrastructure, agriculture, and social services.
   FY 2000 TARGET: Reduce the number of citizens below the poverty level.

4. In Morocco, improve the quality of life for poorer Moroccans through social and economic development programs in health/population, water resource management, women's education, low-income housing, and employment generation.
   FY 2000 TARGET: Contraceptive prevalence rate at 47%.

5. In West Bank Gaza, improve living standards through private sector development, especially in the creation of small business and microenterprise jobs, and increased productivity.
   FY 2000 TARGET: Conclude FY 1996-2000 USAID strategy

6. In Yemen, decrease the maternal mortality rate and population growth rate by developing sustainable health care centers in rural areas.
   FY 2000 TARGET: Continue targeted training assistance.

ASSUMPTIONS:

- Macro-economic growth will lead to poverty alleviation over the long-term.
- NGO, PVO, and multilateral development institutions will play increasingly important roles in combating poverty, but USG contributions will remain essential.

INDICATORS:

- Private sector growth leads to declining unemployment rates.
- Increased percentage of all credit goes to private sector small and microenterprises.
- Infant, child and maternal mortality rates decrease.
- Female literacy rates increase.
- Rural and urban slum communities revitalized.

NEA: FY 2000 REGIONAL PLAN

STRATEGIC GOAL: American Citizens (AC)

REGIONAL GOAL: Maintain a high level of consular services for American citizens living in and visiting the Middle East and North Africa.

NATIONAL INTEREST: American Citizens And Borders: The protection and welfare of U.S. citizens living and traveling overseas is a primary national interest.

STRATEGY:

State department personnel must continue to provide a high level of consular services to the growing number of American visitors and residents in the Middle East and North Africa. This means operating efficiently and effectively in the region's often difficult political and geographic conditions. Demand for passports, reports of birth, and notarial services is increasing, necessitating the continued introduction of consular automation systems and information technology. There is continual need to provide prompt assistance and protection to Americans who encounter emergencies such as accidents, natural disasters, terrorist attacks, political unrest, crime, illness, and legal problems. Posts in the NEA region will maintain their crisis management capability and work closely with host governments to ensure consular protection for U.S. citizens in their countries. The bureau is asking for two additional consular positions in Amman and Sanaa to handle the increased work load.

OBJECTIVES:

1. With the lifting of the Lebanon passport restriction, continue planning for possible increase in consular services at Embassy Beirut.
   FY 2000 TARGET: Expanded VISA services; ticketing restrictions

2. Meet rising passport demands region-wide through enhanced use of technology, financed through fee-for-service charges.
   FY 2000 TARGET: Installation of new technology 60% complete.

3. Continue to press for resolution of specific child custody cases with regional governments.
   FY 2000 TARGET: Reduce the number of cases pending by one.

4. Increase communication with the American citizens in the Middle East and North Africa through the timely issuance of consular information sheets and the provision of general information (on tax questions, passports, etc.) at embassies and consulates in the region.
   FY 2000 TARGET: Reduce this number by one.

ASSUMPTIONS:

- Passport demand will continue to grow by 7-9% annually.
- Travel by Americans to the Middle East and North Africa will increase and the American public will continue to demand a high level of service from diplomatic and consular posts.
- Political crises and other emergencies in the Middle East and North Africa will continue to involve Americans living in and visiting the region.
- Americans will sometimes be singled out as targets of crime or terrorism because of their nationality.
- Lifting the Lebanon passport restriction translates into sharply increased demand for consular services at Embassy Beirut.

INDICATORS:

- Efficiency and accuracy of passport issuance and name check systems.
- Availability and levels of use of consular information systems.
- Assessment of comments made by citizens regarding quality of service.
- Agreements with foreign governments and other that enhance service, emergency response, and protection of American citizens.

NEA: FY 2000 REGIONAL PLAN

STRATEGIC GOAL: Travel and Immigration (TI)

REGIONAL GOAL: Control how immigrants and non-immigrants enter and remain in the U.S. Facilitate travel for bone fide tourists, business people, and other visitors, as well as qualified immigrants, from the Middle East and North Africa to the U.S.

NATIONAL INTEREST: American Citizens and U.S. Borders: It is in the national interest to protect the integrity of U.S. borders and prevent the entry of illegal migrants, terrorists, and criminals.

STRATEGY:

Consular officers posts in the Middle East and North Africa must adjudicate applications for 440,000 non-immigrant visas and 39,000 immigrant visas annually, work to facilitate travel by bonafide visitors, business people and immigrants, deter illegal immigration, and prevent the entry of terrorists and other criminals. In order to meet the growing demand for visa services, while guarding vigilantly against document fraud and other abuse, NEA is making increasing use of consular automation systems, aggressively investigating cases of passport and visa fraud, and working with host governments on migration issues of mutual concern.

OBJECTIVES:

1. Improve cooperation with regional governments on the deportation of criminal aliens.
   FY 2000 TARGET: Sign the new extradition agreement.

2. Improve efficiency of visa services the installing advanced consular automation systems at 14 NEA posts.
   FY 2000 TARGET: Offer Visa services in Lebanon.

3. Encourage local governments to eliminate alien smuggling and document fraud and vigorously prosecute alien smugglers and fraudulent document vendors.
   FY 2000 TARGET: Effectiveness of anti-fraud unit in Syria.

4. Increase anti-fraud training of consular personnel, airline employees, and local law enforcement officials.
   FY 2000 TARGET: Increase the number of trainings by one per year.

ASSUMPTIONS:

- The U.S. will remain a desirable destination for immigrants and visitors from the Middle East and North Africa. Applications for non-immigrant visas will increase by 3-5% per year between 1997 and 2000.
- Political, social, and economic turbulence in the region will continue to generate migratory pressure.
- Many would-be immigrants unable to qualify under U.S. immigration laws will resort to illegal methods to enter the country.
- NEA will continue to be both a source and a transit region for illegal aliens.

INDICATORS:

- Waiting times for visa services.
- Assessment of intercepted fraudulent documents.
- Prosecutions of fraud vendors and alien smugglers.

NEA: FY 2000 REGIONAL PLAN

STRATEGIC GOAL: International Crime (IC)

REGIONAL GOAL: Minimize the impact of international crime on the U.S. and its citizens. Work with regional governments to increase their law enforcement capabilities and their level of cooperation with U.S. authorities.

NATIONAL INTEREST: Law Enforcement: Improving countries abilities to fight both domestic and organized transnational crime through the development of cooperative bilateral and multilateral law enforcement relationships will impede activities of criminals worldwide and ultimately reduce the incidence of crime in the U.S.

STRATEGY:

Promoting conduct of law enforcement institutions based on democratic principles and internationally-recognized principles of human rights reinforces our broader regional goals which focus on national security and economic prosperity. The U.S. encourages the governments of Lebanon, Jordan and Israel to pass money laundering laws that, inter alia, criminalize laundering of all types of illegally-acquired assets, not just those connected to the drug trade. We also promote bilateral law enforcement cooperation to counter the counterfeiting of U.S. currency, a growing problem in these three countries, as well as in Syria, and the powerful presence of organized criminal organizations, particularly those connected to Russian organized criminal elements. U.S. also supports helping governments, such as Lebanon, establish a strong domestic police investigative capacity to address the growing problems of crime not associated with terrorism. Our strategy relies primarily on provision of U.S. technical and law enforcement assistance (as well as encouragement of multilateral support) to those governments open to bilateral cooperation and with whom we can legally collaborate.

OBJECTIVES:

1. Increase political and public awareness of international organized crime, including trafficking in women (esp. Israel). Build up domestic capabilities to investigate criminal elements and administer justice (esp. Lebanon).
   FY 2000 TARGET: Continue to expand these.

2. Prevent trafficking in women, protect victims, and enforce laws against traffickers by increasing political and public awareness of the criminal and human rights abuses involved, and building up domestic capabilities to protect victims of trafficking as of finials investigate criminal elements and administer justice.
   FY 2000 TARGET: Expand initiative to one or two other NEA countries, using INR indications of NEA source countries of trafficked women.

3. Heighten regional cooperation to combat money laundering, counterfeiting and activities of organized criminal enterprises, especially Lebanon, Israel, Jordan and Syria.
   FY 2000 TARGET: Consolidate these goals.

4. Promote adherence to relevant international treaties and, where appropriate, passage of bilateral law enforcement-related treaties (such as Mutual Legal Assistance Treaties (MLATs) and Extradition treaties).
   FY 2000 TARGET: Encourage treaties in other countries and for those countries to fully implement the treaties.

ASSUMPTIONS:

- Transnational crime is undergoing a significant evolution, particularly with the growth of criminal organizations from Russia, Asia, and elsewhere.
- Governments of the region are committed to expand fledgling law enforcement cooperation with U.S. (and others).

INDICATORS:

- Lebanese and Israeli passage of money laundering legislation and its utilization to break major money laundering rings.
- Domestic law enforcement activity utilizing up-to-date investigative techniques and internationally-accepted human rights standards (Lebanon).
- Increased cooperation to advance extradition of major drug and other organized crime figures.
- Broad acceptance of U.S. training opportunities leading to sophisticated and comprehensive bilateral as well as regional cooperation.
- Communication between U.S. and regional law enforcement agencies.

NEA: FY 2000 REGIONAL PLAN

STRATEGIC GOAL: Illegal Drugs (ID)

REGIONAL GOAL: Significantly reduce the entry of illegal drugs into the U.S. sustain bilateral and multilateral pressure on states that tolerate narcotics production and trafficking and work with regional governments to increase their own counter-narcotics capabilities and cooperation with U.S. authorities.

NATIONAL INTEREST: Law Enforcement: Improving countries' abilities to fight both domestic and organized transnational crime through the development of cooperative multilateral law enforcement relationships will impede activities of criminals worldwide and ultimately reduce the incidence of crime in the U.S.

STRATEGY:

The Near East is affected by drug production in the bordering areas of Afghanistan/Pakistan and some of the states of Central Asia. It is also affected by trafficking operations located in Turkey. Trafficking ad refining operations remain a problem in Lebanon. The problem of trafficking and refining may increase as Lebanon gradually achieves re-integration into the world economy, with the attendant increase in business/tourist travel by air and sea. Thus, any strategy to reduce the impact of the Near East on the world narcotics problem must include Lebanon, and consider how to improve law enforcement capabilities. Training to improve the professional capacity of Lebanese counter-narcotics and anti-money laundering operations is also clearly part of the solution. Training will also help develop police-police trust and cooperation, helping to increase the ability to make cases. The presence of Syrian troops in Lebanon makes Syrian cooperation with Lebanese officials a substantial element in the fight against drug trafficking and related corruption. Money laundering and Russian organized crime in Israel also demands attention. The U.S. is also working with Egypt to intercept narcotics shipments transiting that country. We are providing technical assistance to stem the cultivation and manufacture of narcotics substances in Egypt.

OBJECTIVES:

1. Make the issue of narcotics trafficking and refining in Lebanon an integral part of our continuing diplomatic dialogue with the Lebanese and Syrian governments. Continue to encourage both governments to move against trafficking and refining.
   FY 2000 TARGET: Improve and control and narcotics law which is passed.

2. Improve the capacity of law enforcement in Lebanon to investigate trafficking, money laundering and counterfeiting through training, technical assistance, and police-police contacts.
   FY 2000 TARGET: Combat bank secrecy problem.

3. Maintain a sustained diplomatic dialogue with Israel on organized crime, money laundering, and trafficking in women issues. Encourage criminalization of money laundering, separately from any other crime, such as narcotics offenses.
   FY 2000 TARGET: Passage of stalled money laundering legislation.

4. Work with Egypt to eradicate the scant cultivation and manufacture of illicit drugs and interdict shipments of illicit drugs transiting the country.
   FY 2000 TARGET: Work with the Egyptian Anti-Narcotics General Administration to reduce the attractiveness of trans-shipment through Egypt and decrease cultivation of opium/cannabis.

ASSUMPTIONS:

- Desultory progress in the peace process, but no final peace agreement; no generalized Arab/Israeli War.

INDICATORS:

- Effective drug enforcement actions in Lebanon, including drug seizures, break up of trafficking organizations, and extraditions.
- Passage of money laundering legislation in Israel and Lebanon and its effective utilization.
- Increased number of prosecutions of drug traffickers in Egypt.

NEA: FY 2000 REGIONAL PLAN

STRATEGIC GOAL: International Terrorism (TE)

REGIONAL GOAL: Counter state sponsors of terrorism through sustained bilateral/multilateral political and economic pressure. Reduce international terrorist attacks, especially on the U.S. and its citizens.

NATIONAL INTEREST: Law Enforcement: International terrorism poses a grave threat to the U.S. and its citizens.

STRATEGY:

The U.S. seeks to maintain pressure on state sponsors of terrorism until they alter their behavior. In addition, we work to convince other governments and, in some cases, international organizations, to maintain pressure on state sponsors, both politically and economically. The United States seeks from all governments in the region the greatest possible assistance to U.S. and other governments' law enforcement and counter-terrorism efforts. In concert with friends and allies, the United States is working to encourage governments in the region to address the social and economic conditions which extremists often exploit.

OBJECTIVES:

1. Continue active bilateral and multilateral efforts to maintain UN sanctions on Libya until it surrenders the suspects in the Pan Am 103 bombing and complies with the UN Security Council resolutions.
   FY 2000 TARGET: Monitor sanctions enforcement.

2. Ensure that the Iran/Libya Sanctions Act (ILSA) is implemented in a manner that maximizes benefits to U.S. interests and limits any unnecessary detrimental impact on relations with U.S. allies.
   FY 2000 TARGET: Using U.S. laws as leverage, expand international cooperation.

3. Work with European Allies and the EU, through the U.S./Canada/EU Working Group on Iran, to encourage a more vigorous European response to Iranian terrorism, including political pressure and the possibility of European export controls.
   FY 2000 TARGET: Europeans implement export controls.

4. Continue to urge Syria to restrain groups present in Syria and Lebanon from planning and facilitating terrorist acts in other countries. Raise U.S. concerns regarding Syrian support for terrorism directly with the SARG and seek SARG corrective action.
   FY 2000 TARGET: Press for expulsion of terrorist groups and closure of terrorist facilities.

ASSUMPTIONS:

- Libya will continue to offer deals to evade its obligation to comply with the resolutions and weaken the sanctions.
- Some UNSC members, the OAU, and Arab League will continue to oppose Libyan sanctions and encourage non-support.
- U.S. interests in the Middle East, particularly U.S. military assets in the Persian Gulf, will remain high priority targets for terrorist attacks.
- Iran will remain a major state sponsor of terrorism. Renegades like Osama bin Laden will continue to bankroll attacks.
- Regional instability will cause regional players to continue to use terrorism as a tool or policy; national resistance groups will continue to see terrorism as a possible tactic.

INDICATORS:

- Continued UNSC rollover of UN Libya sanctions every 120 days since 1992.
- Significant impediments to Libyan procurement of military, aviation, and petroleum equipment (proscribed by the UN).
- Development of a coordinated U.S./EU/Canada approach to deal with Iranian terrorism.
- Expulsion of terrorist groups and their headquarters/offices/members from state sponsor nations, such as the closure of the Damascus offices of terrorist organizations such as the ASALA and PIJ. DFLP shifts to peace camp.
- Reduction of financial support to terrorist groups by state sponsor governments/intermediaries.

NEA: FY 2000 REGIONAL PLAN

STRATEGIC GOAL: International Terrorism (TE)

REGIONAL GOAL: Work with regional governments to increase their counter-terrorism capabilities and their cooperation with U.S. authorities. Reduce international terrorist attacks, especially on the U.S., its citizens, and allies.

NATIONAL INTEREST: Law Enforcement: International terrorism poses a grave threat to the U.S., its citizens, and allies.

STRATEGY:

The U.S. seeks to reduce international terrorism, convince other governments to consider terrorist acts as crimes and prosecute those responsible. The U.S. will continue with a policy of no concessions to terrorists and to eliminate potential safe havens for terrorists. The U.S. uses universal adherence to international CT conventions – and their prosecute or extradite clauses – to increase the scope of existing extradition treaties and increase pressure on terrorist fugitives. U.S. authorities investigate, locate, and prosecute terrorist suspects, and identify and take actions against terrorist fundraising. We encourage other nations to do the same and seek to increase bilateral diplomatic, law enforcement, intelligence, military exchanges and cooperation against terrorism, and curbs on fundraising.

OBJECTIVES:

1. Develop and provide Anti-Terrorism Assistance (ATA) training programs to regional governments, where appropriate.
   FY 2000 TARGET: Expand training programs where appropriate.

2. Work to increase regional governments' responsiveness to USG requests for extradition, rendition, and law enforcement and intelligence cooperation against terrorism.
   FY 2000 TARGET: Sign U.S.-Egypt extradition agreement.

3. Encourage regional governments to become parties to the ten international CT conventions.
   FY 2000 TARGET: All countries are parties to all conventions.

4. Secure regional government support for, accession to, and implementation of a new Convention on Terrorist Bombings.
   FY 2000 TARGET: All become parties.

5. Coordinate and assist other USG agency efforts to increase CT cooperation for elements of regional governments.
   FY 2000 TARGET: Obtain full cooperation.

6. Make regional governments aware of and cope with new terrorist threats – electronic or "cyber" terrorist, chemical, biological, nuclear, or radiological.
   FY 2000 TARGET: Provide seminars and training to the highest threat posts, primarily in the Gulf.

7. Encourage regional government to curb terrorist fund raising.
   FY 2000 TARGET: See significant countries tighten their restrictions.

8. Enhance CT cooperation through the establishment of legal instruments like mutual legal assistance treaties.
   FY 2000 TARGET: Sign additional MLATs.

9. Encourage the Lebanese government to take effective actions against known or suspected terrorists.
   FY 2000 TARGET: Further increase in actions against terrorists.

ASSUMPTIONS:

- Criminalization of terrorism will make prosecution, extradition, and rendition of terrorist fugitives easier and more effective.
- Greater bilateral cooperation -- diplomatic, intelligence, law enforcement, military -- is necessary to deter and prevent terrorist attacks and punish terrorists.
- International cooperation against terrorism -- especially in criminalizing terrorism -- will increase slowly.
- Arab states will continue to consider some U.S.-designated 'terrorists' to be involved in an armed struggle against foreign occupation and aggression for the sake of liberation and self-determination (A.L. Anti-terrorism resolution) and will not view turning them over to the U.S. authorities as in their national interest; some opinion leaders will still rationalize terrorism.
- Concerns about the danger of new types of terrorism -- against electronic infrastructure or with the use of chemical, biological, nuclear, or radiological weapons -- will increase.
- Terrorist groups like al-Jihad, MAMAS, PIT, and Hizballah will continue to oppose the peace process; some groups, especially in Algeria and Egypt, will seek the overthrow of governments.
- Some states will be loathe to curb fundraising for anti-Israeli groups, such as Hamas, but will urge the west to curb fund-raising for anti-Egyptian and anti-Algerian groups.

INDICATORS:

- Increase in number of nations that accede to and implement CT conventions.
- Negotiation of new extradition or mutual legal assistance treaties with regional governments.
- Addition of new regional countries to the ATA program.
- Increased cooperation with U.S. extradition and rendition requests.
- Decrease in terrorist incidents in Egypt.
- Higher level of competence and professionalism within CT units of Egypt, Tunisia, Israel, Jordan, and the Gulf States, which have received U.S. training.

NEA: FY 2000 REGIONAL PLAN

STRATEGIC GOAL: Democracy and Human Rights (DE)

REGIONAL GOAL: Encourage movement toward democratic political processes, adoption of the rule of law, greater respect for human rights, improved opportunities for women, religious tolerance, and expansion of civil society institutions throughout the Middle East and North Africa.

NATIONAL INTEREST: Democracy: The development of democratic culture in the Near East, based on strong institutions, civil society, and guaranteed respect for individual human rights is a basic U.S. interest in and of itself Moreover, such development directly supports other U.S. national interests and most of our other strategic goals for the Near East cited in this plan. More democratic countries in the Near East which respect the rule of law and embrace civil society should be able to transfer power peacefully, resist the spread of extremism, increase confidence in the business sectors, and enhance the stability of the region as a whole.

STRATEGY:

Our diplomatic dialogue with the Near East region will emphasize democratization, and focus on four key areas: support for participatory political processes; promotion of accountable and transparent governance; strengthen civil society; and support human rights and the rule of law. Given the absence of strong, indigenous constituencies effectively advocating democratic reform, efforts will focus on strengthening and expanding reform elements in the region, both governmental and non-governmental. Resources will be targeted towards those key catalytic opportunities to advance democracy which the U.S. can support under existing geo-political, financial and human resource constraints. Public diplomacy and USIA programs, tailored to show support for the emergence of strong pro-democracy coalitions, will serve as an essential tool, particularly in those countries with limited opportunities to effect change due to their restrictive political environments. In countries where greater reform opportunities exist, the strategy will be expanded. For example, the U.S. also encourages and supports through IMET programs (Jordan is the largest in the world) the development of professional, apolitical military forces untainted by human rights violations. Palestinian economic assistance focuses on human rights, institution-building, and rule of law, as exemplified by Palestinian elections in January 1996. Working with the Egyptian government and NGOs, we continue to support efforts to increase grass roots understanding of the harmful effects of female genital mutilation (FGM).

The $5 million program in support of the democratic Iraqi opposition will seek to further isolate the Baghdad regime and to help the Iraqi opposition develop a consensus on the nature and structure of a post-Saddam Iraq (we are seeking an additional position to staff an Iraq Opposition Coordinator slot). The Middle East Regional Democracy Fund seeks opportunities for developing democratic institutions in countries currently receiving little or no economic assistance.

OBJECTIVES:

1. Strengthen civil society in order to increase domestic demand for democratization and respect for human rights.
   FY 2000 TARGET: Conclude FY 1996-2000 USAID strategy.

2. Enhance protection of human rights and rule of law. Advocacy against FGM and religious intolerance
   FY 2000 TARGET: Support free elections in Algeria, Yemen and Morocco.

3. Improve competitive, participatory democratic political processes and governance.
   FY 2000 TARGET: Train trainers to spread information about election laws.

4. Launch a small grants assistance program to strengthen domestic NGOs in the Near East region. Include, in Egypt, local NGOs involved in FGM educational efforts.
   FY 2000 TARGET: Coordinate with embassies to determine priority projects.

5. Use information and exchange programs to familiarize foreign opinion leaders with U.S. ideas about democracy, civil society, and human rights.
   FY 2000 TARGET: Improvement reflected in Human Rights Report.

6. Advance the spread of the Internet, particularly within the academic and journalistic communities, for public access to information.
   FY 2000 TARGET: Increased access to Internet throughout the region.

7. Promote independent and responsible media.
   FY 2000 TARGET: More accurate reporting in the regional press.

ASSUMPTIONS:

- Regional authorities will allow access to non-governmental organizations.
- Regimes will continue to subordinate political or economic reform to regime security.
- Social and cultural mores will shift to allow greater political participation for women.
- Gradually increasing access to information and proliferation of media and information resources.
- Islamic fundamentalism will continue to exert a strong anti-American, anti-Israeli, and antidemocratic influence, possibly supported by hostile regional powers.

INDICATORS:

- % of people participating in free and fair elections as measured by evaluations of elections and other aspects of democratic transitions by USG, NGO, and international assessments.
- Decrease in human rights violations as reported by independent assessments.
- % Increase in number of countries that grant women the right to vote.
- Participation by USG program alumni in activities promoting civil society human rights and civil society.
- Active USG web-sites on democracy, civil society, and human rights.
- Public discussions of media issues, such as press freedom and responsibility, because of USIA activities.

NEA: FY 2000 REGIONAL PLAN

STRATEGIC GOAL: Humanitarian Assistance (HA)

REGIONAL GOAL: Prevent or minimize the human costs of conflict and natural disasters. Maintain our ability to ensure protection and relief for refugees, respond effectively to humanitarian crises, and support humanitarian demining programs throughout the Middle East and North Africa.

NATIONAL INTEREST: Humanitarian Assistance: Regional and intrastate conflicts often undermine U.S. humanitarian interests because of the toll that they take on human life. Such conflicts, as well as natural disasters, must be prevented, or at least managed.

STRATEGY:

The U.S. supports the work of the UN Relief and Works Agency (UNRWA) to provide education, health, and social services to over 3.4 million Palestinian refugees in Jordan, Syria, Lebanon, the Gaza Strip and the West Bank. In FY 1998, the U.S. has provided $77 million in voluntary contributions to UNRWA's Regular Program Budget and expects to complement these funds with approximately $2 million for targeted projects supporting our multilateral peace process efforts in the areas of vocational training, human resource development and job creation through the Multilateral Working Group on Refugees, the U.S. also seeks to assist Palestine refugees. The U.S. provides assistance through the UN and the ICRC in order to improve health, water, sanitation services, and shelter, and resettle displaced persons in urban areas.

Since 1996, the US has co-chaired, along with France, the Israel-Lebanon Monitoring Group which seeks to reduce risks to civilian caught in the crossfire between Israel and armed groups in southern Lebanon. The U.S. supports resettlement in Israel from certain other countries, through a grant to the United Israel Appeal that provides transportation, en route care and maintenance, and temporary accommodation upon arrival in Israel. The U.S. funds humanitarian demining assistance for Jordan to supplement Jordanian and Israeli efforts to clear the land mines from their common border and enhance economic development in the Jordan river valley.

In northern Iraq, approximately three million people remain dependent on United Nations and other relief programs to sustain themselves in a hostile environment. The U.S. actively supports UNSC resolutions to create and expand an "oil-for-food" program for Iraqi civilians, and to ensure that a substantial proportion of this support is directed to Northern Iraq.

The U.S. also supports the work of UNHCR to provide protection for individuals seeking asylum in the region, encourages host government compliance with international refugee conventions, and supports ICRC's efforts to provide education in international humanitarian law to relevant governments and organizations. The U.S. utilizes refugee resettlement as an important element in seeking greater host government cooperation.

OBJECTIVES:

1. Assure continued humanitarian assistance to Palestinian refugees until a more durable solution to their plight is achieved.
   FY 2000 TARGET: Reform of UNRWA's operations continues, ensuring that highest priority needs of the refugees are met.

2. Maintain support for the work of the UN High Commissioner for Refugees and the International Committee of the Red Cross throughout the region.
   FY 2000 TARGET: Promotion of accession to the 1951 Geneva Convention, its 1967 Protocol, and the 1994 Arab Convention on Refugees (signed only by Egypt). Promotion of asylum procedures in host countries, giving asylum-seekers and recognized refugees legal status and means of support. Continuation of ICRC programs.

3. Maintain humanitarian demining effort in Jordan and establish one in Yemen.
   FY 2000 TARGET: Implement program in Yemen.

ASSUMPTIONS:

- Continued potential for conflict and displacement in northern Iraq.
- Absence in the near term of a comprehensive peace agreement that addresses the status of Palestinian refugees.
- Palestinian refugees will continue to view UNRWA as the most tangible and visible symbol of the international community's commitment to their situation.
- Countries in the region will continue to be reluctant to accept asylum-seekers from neighboring countries, particularly for long enough to undertake status determinations, even with increase settlement.

INDICATORS:

- Regional stability not adversely affected by the humanitarian needs of refugees and other civilians in the Near East region.
- Health and well-being of refugee population in northern Iraq and in UNRWA-administered Palestinian refugee camps.
- Status of demining efforts; ability of displaced persons to return to previously mined areas.
- Decrease or elimination of UNRWA's funding gap, and improved efficiencies in operations, allow essential services to continue uninterrupted.

- Expansion or initiation of multinational burdensharing or resettlement in at least two countries in the region in support of UNHCR objectives.
- UNHCR protection and resettlement capacity increased in Syria, Lebanon, and Jordan; assignment of at least one officer among the three countries to assist host governments in refugee status determinations.
- Accession of at least one additional signatory in the region to the UN Convention on the Status of Refugees, in the 1967 Protocol and the 1994 Arab Convention on Refugees.

NEA: FY 2000 REGIONAL PLAN

STRATEGIC GOAL: Environment (EN)

REGIONAL GOAL: Secure a sustainable global environment in order to protect the U.S. and its citizens from environmental degradation. Work with the governments of the Middle East and North Africa to help them address the problems of environmental degradation and water quality and availability.

NATIONAL INTEREST: Global Issues: The U.S. is a committed partner and advocate in the conservation and sustainable use of resources. In addition, diminishing water resources could precipitate regional conflict that could draw the U.S. into confrontational situations.

STRATEGY:

Countries in the Middle East and North Africa have a number of environmental concerns in common, the most pressing of which are in the water sector. Increasing populations and expanding economies put ever-increasing pressures on existing water supplies and threaten the quality of those supplies. Regionally, USG efforts on water take place largely in the context of the Middle East Peace Process' Multilateral Working Group on Water Resources, which the U.S. chairs. Working Group activities focus on topics such as enhancing water data availability, water management practices including conservation, and enhancing water supply. In 1998, the Secretary approved the creation of an interagency Nile Working Group (NWG) to focus on issues of regional importance in the Nile River Basin that could help promote cooperation and reduce tensions among the riparian countries. Bilaterally, our assistance efforts on water focus on areas such as strengthening access to and making more effective use of existing water resources and promoting policy reforms to encourage decentralization and financial sustainability in the water sector. On other environmental issues, the USG works in a regional context through the MEPP Multilateral Working Group on the Environment, which addresses issues in the areas of environmental management, desertification, maritime pollution, sewage and waste management, and hazardous wastes. Bilaterally, the USG collaborates with a number of countries in the region on other environmental issues through bilateral S&T initiatives. The Middle East Environmental Hub, which was established at Embassy Amman in 1997, focuses on regional activities arising out of the MEPP Water and Environment Working Groups, as well as other issues of global concern. The USG also works with a number of countries in the region through other multilateral fore dealing with issues of global concern such as climate change (Egypt and Saudi Arabia) and toxic chemicals (Egypt, Jordan, and Israel).

OBJECTIVES:

1. Strengthen regional cooperation generally and Arab-Israeli cooperation specifically on the broad range of important environmental issues through continuation of ongoing activities and initiation of new activities in the Multilateral Working Groups on Water Resources and the Environment.
   FY 2000 TARGET: A further 1-2 new water projects and 1-2 new environment project initiated.

2. Promote more efficient use of water resources by changing policies regarding water pricing and decentralization of water management authorities.
   FY 2000 TARGET: Completion of utility management decentralization in 10 Egyptian water utilities. Differentiated water prices based on quality implemented in Jordan.

3. Continue diplomatic efforts working with the Israelis and the Palestinian Authority to implement water projects coming out of the September 1995 Interim Agreement.
   FY 2000 TARGET: West Bank wells and conveyance completed; continued implementation of other ongoing projects.

4. Develop and implement cooperative regional activities among Nile Basin riparian countries through the NWG and coordinate those activities with the Nile Programs of the World Bank and the UNDP.
   FY 2000 TARGET: Initiate further 1-2 regional activities while promoting continued diplomatic dialogue among riparian countries.

5. Begin implementation of the action plan for the Middle East Environmental Hub, which was established in 1997 in Amman.
   FY 2000 TARGET: Initiate further 1-2 regional activities while promoting continued diplomatic Dialogue among riparian countries.

6. Promote sustainable management of the region's coastal and marine resources, including reduction of marine pollution and development of the Bi-national Red Sea Marine Peace Park and Red Sea Islands Natural Marine Park
   FY 2000 TARGET: Master plans for all tourism and infrastructure development for Red Sea Coast.

7. Continued collaboration with countries in the region on global environmental issues such climate change and toxic chemicals.
   FY 2000 TARGET: 1-2 NEA countries sign onto to climate change convention; initiating a toxic chemicals activity.

ASSUMPTIONS:

- The political situation in the region improves sufficiently to allow the Multilateral Working Groups on Water Resources and the Environment to resume normal activity.
- Assistance levels for environmental programs remain at current (or higher) levels.
- Governments in the region will press ahead with environmental policy reforms that support more sustainable management of water and other natural resources.
- Funds are available for Nile Working Group programs.
- Funds are available for the Middle East Environmental Hub programs.
- Governments in the region continue to participate in the fore on global issues such as climate change and toxic chemicals.

INDICATORS:

- Progress on and completion of (as appropriate) current activities of the Water and Environment Working Groups and initiation of new activities.
- Continued implementation of water projects from Article 40 of the Interim Agreement.
- Implementation of water policy reforms (such as water tariff restructuring) that encourage more sustainable use of water supplies.
- Increased cooperation among Nile Basin riparian countries on issues of mutual importance.
- Middle East Environmental Hub participates fully in regional activities and coordinates its work with other regional institutions.
- Progress on activities and projects arising out of bilateral S&T initiatives.
- Progress on activities arising out of multilateral fora on issues of global concern.

NEA: FY 2000 REGIONAL PLAN

STRATEGIC GOAL: Population (PO)

REGIONAL GOAL: Stabilize regional population growth. Undertake USG diplomatic and programmatic efforts (bilateral and multilateral) in coordination with other donors to support national governments aspirations and efforts for stabilizing population growth and protecting human health.

NATIONAL INTEREST: Global Issues: A projected population surge in the NEA region, particularly of young persons between the ages of 15 and 25 and with 40 percent of the region's population under 15, could contribute to social and economic instability that would threaten our national interests in national security, economic prosperity and American citizens and borders.

Economic Development: The availability of resources -- economic, environmental, and social -- can be directly linked to the population size of a country. Efforts to minimize human suffering, promote economic and social development, and ensure adequate public (e.g., health, education) services to every individual requires national population policies that promote sustainable growth.

Democracy: Fertility rates and improved health status are linked to the improved political, economic, and social status of women. The elimination of female genital mutilation (FGM) is key to improving the well-being of women and girls in the region.

STRATEGY:

We seek to support the design of policies and programs that harmonize national population growth rates with national economic and social development strategies. These programs focus on reducing population pressures on key natural resources, particularly water; reducing the potential for social unrest by stemming future demands for jobs and public services (e.g., education, health); and stimulating political, technical, and financial support for sustained national efforts.

OBJECTIVES:

1. Increase U.S. and regional government and private sector provision of voluntary family planning and other reproductive health services consistent with client needs. FY 2000 TARGET: Program infrastructure and systems for carrying out services.

2. Increase modern and effective use of modern contraceptive methods among all individuals of reproductive age, especially among younger couples and high -- risk mothers (e.g., Egypt).
   FY 2000 TARGET: Initiate and/or expand the transfer of technology and skills to build local family planning services capacity.

3. Assure adequate contraceptive commodities and related supplies.
   FY 2000 TARGET: 145 family planning clinics in Jordan; near optimal availability of contraceptives in Egypt; consistent stream of necessary supplies and equipment in Yemen.

4. Promote gender equality and the empowerment of women.
   FY 2000 TARGET: 2% increase in women's votes; increase in women's employment and income generation.

5. Increase girls' access to primary and secondary education.
   FY 2000 TARGET: 1% increase in enrollment.

6. Facilitate efforts by national governments to adopt sustainable national population policies and implement programs consistent with the 1994 International Conference on Population and Development (ICPD) Program of Action.
   FY 2000 TARGET: Effectively monitor national government and private sector efforts to implement recommendations from the ICPD + 5 review.

7. Continue support for regional, national, and local efforts to eradicate the practice of female genital mutilation (FGM).
   FY 2000 TARGET: Sustain and/or increase existing FGM education programs.

ASSUMPTIONS:

- Existing broad international support for population stabilization efforts is maintained.
- Successful national family planning efforts in critical countries such as Egypt and Yemen are sustained; new efforts to reach under-served populations are supported by national governments.
- Current U.S. assistance for population and family planning programs in the region is maintained or strengthened.
- Complementary national population stabilization activities such as basic education (particularly for girls) and microcredit programs for women are concurrent national government priorities.

INDICATORS:

- National government funds for population and reproductive health increase, on average, by 15% by 2002.
- Percent of girls attending 6th and 9th year of schooling increases, on average, to within 10% that of boys by 2002.
- Contraceptive prevalence rate in countries -- especially among rural and under-served populations -- increases by at least 5% by 2002.
- All countries participate in the ICED + 5 review process; national population policies are elaborated upon based on the review.
- National efforts to educate girls and women about the harmful effects of FGM increases by 50% by 2002.

NEA: FY 2000 REGIONAL PLAN

STRATEGIC GOAL: Health (HE)

REGIONAL GOAL: Work with the governments of the Middle East and North Africa to improve levels of public health in the region and address the unhealthy conditions that retard development, and increase the incidence of disease and human suffering.

NATIONAL INTEREST: Global Issues: Protecting U.S. citizens from the spread of infectious diseases is an important national interest.

STRATEGY:

Poor sanitation and food handling practices, scarce water, intense sunlight, extreme heat, blowing dust, and a desert climate characterize much of the prevailing health risks in the Near East region. Coupled with growing problems of industrial air, water, and soil pollution, as well as inadequate garbage collection and human waste disposal, the standard of living is below that of developed countries.

Foodborne and waterborne diseases are endemic. Dysentery and other diarrheal diseases are particularly common. Typhoid fever and hepatitis A, B. and C are endemic. Schistosomiasis is very prevalent in the Nile Delta area and also occurs frequently in other countries of the region. Arthropodborne diseases, such as Leishmaniasis, filariasis, and dengue, are also widespread. These diseases pose significant health threats and impede development.

OBJECTIVES:

1. Expand environmental health programs and strengthen public health infrastructure to reduce the risk of waterborne diseases.
   FY 2000 TARGET: Schistomiasis reduced by 6.5%.

2. Adoption and implementation of policies, strategies, and programs for increased sustainability, quality, efficiency, and equity of health services, with a focus on child and maternal health.
   FY 2000 TARGET: 1% increase in access to health care.

3. Support NGO/PVO capacity to improve health delivery systems.
   FY 2000 TARGET: Expand the number of NGOs by 1%.

4. Increase regional cooperation for prevention, surveillance and response to acute and chronic infectious diseases.
   FY 2000 TARGET: Increase regional cooperation.

ASSUMPTIONS:

- Prevalence of Hepatitis C virus remains high in the region.
- Zoonotic diseases continue to pose a significant health threat.
- Water shortages will persist.
- The HIV/AIDS pandemic continues unabated.

INDICATORS:

- Reduced Hepatitis C virus transmission.
- Move toward universal testing of the blood supply for HIV.
- Reduced burden of diarrheal diseases.
- Determination of factors involved in Kala Azar endemicity.
- Novel methods to control insect borne diseases in the region.
- Reduced impact from infectious diseases by development projects.

Public Diplomacy
Educational and Cultural Exchanges

National Interests:

All international exchange programs organized and administered by the Public Diplomacy arm of the Department of State directly support U.S. national interests by creating a foundation of mutual understanding between current and future foreign leaders and their U.S. counterparts and by promoting linkages between U.S. and foreign institutions and citizens. Professional and academic exchange programs develop and maintain informed, cooperative, and productive relations between the U.S. and other countries by fostering constructive dialogue on individual strategic goals. As a complement to the policy advocacy of information programs, exchange programs build a community of shared interests and values that support traditional U.S. diplomacy.

Strategic Goals and Supporting Programs for FY 2000:

Exchange programs in the Near East and North Africa are designed to promote understanding of U.S. government, society and values and to lay the groundwork for a broader acceptance of U.S. policies. USIA has long used exchange programs to bring together Israelis and Palestinians and to foster normal relations between Israel and its Arab neighbors. Efforts have been made to encourage alumni of these programs to remain in contact with each other and with their American counterparts. Programs about democracy, civil society and human rights encourage participants to promote rule of law, strengthen democratic institutions in their countries, and address human rights issues. These programs increasingly target non-governmental organizations, which are assuming more influential roles in the Middle East. Other exchange programs are designed to build support for economic reform and open markets by allowing participants to view first hand the U.S. economic system. Some programs give participants a general overview of the U.S. market economy while others center on specific issues such as intellectual property rights.

Perceptions that the United States is anti-Islam are an obstacle to the advancement of our policy goals throughout the region. Some exchange programs focus on the role of religion in America. One objective of these programs is to demonstrate the freedom with which Muslims practice their religion in the United States. The ability of the United States to advance its goals can also be hindered by cultural differences and mistrust of U.S. motives. Successful exchange programs build an appreciation of the ways by which U.S. democratic institutions, culture and society contribute to the formulation of both U.S. values and U.S. policies. These programs establish a positive basis for communications between the United States and countries of the region.

Performance Evaluation:

Youth-wing leaders of the Israeli Likud party and the Palestinian Fatah movement met twice during FY 1998 through a program organized by USIA and the American Council for Young Political Leaders (ACYPL). Eight young Fatah activists and seven young Likud politicians gathered in Cyprus in November 1997 for a three-day seminar on media and politics. The Cyprus meeting yielded a joint pledge to "widen the circle of supporters committed to a solution to the conflict." Eight alumni of the Cyprus program -- four from Fatah and four from Likud -- participated in a twelve-day visit to the United States in July 1998. At the end of their U.S. program, group members committed themselves publicly to expanding their dialogue "toward the future." Group members have maintained contact since their return home.

Two Jordanian women journalists, both alumnae of USIA exchange programs, have written and broadcast pioneering reports about spouse abuse. In March 1998, one of the women was awarded a Reebok Human Rights Award for her work in documenting "honor killings," the practice of women being murdered by male relatives.

USIA funded and implemented a regional workshop on civic education and civil society in the Arab world during the summer of 1998. Participants from Egypt, Jordan, Qatar, Oman, Yemen, the Palestinian National Authority, Tunis, Syria, Lebanon, Saudi Arabia, Mauritania, Morocco, and Sudan attended the workshop, held in Amman. Participants agreed to establish a regional network to develop strategies for strengthening civil society.

A journalist at the Moroccan French-language weekly "L'Economiste," one of the most widely read newspapers, wrote eight articles following her participation in April 1998 in a USIA International Visitor program, "Privatization and Economic Reform." The articles covered the privatization of government services, reinventing government, public-private partnerships, and military base conversion.

After returning from a 1998 USIA exchange program, the Dean of the Faculty of Religion at Gaza's conservative Islamic University reported about U.S. religious tolerance to his colleagues. In a written report to the University Board of Directors, he said: "We got to know the nature of dialogue between religions in America. This dialogue is based on mutual respect, away from violence and abuse, in accordance with religious freedom in America."

A USIA-sponsored American Studies Center at the University of Bahrain was officially opened in May 1998.The center will operate in tandem with a USIA-supported American Studies minor degree program at the university. Key to these initiatives were 1997 International Visitor grants to the university president, his senior staff, and the dean of arts, allowing them to build ties with U.S. academic institutions.

Key Indicators for FY 2000 Performance:

- Exchange alumni are in positions of influence in the public or private sectors.
- Exchange alumni make public statements that support U.S. goals in the region.
- Exchange alumni act in ways that are consonant with U.S. goals in the region.
- Host country and U.S. institutions cooperate in ways that promote understanding of U.S. policies and American society and its values.

Educational and Cultural Exchange Programs
Bureau of Near Eastern Affairs

	FY 1998 Actual	FY 1999 Estimate	FY 2000 Request
Algeria	$132	$141	$155
Bahrain	286	302	307
Egypt	1,808	1,886	1,897
Gaza	748	803	854
Iran	--	--	500
Iraq	72	78	78
Israel	1,875	2,017	2,025
Jordan	1,692	1,765	1,777
Kuwait	108	117	124
Lebanon	396	407	412
Maldives	12	14	14
Morocco	1,921	2,001	2,011
Oman	160	176	179
Qatar	135	98	101
Saudi Arabia	260	276	278
Syria	849	885	909
Tunisia	874	836	847
United Arab Emirates	151	161	174
West Bank	854	927	974
Yemen	580	584	586
Young Leaders	--	--	200
Regional Programs	265	390	246
Total Exchanges	13,178	13,864	14,648

Public Diplomacy
International Information Programs

National Interests:

Substantial changes have occurred in the way that governments make decisions or develop and implement policies. The broad range of actors engaged in this process now includes the media, think tanks, non-governmental organizations, religious institutions, and issue-specific voluntary associations. Especially in robust, developed democracies, the process of making policy is more open, consultative, and responsive to public opinion. Increasingly, even less democratic governments tend to operate with an eye to domestic and international public reaction to their decisions. International Information Programs are designed to influence these new audiences as well as foreign government officials through products and services produced by Washington public diplomacy elements and USIS posts. Using tools such as American speakers, the Internet, and interactive television, these programs inform foreign publics about U.S. policies and influence the policy debate throughout the Near East and North Africa.

Strategic Goals and Supporting Programs for FY 2000:

USIS posts use personal contact and the full range of information programs to build support among foreign policy makers and publics for Administration efforts to achieve a comprehensive peace in the Middle East. As part of an interagency group led by the National Security Council, the Bureau is working to inform foreign audiences about the danger posed by Saddam Hussein's possession of weapons of mass destruction, about the case for continued United Nations sanctions against Iraq, and about American concern for the suffering of the Iraqi people. The Bureau also conducts activities to foster public recognition of the need to confront the problems of terrorism and drug trafficking.

Information programs about democracy, civil society and human rights encourage participants to promote rule of law, strengthen democratic institutions in their countries, and address human rights issues. These programs increasingly target non-governmental organizations, which are assuming more influential roles in the Middle East. Other information programs are designed to create an environment for economic growth and to build support for an open market system.

The ability of the U.S. to advance its goals is sometimes hindered by cultural differences and mistrust of U.S. motives. The Bureau therefore uses information programs to build an understanding among foreign audiences of U.S. political institutions, culture, society and values. An important part of this endeavor is the effort to counter perceptions that the United States is anti-Islam.

Performance Evaluation:

In February 1998, WORLDNET transmitted a video message from President Clinton to the Arab world on American policy toward Iraq. USIS posts achieved placement on some local television stations in the Middle East and on two major regional satellite systems, Al Jazeera and the Middle East Broadcast Centre (MBC). After Operation Desert Fox began, WORLDNET also transmitted a special message from President Clinton. USIS posts placed the President's statement on regional networks and on local stations in Oman, Qatar, Bahrain, Jordan, Egypt and Israel.

USIA has arranged for Administration officials to discuss Iraq policy with major foreign media. Newspapers and television stations across the Arab world have reported on interviews and briefings with State Department and National Security Council officials. In November 1998, USIA placed an op-ed piece by National Security Council Director Samuel Berger in"Al Hayat," a London-based Arabic-language daily and in newspapers in all regions of the world.

USIS posts have provided press support during visits to the Middle East by the President, Vice President and Secretary of State. During the President's December 1998 trip to Israel and the Palestinian Authority, USIS Tel Aviv created a special web page featuring photos and up-to-the minute documentation of the visit. The site attracted up to 1500 "hits" a day. It also drew the attention of CNN, the White House and other information providers who linked the USIS site to their own.

USIS Tel Aviv and USIS Jerusalem have supported a developing relationship between Israeli and Palestinian anti-drug activists by arranging for American keynote speakers at two drug abuse prevention seminars, which brought together Palestinians and Israelis in Beersheva and Bethlehem. In March 1998, they published a pamphlet called "Palestinian and Israeli People Against Substance Abuse."

A series of judicial reforms, which the Israeli cabinet approved in late December 1998, includes several championed by an emeritus judge of the 9th Circuit Court of Appeals in San Diego. USIS Tel Aviv has brought the judge to Israel several times since 1996. He has worked on administration of justice issues with Israeli judicial officials ranging from the President of the Supreme Court to district judges and court clerks. The new Cabinet-approved reform package provides district courts with an appellate function formerly reserved for the Supreme Court. Jurisdiction of magistrate courts has also been extended to cover criminal cases.

USIS Jeddah conducted the first-ever large meeting of non-governmental organizations in Saudi Arabia in October 1998. Representatives of more than 30 NGOs participated in the symposium. The USIS event led to the creation of a database of three dozen Jeddah NGOs, and agreement by the participants to organize a day-long NGO training program in the spring of 1999. The program will be co-sponsored by USIS, the Chamber of Commerce and the British Council.

USIA used WORLDNET interactives, the Washington File, the Foreign Press Centers, and a special web-site to support the Middle East/North Africa Economic Conference held in Doha in November 1997. USIS posts throughout the region placed stories transmitted by USIA media in their national press. At the conference in Doha, USIA organized a filing center for traveling press and arranged coverage of over 20 events involving the Secretaries of State and Commerce and other members of the U.S. delegation.

Throughout the second half of 1998, USIS Cairo worked to strengthen Vice President Gore's GLOBE international environmental education program in Egypt. A series of government and private initiatives, coordinated by USIS, has brought seven new schools into the GLOBE network, raised money for equipment purchases, secured donations of telephone lines and free Internet access, and funded workshops in Egypt and abroad for GLOBE students and educators.

USIS posts throughout North Africa and the Near East arranged print and broadcast placement of President Clinton's end-of-Ramadan (Eid-al-Fitr) messages in January 1998 and January 1999. Many also placed stories about White House receptions that Mrs. Clinton held both years to celebrate the end of Ramadan. There was editorial praise for the "respect for Islam" shown by the President and First Lady. USIS post have also placed articles about Islam and America in newspapers throughout the region.

Key Indicators for FY 2000 Performance:

- Accurate and balanced coverage in foreign media about the U.S., its institutions, culture and values.
- Accurate and balanced coverage in foreign media about U.S. policies.
- Editorials in key media supporting U.S. policies.
- Positive public statements by opinion leaders about the United States and about U.S. policies.
- Results of public opinion surveys.
- Reference queries about priority issues to Embassy Information Resource Centers or web-sites.

Algeria

($ in thousands)

National Interests: The U.S. has several key interests in Algeria, although none are vital. Nevertheless, the transformation of this country into an open democracy, with a market economy would present the U.S. with major economic opportunities. It is also essential for regional stability. The proposed plan, cautious, measured and deliberate, aims to make such an outcome likely.

Strategic Goals and Supporting Programs for FY 2000:

Regional Stability: Promoting a stable Algeria will prevent the current situation from degenerating into civil war or producing a radical, authoritarian regime, putting at risk the security of NATO's southern flank and other governments in the region. Meanwhile, Algerian support is essential to resolve the Western Sahara situation and may be helpful in resolving Arab/Israeli disputes. The International Military Education and Training (IMET) program will help policy leaders in Algeria understand and increase their support for U.S. policy. $150

Democracy: IMET encourages reform within an Algerian military establishment gradually moving along a path towards greater pluralism. The program increases awareness of international norms of human rights and fosters greater respect for the principle of civilian control of the military. $25

Performance Evaluation:

- Fewer reports of human rights violations.
  Civilian casualties decreased markedly in 1998 over previous years; security service fatalities, however, increased as the security forces increased their counterinsurgency operations.

- Scaling down of Algeria's violent civil conflict.
  In 1998, there was an approximate 30 percent decrease in the total of fatalities due to the counterinsurgency over the numbers reported in 1997. The violence, however, will not completely subside without long-term political and economic reform, which we continue to address throughout our programs.

- Steps toward democratization such as credible legislative and municipal elections. The June 1997 legislative elections were deemed by the international community to have been more credible than previous elections. The U.S. contributed to an international election observer effort under United Nations auspices for these elections. The municipal elections, for which there were no election observers, however, were deemed flawed by the international community and most of the opposition parties. Televised parliamentary debates on such issues as security have been particularly contentious and serve as an indicator of the parliament as a potentially vibrant democratic forum.

Key Indicators for FY 2000 Performance:

- Active Algerian support for a U.N.-sponsored referendum in Western Sahara.
- Conduct bilateral Navy Search and Rescue Exercise; conclude bilateral agreement for prevention of submerged mutual interference.
- Improved access for Defense Attaché's Office to Algerian officers and facilities.
- U.S.-based human rights NGOs receive improved access to visit Algeria.
- Algerian Parliamentarians participate in study missions and workshops on democracy.
- Training conducted for Algerian NGOs; U.S. and Algerian NGOs establish links.

ALGERIA
FUNCTION 150 RESOURCES
($ in thousands)

Appropriations Accounts by Strategic Goal	Actual FY 1998	Estimate FY 1999	Request FY 2000
Regional Stability	**100**	**100**	**150**
IMET	100	100	150
Democracy	**25**	**25**	**25**
IMET	25	25	25
Total	***125***	***125***	***175***

Appropriations Accounts	Actual FY 1998	Estimate FY 1999	Request FY 2000
IMET	125	125	175
Total	***125***	***125***	***175***
Other Accounts			
D&CP	2,650	2,820	3,335
ECE	132	141	155
IIP	313	345	-
Total	***3,095***	***3,306***	***3,490***
ALGERIA FUNCTION 150 RESOURCES GRAND TOTAL	***3,220***	***3,431***	***3,665***

Bahrain

($ in thousands)

National Interests: The United States has a demonstrable and enduring national security interest in maintaining its access to Bahraini military facilities in order to maintain our influence in the Persian Gulf region. Elected as a non-permanent member to the United Nations Security Council in 1997, Bahrain has been a solid supporter of our policy on Iraq, Libya, and other regional issues. Bahrain has also been a critical supporter of our containment of Iranian ambitions in the region and our efforts to combat international terrorism. We will continue our efforts to promote greater Bahraini involvement in the Middle East Peace Process through fora like the Conference for Middle East Peace and Development, which Bahrain attended in November 1998.

Strategic Goals and Supporting Programs for FY 2000:

Regional Stability/Democracy: Bahrain's continued support on the UN Security Council (UNSC) will be instrumental in advancing our broad foreign policy objectives in the Middle East as we face important UNSC decisions on Iraq, Libya, and Sudan in FY 1999. The judicious expansion of IMET, the continuation of Excess Defense Article (EDA) transfers in FY 2000 under Section 516 of the Foreign Assistance Act and the approval of selected commercial arms sales will enable the Bahrain Defense Forces (BDF) to assume greater responsibility for regional defense, while promoting interoperability with existing U.S. and GCC forces in the region. Continued military-to-military contacts, joint military exercises, and the continuation of the U.S./Bahrain Military Consultative Commission (MCC) will recognize Bahrain's invaluable support for U.S. force deployments and encourage the development of a professional military command committed to the principle of civilian control. Bahrain will be eligible to receive grant Excess Defense Articles (EDA) in FY 2000 under section 516 of the Foreign Assistance Act. Provision of grant EDA and IMET recognizes the invaluable support Bahrain provided to our U.S. Fifth Fleet and CENTCOM air assets in the region. The U.S. has encouraged Bahrain to redress the underlying economic and political causes of its domestic unrest.

Performance Evaluation: $225

- Access To and Use of Bahrain's Military Bases.
  Preservation of our rights to Bahraini military bases provided extensive operational flexibility to meet threats to our national interests in the region, including Iraq.

- Bahraini Support for U.S. Regional Policies.
  Bahrain's support for our diplomatic initiatives on the Middle East Peace Process, Iraq, Libya, Sudan, Iran, and combating the proliferation of international terrorism, strengthened our ability to promote broad UNSC support for our policies. The continued engagement of senior U.S. officials with Bahraini leaders ensured that Bahrain sees benefit in continued support for U.S. efforts.

- Promotion of Greater U.S./Bahrain Economic and Commercial Ties.
  Continued reform of the Bahraini economic system through enhanced intellectual property rights (IPR) protection, the elimination of tariff and non-tariff barriers to market entry, job creation, promotion of foreign direct investment, and greater economic integration with the other countries of the Gulf Cooperation Council (GCC) promoted long-term stability in Bahrain and the region and provided markets for U.S. goods.

Key Indicators for FY 2000 Performance:

- Acceptance of U.S. deployment requests.
- Bahraini diplomatic support for U.S. policy on Iraq, Iran, Libya, Middle East Peace Process.
- Bahraini support for our efforts to combat international terrorism.
- Sufficient Improvement in IPR protection to merit removal of Bahrain from USTR's IPR Watch List.

BAHRAIN
FUNCTION 150 RESOURCES
($ in thousands)

Appropriations Accounts by Strategic Goal	Actual FY 1998	Estimate FY 1999	Request FY 2000
Regional Stability	**200**	**175**	**175**
IMET	200	175	175
Democracy	**51**	**50**	**50**
IMET	51	50	50
Total	***251***	***225***	***225***

Appropriations Accounts	Actual FY 1998	Estimate FY 1999	Request FY 2000
IMET	251	225	225
Total	***251***	***225***	***225***
Other Accounts			
D&CP	3,245	3,450	4,071
ECE	286	302	307
IIP	423	439	-
Total	***3,954***	***4,191***	***4,378***
BAHRAIN FUNCTION 150 RESOURCES GRAND TOTAL	***4,205***	***4,416***	***4,603***

Egypt

($ in thousands)

National Interests: The U.S. has several vital interests in Egypt. As the largest country in the Arab world and a key supporter of the Mideast Peace Process, Egypt is an indispensable ally in the region. Our own national security interests are served by supporting stability and prosperity in the region. Law enforcement, human rights and democracy are intertwined in Egypt, and are important parts of our country's relations with the leading nation in the Arab world.

Strategic Goals and Supporting Programs for FY 2000:

Regional Stability: Egypt plays pivotal roles in the Arab world, Africa, the Muslim world and the Mediterranean Basin. It is a strategic ally in our efforts to contain the Iraqi regime of Saddam Hussein, and to achieve a regional peace between Israel and her neighbors. Our continued support for improving Egypt's military capacity will help maintain regional stability, enable Egyptian forces to support U.S. forces in coalition warfare and participate in peacekeeping operations that further U.S. interests, and sustain U.S. overflight privileges and access to the Suez Canal. Egypt will be eligible for grant Excess Defense Articles in FY 2000 under section 516 of the Foreign Assistance Act. These articles assist Egypt in bolstering its ability to support coalition operations in the region. $1,300,900

Open Markets: Opening the Egyptian market will advance internal and regional stability, and Egypt could be an influential nation within the WTO and other international organizations. USTR and State are intensifying trade policy discussions with Egypt, while USAID identifies specific trade-sector reforms and provides assistance to implement them. $100,000

Expand U.S. Exports: Egypt's growing economy represents an expanding market for U.S. goods and services. Working with other USG agencies in trade promotion, the USAID program provides $200 million in financing for U.S. exports to Egypt, transported on U.S. vessels. $191,005

Economic Development: Egypt must attain faster economic growth and employment generation to be able to play its vital role fostering regional stability. U.S. assistance promotes private-sector driven, export-oriented growth by identifying and promoting key economic reforms and by providing essential technical assistance to implement those reforms. USAID also is strengthening the Egyptian education system. $219,300

Democracy: Democratic institutions in Egypt are functioning, but need encouragement. Although the executive and legislative branches are dominated by one party, there are 13 registered opposition parties. The regulatory environment for non-governmental organizations (NGOs) is a major area of emphasis for U.S. efforts. $1,600

Environment: USAID is introducing new systems and cleaner technologies to improve air and water quality in Egypt and is providing technical assistance to Egyptian agencies responsible for implementing Egypt's new environmental protection law. $153,995

Population: Curbing Egypt's population growth will contribute to U.S. national security by reinforcing economic and social stability in a vital regional ally. USAID is strengthening Egyptian family planning and reproductive health services. $22,000

Health: U.S. assistance targets reductions in infant mortality and combating infectious diseases, especially schistosomiasis and hepatitis C. USAID, the U.S. Navy Medical Research Unit and the Center for Disease Control are strengthening Egyptian public health delivery networks. $27,200

Performance Evaluation:

- Egypt provided invaluable support for the Middle East Peace Process. The U.S. engaged the Egyptian government in all aspects of the peace negotiations at the highest levels, which encouraged other regional players to support the Wye River Agreement. USIS supported the peace process through information and exchange programs.

- In contrast to many other developing economies, economic reforms implemented in Egypt in the last several years enabled the economy to record 5 percent real growth in 1998 while limiting inflation to 4 percent and allowing foreign exchange reserves and the foreign exchange rate to remain stable.

Key Indicators for FY 2000 Performance:

- Regulatory reform for NGOs that insures their independence and unfettered operation.
- Continued Egyptian support of the Middle East Peace Process.
- Sustained progress on liberalizing the economy, including further reduction of tariffs by ten percent, privatization of a state-owned bank and a state-owned insurance company, and approval of private-sector port and airport projects.
- Continued control of indigenous and international terrorism.

EGYPT
FUNCTION 150 RESOURCES
($ in thousands)

Appropriations Accounts by Strategic Goal	Actual FY 1998	Estimate FY 1999	Request FY 2000
Regional Stability	**1,300,900**	**1,300,900**	**1,300,900**
FMF-G	1,300,000	1,300,000	1,300,000
IMET	900	900	900
Open Markets	**150,000**	**145,000**	**100,000**
ESF	150,000	145,000	100,000
U.S. Exports	**174,826**	**181,944**	**191,005**
ESF	174,826	181,944	191,005
Economic Development	**304,274**	**265,346**	**219,300**
ESF	304,274	265,346	219,300
Democracy	**1,600**	**1,600**	**1,600**
ESF	1,500	1,500	1,500
IMET	100	100	100
Environment	**144,190**	**145,210**	**153,995**
ESF	144,190	145,210	153,995
Population	**15,000**	**15,000**	**22,000**
ESF	15,000	15,000	22,000
Health	**25,210**	**21,000**	**27,200**
ESF	25,210	21,000	27,200
Total	***2,116,000***	***2,076,000***	***2,016,000***

Appropriations Accounts	Actual FY 1998	Estimate FY 1999	Request FY 2000
ESF	815,000	775,000	715,000
FMF	1,300,000	1,300,000	1,300,000
IMET	1,000	1,000	1,000
Total	***2,116,000***	***2,076,000***	***2,016,000***
Other Accounts			
D&CP	9,990	10,630	13,877
ECE	1,808	1,886	1,897
IIP	2,597	2,571	-
Total	***14,395***	***15,087***	***15,774***
EGYPT FUNCTION 150 RESOURCES GRAND TOTAL	***2,130,395***	***2,091,087***	***2,031,774***

Israel

($ in thousands)

National Interests: It is in the United States' national interest to promote the existence of a stable, democratic, and economically and militarily strong Israel at peace with its neighbors. Maintaining the qualitative edge of the Israeli Defense Forces (IDF) in the regional balance of power enhances Israel's security, helps prevent regional conflict, and builds confidence necessary for Israel to take calculated risks for peace. Working with Israel to develop effective defenses against weapons of mass destruction (WMD) enhances the security of Israel, other friendly states in the region, and the U.S. Achieving progress toward comprehensive peace and an end to the Arab-Israeli conflict strengthens Israel's security by lowering regional tensions, encouraging the process of "normalization," and strengthening moderates in the region.

Reducing Israel's isolation in the region and in world fora and enhancing Israel's economic relationships both regionally and in the world economy serve the U.S. national interest by reducing Israel's political and economic dependence on the U.S. Promoting market-oriented economic reform in Israel contributes to its economic growth; permits a gradual phasing-out of U.S. economic assistance; enhances Israel's ability to repay its debt to the U.S.; and opens new opportunities both for U.S. investment and for export sales.

Strategic Goals and Supporting Programs for FY 2000:

Regional Stability: Build on existing agreements between Israel and its Arab neighbors toward a comprehensive Arab-Israeli peace, and promote Israel's relationships in the region. Work with Israel on phasing out U.S. economic assistance and encourage it to reform and open its markets and financial institutions. The U.S. will maintain Israel's security through continued funding for sustainment and procurement of major defense articles. Israel will be eligible to receive grant Excess Defense Articles (EDA) in FY 2000 under section 516 of the Foreign Assistance Act. $2,370,000

Weapons of Mass Destruction: Strengthen Israel's conventional deterrence capabilities, assist Israel's civil defense, and cooperate in defending against potential proliferation threats. $480,000

Humanitarian Assistance: To assist in the absorption into Israeli society of Jewish humanitarian migrants coming to Israel from certain countries of distress. $60,000

Performance Evaluation:

- Assist a Stable, Growing Israeli Economy. The FY 1998 Congressional Presentation identified the following economic performance indicators: GDP growth of 4.0%, unemployment rate below 7.0%, and reduction of the budget deficit below 2.8%. Israel achieved the budget deficit target in 1997; the 1998 budget deficit is projected to be 2.4% of GDP. Israel's GDP growth for CY 1997 was 2.2% and is expected to fall to 1.9% for CY 1999; its unemployment level averaged 7.7% in 1997 and 8.7% in 1998. The failure to achieve the economic goals set out is the result of setbacks in the peace process, slower immigration, structural changes in the Israeli economy, tight macroeconomic policy and the impact of the global economic slowdown.

- Maintain Israel's Qualitative Military Edge. The United States is committed to maintaining Israel's qualitative military edge. FMF represents approximately 30% of the Israeli defense budget and is crucial to Israel's multi-year defense modernization plan. FMF has enabled the Israeli government to meet cash flow requirements associated with the procurement of U.S. origin systems such as F-15 and F-16 fighters, SAAR V Corvettes, Multi Launch Rocket Systems, and AH-64 Apache helicopters.

- Continued Progress on Peace Negotiations. The Middle East peace process was largely stalled throughout FY 1998. However, substantial diplomatic effort throughout FY 1998 led to the signing of the Wye River Memorandum between Israel and the Palestinians on October 23, 1998.

- Maintain U.S. Position as the Largest Single Exporter to Israel. The U.S. share of the Israeli market in 1997 was 18.7%, by far the largest of any single country. U.S. market share increased to 19.2% for the period January-October 1998.

Key Indicators for FY 2000 Performance:

- Improvement in performance of Israeli economy, including GDP growth of at least 3.0%, reduction of unemployment to below 8.0% and inflation to 4.0% or lower;
- Continued progress in economic reform, including reduction of the budget deficit to 2.0% of GDP, and introduction of competition in the domestic telecommunications and transportation markets;
- Maintain U.S. position as the largest single exporter to Israel;
- Continued progress on peace negotiations;
- Increased trade, commerce and tourism between Israel and Egypt, between Israel and Jordan, and between Israel and other Arab states in the region;
- Increased support for Israel's defense modernization plan, the Arrow anti-ballistic missile program, and Israeli civil defense forces.

ISRAEL
FUNCTION 150 RESOURCES
($ in thousands)

Appropriations Accounts by Strategic Goal	Actual FY 1998	Estimate FY 1999	Request FY 2000
Regional Stability	**2,550,000**	**2,475,000**	**2,370,000**
ESF	1,200,000	1,080,000	930,000
FMF-G	1,350,000	1,395,000	1,440,000
Weapons of Mass Destruction	**450,000**	**465,000**	**480,000**
FMF-G	450,000	465,000	480,000
Humanitarian Assistance	**80,000**	**70,000**	**60,000**
MRA	80,000	70,000	60,000
Total	***3,080,000***	***3,010,000***	***2,910,000***

Appropriations Accounts	Actual FY 1998	Estimate FY 1999	Request FY 2000
ESF	1,200,000	1,080,000	930,000
FMF	1,800,000	1,860,000	1,920,000
MRA	80,000	70,000	60,000
Total	***3,080,000***	***3,010,000***	***2,910,000***
Other Accounts			
D&CP	10,415	11,080	15,322
ECE	1,875	2,017	2,025
IIP	3,897	3,566	-
Total	***16,187***	***16,663***	***17,347***
ISRAEL FUNCTION 150 RESOURCES GRAND TOTAL	***3,096,187***	***3,026,663***	***2,927,347***

Jordan

($ in thousands)

National Interests: U.S. national security rests on peace, economic prosperity, and the free flow of commodities into and out of the Middle East. Regional stability demands political stability and economic development in Jordan, a pivotal country that has signed a peace treaty of its own with Israel and has long urged the Palestinians to make their peace with Israel as well. U.S. efforts to help promote democracy, sustain the environment, ease the birth rate and promote health, build a stronger regional security system, and increase trade and other economic opportunities all contribute to a more stable and self-sustaining Jordan.

Strategic Goals and Supporting Programs for FY 2000:

Regional Stability: Jordan strongly supports the peace process and is in a position to contribute to collective regional defense goals. Jordan has been designated a major non-NATO Ally. U.S. FMF helps Jordanian Armed Forces modernize and address readiness and sustainment requirements. International Military Education and Training (IMET) programs continue to teach Jordanians the benefits of interoperability and regional, collective security. The USG encourages Jordan to further its own interests by more effective engagement of its peace process partners, particularly Israel and the Palestinians. The U.S. works with Jordan to assure adherence to the UN sanctions regime in Iraq, as well as strengthened border security. Jordan will be eligible in FY 2000 for Excess Defense Articles (EDA) under section 516 of the Foreign Assistance Act to enhance sustainment of Jordan's air and ground forces. $76,200

Economic Development: The U.S. backs Jordanian economic reform and liberalization of the Jordanian economy in accordance with International Monetary Fund (IMF) mandated reforms. Responsible reform measures will contribute to sustainable economic growth and an improved standard of living for the average Jordanian. U.S. economic assistance is directly tied to progress on economic reform programs. $75,000

Democracy: Working with the Jordanian government, non-governmental, academic institutions and the media, the USG continues to encourage greater respect for democratic principals and for human rights in Jordan. Public diplomacy programs focuses on reporting on Jordanian government perspectives, as well as popular views. These programs also encourage the Jordanian media to function as both watchdogs and commentators on Jordanian public life. $400

Humanitarian Assistance: The USG contributes to the provision of humanitarian assistance to Palestinian refugees in Jordan by working with other interested parties to find a durable solution to the refugees' condition, and through direct support for international efforts to assist Jordanian refugees, particularly through participation in

the Refugee Working Group and financial support for the UN Relief and Works Agency (UNRWA), the UN agency that supports Palestinian refugees throughout the region. The USG also supports mine-clearing efforts in Jordan through the training of de-mining teams and provision of specialized equipment. $1,000

Environment: The USG assists Jordan in developing sustainable environmental policies and practices, including cooperating with its neighbors on transboundary issues of water and the environment. Improvement of Jordanian water resources management is a key element of our USAID program in Jordan. Additional assistance on environmental issues takes the form of support for bilateral, regional, and global initiatives, as well as policy dialogue, program assistance and monitoring, and public diplomacy. $60,000

Population: USAID, in conjunction with Jordan's Ministry of Health and other donors, addresses family planning issues by alerting Jordanian policymakers to the impact of population growth. In addition, USAID promotes public knowledge about family planning, and works at the technical level to assure availability of contraceptives. $10,000

Health: Although many health indicators in Jordan are relatively positive, rapid population growth and systemic inefficiencies burden an already over-stretched health care sector. USAID, through exposure to innovative practices, urges a more approach to financing health care in Jordan. USAID sustains children's and women's health care programs. $5,000

Performance Evaluation:

- Improvement in health sector: USAID and the Ministry of Health have made contraceptives more available and provided training to health care professionals. Total fertility rate declined from 5.6 children per woman in 1990 to 3.9 children in 1998. Most births are in hospital settings and 43% of women who deliver in well-equipped hospitals return for post-partum care. USAID efforts to improve health care financing are in the developmental stages.

- Environmental efforts focus on water: Water institutions have improved data collection and analysis and installed new information systems that will allow for improved management approaches and cost recovery capability.

- Economic development through small lending programs: USAID expanded its microfinance program in 1998, engaging commercial bands in leading and linking small business operators with the formal financial sector. Microfinancing reached about 6,000 micro-borrowers in 1998, roughly half of them women. During 1998 USAID provided technical assistance to move Jordan closer to WTO accession.

- Military readiness and capabilities improved: Under the Peace Falcon F-16 program a squadron of F-16 aircraft was delivered to Jordan during 1998. Payment on the F-16 lease is to be completed during FY 99. IMET training increased the interoperability and readiness, of the Jordanian military during 1998.

Key Indicators for FY 2000 Performance:

- Additional drop in birth rate.
- Further direct and productive dealings with peace process partners on trade issues, water, and security.
- Measurable economic growth.
- Movement toward privatization of key industries.
- Increased military readiness and interoperability.

JORDAN
FUNCTION 150 RESOURCES
($ in thousands)

Appropriations Accounts by Strategic Goal	Actual FY 1998	Estimate FY 1999	Request FY 2000
Regional Stability	**51,200**	**46,200**	**76,200**
FMF-G	50,000	45,000	75,000
IMET	1,200	1,200	1,200
Weapons of Mass Destruction	**15**	**245**	**301**
NADR-Export Control	15	245	301
Economic Development	**10,330**	**82,600**	**75,000**
ESF	10,330	82,600	75,000
Democracy	**400**	**400**	**400**
IMET	400	400	400
Humanitarian Assistance	**500**	**1,900**	**1,000**
NADR-Demining	500	1,900	1,000
Environment	**14,000**	**60,000**	**60,000**
ESF	14,000	60,000	60,000
Population	**-**	**7,400**	**10,000**
ESF	-	7,400	10,000
Health	**-**	**-**	**5,000**
ESF	-	-	5,000
Total	***76,445***	***198,745***	***227,901***

Appropriations Accounts	Actual FY 1998	Estimate FY 1999	Request FY 2000
ESF	24,330	150,000	150,000
FMF	50,000	45,000	75,000
IMET	1,600	1,600	1,600
NADR	515	2,145	1,301
Total	***76,445***	***198,745***	***227,901***
Other Accounts			
D&CP	5,140	5,470	6,838
ECE	2,567	2,665	2,677
IIP	1,058	1,040	-
Peace Corps	1,155	1,426	1,511
Total	***9,920***	***10,601***	***11,026***
JORDAN FUNCTION 150 RESOURCES GRAND TOTAL	***86,365***	***209,346***	***238,927***

Lebanon

($ in thousands)

National Interests: Lebanon continues to emerge from its sixteen-year civil war. It is making slow, uneven progress toward rebuilding its civil institutions and reestablishing the rule of law. Economic reconstruction is also progressing, but slowly. U.S. interests lie in a free and independent Lebanon at peace with its neighbors, particularly Israel. A prosperous Lebanon offers great opportunities to U. S. commercial interests. Lebanon independent and secure will seriously weaken terrorism and contribute to the fight against illegal drugs and counterfeiting. Other related U.S. interests are democracy, improved health and prosperity, and better environment.

Strategic Goals and Supporting Programs for FY 2000:

Regional Stability: A comprehensive Middle East peace can not be achieved absent peace between Lebanon and Israel. Although tied to the Syria track we continue to use every opportunity to support Lebanon in efforts to reach peace with Israel, including the Israel-Lebanon Monitoring Group (ILMG) and to support the development of independent institutions minimizing Syrian influence. Lebanon will be eligible in FY 2000 to receive grant Excess Defense Articles (EDA) under section 516 of the Foreign Assistance Act to assist the Lebanon Armed Forces in maintaining a credible force.
$36,400

Economic Development: Following the civil war, income disparities, particularly between the urban elites and those displaced during the war (largely rural), have grown. Extremists have capitalized on this, threatening stability. USAID initiatives, USAID-supported USDA programs, outreach and public diplomacy programs are aimed at addressing the disparities and improving the overall economic performance.
$9000

International Crime: International crime, particularly narcotics trafficking and counterfeiting, is of serious concern. The mission supports U.S. Secret Service and DEA efforts to provide training to Lebanese law enforcement through the Justice Department International Criminal Investigation Training Assistance Program (ICITAP).

Democracy: The mission will encourage democracy and respect for human rights through USAID support for Parliament for administrative reform, IMET and public diplomacy grants and exchanges.
$2,150

Humanitarian Assistance: Return to a civil society and prevention of conflict are key to Lebanese development. USAID programs focusing on civil participation and conflict resolution, together with humanitarian demining and programs to further

economic development, particularly for women, encourage the development of civil society, as does direct support for AUB, LAU, and International College. Additional funding supports, through Non-Proliferation, Antiterrorism, Demining and Related Programs (NADR) funds a relatively new and modest demining program to help remove the threat of the many mines remaining in Lebanon. $750

Environment: USAID rural community Development Clusters focus on environmentally sound programs including wastewater management, public awareness and planning. $1,000

Performance Evaluation:

- Increased effectiveness and credibility of the Lebanese government and other institutions. In 1998 Lebanon successfully held its first municipal elections in thirty years. Parliament elected a new president and the cabinet became less sectarian and more professional. USAID programs assist parliament and several ministries to be more professional and efficient.

- Continued Lebanese government commitment to the Lebanon–Israel peace negotiations and a comprehensive regional peace. Despite severe problems in the south, the ILMG continues to be a valuable vehicle for easing tensions and continuing a dialog. Lebanon wants to pursue peace talks within the constraints of the relationship with Syria.

- Improvements to water, electricity, telecommunications, and other infrastructure. USAID's Rural Development Clusters program has carried out hundreds of activities to rehabilitate health care facilities, build roads and water systems, and enhance local planning capabilities. The environment has been improved through USAID programs promoting better land use and reduced pollution.

Key Indicators for FY 2000 Performance:

- Government implements reform measures and provides better services.
- Lebanon continues to participate in the ILMG and seizes opportunities to advance the peace process.
- Target communities are vitalized with families resettled and potable water improved.
- Pollution is reduced and major areas are returned to environmentally sound use for sustainable production.
- Lebanese markets become more transparent and barriers to American investment and access are removed. Intellectual property protection is implemented and non-tariff barriers are removed.

LEBANON
FUNCTION 150 RESOURCES
($ in thousands)

Appropriations Accounts by Strategic Goal	Actual FY 1998	Estimate FY 1999	Request FY 2000
Regional Stability	**36,099**	**30,300**	**36,400**
CIPA	35,699	29,900	36,000
IMET	400	400	400
Economic Development	**8,300**	**8,000**	**9,000**
DA	300	-	-
ESF	8,000	8,000	9,000
Democracy	**2,150**	**2,150**	**2,150**
ESF	2,000	2,000	2,000
IMET	150	150	150
Humanitarian Assistance	**400**	**530**	**750**
NADR-Demining	400	530	750
Environment	**2,000**	**2,000**	**1,000**
ESF	2,000	2,000	1,000
Health	**-**	**-**	**-**
ESF	-	-	-
Total	***48,949***	***42,980***	***49,300***

Appropriations Accounts	Actual FY 1998	Estimate FY 1999	Request FY 2000
CIPA	35,699	29,900	36,000
DA	300	-	-
ESF	12,000	12,000	12,000
IMET	550	550	550
NADR	400	530	750
Total	***48,949***	***42,980***	***49,300***
Other Accounts			
D&CP	3,780	4,020	4,864
ECE	396	407	412
IIP	411	595	-
Total	***4,587***	***5,022***	***5,276***
LEBANON FUNCTION 150 RESOURCES GRAND TOTAL	***53,536***	***48,002***	***54,576***

Morocco

($ in thousands)

National Interests: The Mission's resources are targeted at promoting U.S. national interests at stake in Morocco, with particular emphasis on economic prosperity, and democracy and human rights. Under King Hassan, Morocco serves as a moderating influence in its relations with other Islamic, Arab, and African countries. Morocco has played a significant role in supporting and advancing the Middle East Peace Process. It has also supported U.S. efforts in the United Nations, including dispatching troops to Somalia and Bosnia and participating in the multinational forces in Saudi Arabia during the Gulf War. In 1997 Moroccan voters elected their first opposition government. King Hassan then appointed the first opposition Prime Minister in March 1998. The new government is redefining policies on human rights, health care, education, and social development. At this moment of transition Morocco merits a reinvigorated commitment from the United States. If our efforts at forging a "new partnership" are successful, Morocco could emerge as a more stable, democratic, prosperous partner in an important yet troubled region.

Strategic Goals and Supporting Programs for FY 2000:

Regional Stability: Greater stability in North Africa will serve U.S. interests in the region, both political and economic. Regional tensions between Morocco and Algeria divert attention and scarce resources from internal needs, and limits the region's ability to join together to improve market attractiveness. Improved regional stability will enhance the region's economic performance, attract greater U.S. trade and investment, and reduce opportunities for religious extremism. Public diplomacy efforts will focus on the roles of political elites and the informed public and seek to improve public awareness of U.S. policies. Both FMF and IMET funds will help the goal of increasing interoperability between U.S. and Moroccan forces. However, this goal will be inherently limited as long as King Hassan does not allow the Moroccan military to conduct joint exercises. Morocco will be eligible in FY 2000 to receive grant Excess Defense Articles (EDA) under section 516 of the Foreign Assistance Act. These articles support Morocco's efforts to sustain its military. $3,050

Open Markets: Mission efforts to open Morocco's markets through policy and institutional reforms will increase business opportunities for American firms in the region and for Morocco's own long-term prosperity. The Mission will focus on keeping the new government committed to growth-oriented policies and concrete reforms. Both public diplomacy and traditional diplomatic activities will target political and economic elites to promote specific reforms and to encourage trade liberalization generally.

Expand U.S. Exports: High priorities for the Mission's efforts to increase U.S. exports to Morocco will include advocacy for specific commercial projects, support to incoming trade missions, the organization of "reverse trade missions" to the U.S. and other trade events, providing informed advice and counsel to American businesses, and maintaining effective contacts with the Moroccan business community. Both public diplomacy and traditional diplomatic activities will target political and economic elites to promote specific trade events and projects.

Economic Development: Working with Moroccans to create the necessary conditions for broad-based prosperity serves a wide range of U.S. economic and political interests. The country's good macro-economic indicators ($1,300 per capita GDP) masks the fact that a disproportionate share of Morocco's wealth is concentrated within a small segment of the population. High unemployment, illiteracy, and antiquated commercial practices among other factors add to the problem. The Mission supports the new opposition government's commitment to improve and reform the administration, the judicial system, and the economy and will engage in regular dialogue to improve the policy and regulatory environment. The Mission will target improving Morocco's management of limited resources such as water, health and education facilities, and financial capital. Public diplomacy, traditional diplomatic activities, USAID, and Peace Corps resources will work toward accomplishing this goal. $4,400

Democracy: The continues development of democratic culture in Morocco, based on strong institutions, civil society, and guaranteed respect for human rights is a basic U.S. interest. A more democratic Morocco which respects the rule of law and embraces civil society should be able to transfer power peacefully, resist the spread of Islamic extremism, increase confidence in its business sector and contribute to the stability of the region as a whole. The most important aspect of the Mission's strategy to advance democracy in Morocco will be the active engagement of key Moroccan officials to promote greater democratization. Parallel activities with the Parliament, political parties, local government, military, labor unions, and non-governmental organizations will also contribute to this goal. Diplomatic efforts and public opinion monitoring will also obtain and analyze data on the effectiveness of the Mission's overall effort to promote democracy. $1,200

Population and Health: Reduced population growth will contribute to Morocco's social and economic development and, in turn, to a wide range of U.S. interests in the region. Morocco ranks among the USG's priority countries to which it provides population assistance. Morocco's rapidly growing population is expected to reach 33 million by the year 2010 which will place an added strain on the country's development and limited resources. To address this goal, the Mission will support Moroccan public and private efforts to reduce its total fertility rate and to improve the health and education of women of reproductive age, as well as children under the age of five.

Mission activities through USAID and Peace Corps will include work at the regional level to introduce decentralized program management, policy reform to increase the effectiveness of family planning and maternal/child health services, and activities to promote the empowerment of women and increase community participation. $2,500

Public Diplomacy: U.S. long-term interests in Morocco are advanced in important ways through individual and institutional ties between Americans and Moroccans, ties not always related to short term goals. All USG agencies in the Mission are engaged in public diplomacy activities, under the overall direction of the Ambassador. The Mission's overall public diplomacy strategy will be to focus both current opinion leaders and Morocco's "successor generation" through Educational and Cultural exchanges. The Mission will also support long-term U.S.-Moroccan linkages, especially in the information, educational and cultural fields.

Performance Evaluation:

- An economic atmosphere more conducive to foreign investment, including increased economic liberalization and continued privatization of state-owned enterprises.

- The new government has committed itself to continuing economic liberalization. In 1998 it has decided to continue and extend the privatization program it has improved the transparency of government procurement processes and has agreed to adhere to the OECD anti-bribery convention.

- Deepening of relations between Morocco and Israel and continued Moroccan role in the Middle East Peace Process.

- Relations between Morocco and Israel did not deepen in the last year. However, King Hassan resisted calls from the Arab League for countries to roll back their relations with Israel and continued the exchange of Liaison Officers without hindrance. King Hassan also continued his role as a force of moderation in the region, most notably by working to ensure that the final statement of the July OIC Jerusalem Committee meeting substantively maintained its previous stance and was not inflammatory.

- Continued absence of overt hostilities in the Western Sahara and movement toward a peaceful settlement.

- There were no overt hostilities in the Western Sahara. Morocco continued to participate in the UN referendum process. The UN mission to the Western Sahara succeeded in substantially completing the initial stage of the referendum process, however a referendum was not held in December as originally anticipated under the Houston Agreement.

Key Indicators for FY 2000 Performance:

- Increased economic liberalization: revision of the labor code, improvement in customs administration, improvement in child labor practices, substantial completion of the privatization program.
- Reduced tension in Moroccan-Algerian relationship: high level meetings between Moroccan and Algerian officials to discuss border issues.
- Progress toward a sustainable solution to the Western Sahara dispute through either beginning of negotiations between the parties on an alternative solution to the referendum, or completion of the next phase of the referendum process including repatriation of refugees.
- Strengthened bilateral USG-Moroccan relations: more effective USG-Moroccan information exchange at a working level and increased high level dialogue and visits on economic, security, and multilateral issues.

MOROCCO
FUNCTION 150 RESOURCES
($ in thousands)

Appropriations Accounts By Strategic Goal	Actual FY 1998	Estimate FY 1999	Request FY 2000
Regional Stability	**800**	**2,800**	**3,050**
FMF-G	-	2,000	2,250
IMET	800	800	800
Economic Development	**7,030**	**4,226**	**4,400**
DA	7,030	4,226	4,400
Democracy	**1,307**	**1,200**	**1,200**
DA	1,200	1,100	1,100
IMET	107	100	100
Environment	-	-	-
DA	-	-	-
Population	**2,670**	**2,500**	**2,500**
DA	2,670	2,500	2,500
Total	***11,807***	***10,726***	***11,150***

Appropriations Accounts	Actual FY 1998	Estimate FY 1999	Request FY 2000
DA	10,900	7,826	8,000
FMF	-	2,000	2,250
IMET	907	900	900
Total	***11,807***	***10,726***	***11,150***
Other Accounts			
D&CP	4,221	4,480	6,849
ECE	1,921	2,001	2,011
IIP	1,874	2,051	-
Peace Corps	2,091	2,245	2,278
Total	***10,107***	***10,777***	***11,138***
MOROCCO FUNCTION 150 RESOURCES GRAND TOTAL	***21,914***	***21,503***	***22,288***

Oman

($ in thousands)

National Interests: Oman's location on the southern shore of the Strait of Hormuz makes our relationship with the Sultanate critical to U.S. commitments to defend national, regional, and global interests in the Gulf. Access to Oman's military bases through a 1980 bilateral agreement (renewed in 1990) provides an important anchor for our regional political-military strategy. The USG should actively support the Omanization of the Sultan's Armed Forces through professional military training (IMET) and Excess Defense Articles (EDA) transfers. Additionally, for the past twenty years, we have been able to count on Oman's support for U.S. regional policy initiatives, including the Middle East Peace Process and U.S. Iraq policy. Oman's long-term domestic political stability improves prospects for continued policy support and military access. The U.S. government is providing technical assistance for the Sultan's political and legal reform program, and the USG is working closely with Oman, both bilaterally and through the World Trade Organization (WTO) accession process, to encourage a more transparent regulatory environment that will attract increased investment and trade.

Strategic Goals and Supporting Programs for FY 2000:

Regional Stability: A sound relationship with Oman insures continued access to Oman's military bases and support for U.S. regional policies. IMET, EDA, joint military exercises, and frequent visits by senior military officers and diplomats remind Oman that we value its friendship. Oman will be eligible in FY00 to receive grant Excess Defense Articles (EDA) under section 516 of the Foreign Assistance Act. $325

Humanitarian Assistance: An effective humanitarian demining program will reopen access to land rendered nonproductive by the presence of landmines. $750

Weapons of Mass Destruction: WMD proliferation in the Gulf and South Asia threatens vital U.S. strategic interests in the region. Oman's accession to the Non-Proliferation Treaty (NPT) and the Comprehensive Test Ban Treaty (CTBT) will set a positive example for its neighbors. Oman's cooperation in developing a GCC-wide counter-proliferation strategy would strengthen our joint defense posture in the region.

Expand U.S. Exports: Rising U.S. exports to Oman both increases U.S. GDP and assists in the development of Oman's economy, expands the job base, and improves domestic political stability.

Economic Development: The long-term stability of Oman's government depends on the effectiveness of the Sultanate's economic diversification efforts. Encouraging a transparent legal/regulatory system and accession to international agreements governing international trade can contribute to Oman's attractiveness for foreign investment.

Democracy: Expansion of popular participation in political decision-making, promotion of human rights, and strengthening of civic society will increase the legitimacy and stability of the government.

Environment: Expanding environmental awareness in Oman strengthens local support for the Middle East Regional Desalination Center, which was created to find solutions to the region's chronic water shortages, and for Oman's marine environment preservation policies.

Population: Over half of Oman's population is under the age of 15. Slowing Oman's population growth promotes domestic social and political stability.

Performance Evaluation:

- Access to and Use of Oman's Military Bases. Preservation of U.S. access rights to use Oman's military bases provides extensive operational flexibility to meet threats to our national interests in the region.

- Oman Supports U.S. Regional Policies. Oman's diplomatic support for U.S. regional policy initiatives – the peace process, Iraq, and, to a lesser extent, Iran – strengthens our hand with less cooperative regional actors. Continued engagement by senior USG officials with Oman's leaders will assure them that Oman is not taken for granted.

- Greater Transparency in Oman's Legal/Regulatory Framework. Oman's future political stability depends on the employment of its next generation. WTO accession and other actions to improve Oman's legal/regulatory environment should facilitate an improved climate for foreign investors, who could create the jobs Oman needs.

- Oman Implements Legal and Political Reforms Announced in 1996. The Sultan's 1996 Basic Charter announced political and legal reforms designed to broaden political participation and guarantee basic rights to Oman's subjects. Completion of this project should expand the legitimacy of the government in the eyes of the people, improving long-term political stability.

Key Indicators for FY 2000 Performance

- U.S.-Oman Basic Access Agreement Renewed through 2010.
- Oman provides diplomatic support for the peace process, Iraq policy, and other regional initiatives.
- Oman accedes to the NPT and finalizes accession to the CTBT.
- Oman accedes to the WTO.
- Basic Charter legislation enacted.
- Oman conducts and manages its demining program.

OMAN
FUNCTION 150 RESOURCES
($ in thousands)

Appropriations Accounts by Strategic Goal	Actual FY 1998	Estimate FY 1999	Request FY 2000
Regional Stability			
IMET	**217**	**225**	**325**
	217	225	325
Democracy			
IMET	-	-	-
	-	-	-
Humanitarian Assistance			
NADR-Demining	-	**500**	**750**
	-	500	750
Total	***217***	***725***	***1,075***

Appropriations Accounts	Actual FY 1998	Estimate FY 1999	Request FY 2000
IMET	217	225	325
NADR	-	500	750
Total	***217***	***725***	***1,075***
Other Accounts			
D&CP	2,810	2,990	3,510
ECE	160	176	179
IIP	409	340	-
Total	***3,379***	***3,506***	***3,689***
OMAN FUNCTION 150 RESOURCES GRAND TOTAL	***3,596***	***4,231***	***4,764***

Tunisia

($ in thousands)

National Interests: Tunisia is a stable, democratic country in the troubled Middle East region where the U.S. national interest in maintaining access to crucial energy supplies remains high. Located on the southern Mediterranean coast one hour from Italy, it is also a natural economic and strategic bridge from Europe to sub-Saharan Africa. Tunisia has long been well disposed to U.S. presence in the region, and looks to U.S. leadership in the political and economic sphere, despite its colonial ties to France. Thus, our interest is to continue and in some areas intensify our efforts to ensure the fabric of bilateral relations between the U.S. and Tunisia is strong and durable.

Strategic Goals and Supporting Programs for FY 2000:

Regional Stability: Ensure active Tunisian participation in efforts to promote regional stability particularly in the Middle East Peace Process (MEPP), bilateral military cooperation, peacekeeping operations, regional economic liberalization and integration, and continued sanctions against Libya and Iraq. More specifically, goals are to maintain access of U.S. forces to Tunisian facilities, deter possible Libyan aggression, and encourage Tunisia's participation in peacekeeping efforts. In FY 2000, Tunisia will be eligible for grant Excess Defense Articles (EDA) under section 516 of the Foreign Assistance Act. $3,150

Performance Evaluation:

Level of Tunisian engagement in regional initiatives:

- Tunisia actively pursued the U.S.- North Africa Economic Initiative and expressed interest in concluding bilateral investment agreements with the U.S.
- Tunisia maintained open policy dialogues on Iraq, Libya and MEPP.
- Tunisia participated in a very successful JMC, with high-level USG and GOT attendance.

Key Indicators for FY 2000 Performance:

- Level and frequency of Tunisian participation in MEPP multilateral activities, including the regional economic summit, and initiating MEMTTA activities in Tunisia.
- Reports of possible violations of UN sanctions against Libya or Iraq by Tunisian entities.
- Number and quality of joint military exercises carried out; number and rank of high-level U.S. military and non-military USG visitors.

TUNISIA
FUNCTION 150 RESOURCES
($ in thousands)

Appropriations Accounts by Strategic Goal	Actual FY 1998	Estimate FY 1999	Request FY 2000
Regional Stability	**900**	**2,900**	**3,150**
FMF-G	-	2,000	2,250
IMET	900	900	900
Total	***900***	***2,900***	***3,150***

Appropriations Accounts	Actual FY 1998	Estimate FY 1999	Request FY 2000
FMF	-	2,000	2,250
IMET	900	900	900
Total	***900***	***2,900***	***3,150***
Other Accounts			
D&CP	3,875	4,120	5,247
ECE	874	836	847
IIP	849	885	-
Total	***5,598***	***5,841***	***6,094***
TUNISIA FUNCTION 150 RESOURCES GRAND TOTAL	***6,498***	***8,741***	***9,244***

Yemen

($ in thousands)

National Interests: Yemen, the most populous and poorest nation of the Arabian Peninsula, faces serious challenges from rapid population growth and commensurate natural resource depletion, low economic growth rates, and domestic political instability. Because of Yemen's location adjacent to the Bab-al-Mandab, one of the world's most important shipping routes, and U.S. allies Saudi Arabia and Oman, Yemen can affect U.S. interests in the region. Poverty could produce an ideologically hostile state capable of becoming an unacceptable destabilizing factor in the region. Yemen's Iraq relationship poses a significant obstacle for improved U.S.-Yemen bilateral relations and isolates the country from our GCC partners.

Strategic Goals and Supporting Programs for FY 2000:

Regional Stability: Support for Yemen's democratic and economic reform programs, professional military training, and a humanitarian demining program not only promote our national values in Yemen but also protect our national interests. Working with Yemen to end its isolation from the GCC could provide incentives for Yemen to be more forthcoming with support for U.S. Iraq policy and the peace process. Provided Yemen distances itself from Iraq, expanded U.S.-Yemen military cooperation through the International Military Education and Training (IMET) program and exercises and visits should promote a professional military that respects democracy, increases internal stability, and does not threaten its neighbors. Yemen will be eligible in FY 2000 to receive grant Excess Defense Articles (EDA) under section 516 of the Foreign Assistance Act. EDA would be provided to the Yemeni Armed Forces to help meet basic military needs and support U.S. origin equipment already in their inventory.

$ 100

Expand U.S. Exports: Increased U.S. exports to Yemen widen its integration into the world economy, increase domestic economic growth, and improve prospects for political stability.

Economic Development: Steady economic growth will increase prospects for political stability. The U.S. should encourage Yemen's economic reform multilaterally, and, as resources permit, bilaterally.

Democracy: Yemen, the only Arabian Peninsula country guaranteeing universal suffrage, conducted substantially free and fair parliamentary elections in 1997. USG technical assistance through the Middle East Regional Democracy Fund and IMET should promote consolidation of Yemen's democratic institutions, respect for human rights, and the rule of law.

$ 25

Humanitarian Assistance: An effective humanitarian demining program, implemented by Yemen with the assistance of U.S. Central Command, should reopen access to land rendered nonproductive by the presence of landmines. $1,500

Population: Support for Yemen's efforts to reduce its high population growth rate and reduce its high child, infant, and maternal mortality rates should raise prospects for long-term political stability.

Performance Evaluation:

- Democratic reform program continues. Stronger democratic institutions, including parliament, the Supreme Election Commission, and political parties, expand pluralism and improve prospects for stability.

- Yemen's relations with the GCC improve; its support for U.S. policy grows. Key GCC members Saudi Arabia and Kuwait have remained cool to improved relations with Yemen because of its support for Iraq in 1990. Facilitating rapprochement with Saudi Arabia and Yemen could yield Yemen significant economic benefits, promote its political stability, and provide reasons to be more supportive for U.S. Iraq policy and the peace process.

- U.S.-Yemen military cooperation rises. The building of a professional military through U.S. training and exercise programs along with senior military visits enhance prospects for political stability and the development of democracy.

- Economic growth rate exceeds population growth rate. Yemen's political stability depends, in part, on positive growth of per capita GDP. U.S. support for Yemen's economic reform and maternal and child health care programs can improve prospects for Yemen to achieve this goal.

Key Indicators for FY 2000 Performance:

- Yemen holds presidential and government elections.
- Yemen and Saudi Arabia sign border demarcation agreement.
- Kuwait and Yemen improve relations.
- Yemen publicly supports U.S. Iraq policy.
- Yemen takes further steps to improve relations with Israel.
- U.S.-Yemeni military cooperation improves.
- Yemen conducts and manages its demining program.

YEMEN
FUNCTION 150 RESOURCES
($ in thousands)

Appropriations Accounts by Strategic Goal	Actual FY 1998	Estimate FY 1999	Request FY 2000
Regional Stability	**117**	**100**	**100**
IMET	117	100	100
Democracy	**25**	**25**	**25**
IMET	25	25	25
Humanitarian Assistance	**400**	**800**	**1,500**
NADR-Demining	400	800	1,500
Total	***542***	***925***	***1,625***

Appropriations Accounts	Actual FY 1998	Estimate FY 1999	Request FY 2000
IMET	142	125	125
NADR	400	800	1,500
Total	***542***	***925***	***1,625***
Other Accounts			
D&CP	2,620	2,790	3,519
ECE	580	584	586
IIP	529	555	-
Total	***3,729***	***3,929***	***4,105***
YEMEN FUNCTION 150 RESOURCES GRAND TOTAL	***4,271***	***4,854***	***5,730***

Iraqi Opposition Program

($ in thousands)

National Interests: While Saddam Hussein remains in power in Iraq, he represents a threat to the well-being of his people, the peace of the region and the security of the world. We will continue to contain the threat he poses, but in the long term, the best way to address that threat is through a new government in Baghdad. The goal of the Iraqi opposition program is to help the Iraqi opposition achieve a greater effectiveness and unity of purpose so that it can present a credible alternative to the current Iraqi regime.

Strategic Goals and Supporting Programs for FY 2000:

Regional Stability: With the support of the Department, the two major Kurdish parties governing northern Iraq signed a reconciliation agreement in September 1998. Both parties have agreed to form a unified regional government, condemned internal fighting, pledged to refrain from violence in settling their differences, and resolved to eliminate terrorism by establishing stronger safeguards for Iraq's borders. Funds will be used to support the Kurdish parties and the reconciliation agreement and may provide for communications and data processing equipment to strengthen practical humanitarian coordination. $3,000

Democracy: The Department has deepened its engagement with the forces of change in Iraq, helping the Iraqi democratic opposition become a more effective voice by funding activities such as organization, training, communication, and developing and implementing agreements among opposition groups. We wish to support practical and effective programs to assist the opposition through: strengthening and organizing the movement for democracy by strengthening unity and coalitions among opposition groups; addressing the transition from dictatorship to pluralism after the change of regime; supporting the international campaign to bring Saddam Hussein and other figures in the regime in Iraq before an international tribunal to face charges of war crimes, crimes against humanity, crimes against peace and the crime of genocide; funding travel for members of the opposition to attend organizational meetings and conferences. $7,000

Performance Evaluation:

- This is a new program, still in the preliminary stages, supporting the U.S. government's policy of engagement with the Iraqi opposition.

Key Indicators for FY 2002 Performance:

- A strengthened unified Iraqi opposition.
- A unified regional administration of the two northern governments controlled by the Kurdish parties.
- A organized and mobilized movement to bring Saddam Hussein and his coterie before an international tribunal to face charges of war crimes, crimes against humanity, crimes against peace and the crime of genocide.

IRAQ (CLOSED)
FUNCTION 150 RESOURCES
($ in thousands)

Appropriations Accounts by Strategic Goal	Actual FY 1998	Estimate FY 1999	Request FY 2000
Regional Stability	**2,000**	**1,000**	**3,000**
ESF	2,000	1,000	3,000
Democracy	**3,000**	**2,000**	**7,000**
ESF	3,000	2,000	7,000
Total	***5,000***	***3,000***	***10,000***

Appropriations Accounts	Actual FY 1998	Estimate FY 1999	Request FY 2000
ESF	5,000	3,000	10,000
Total	***5,000***	***3,000***	***10,000***
Other Accounts			
ECE	72	78	78
Total	***72***	***78***	***78***
IRAQ (CLOSED) FUNCTION 150 RESOURCES GRAND TOTAL	***5,072***	***3,078***	***10,078***

Multinational Force and Observers

($ in thousands)

National Interests: Attaining a comprehensive peace between Israel and all of its neighbors is essential to protecting U.S. security interests in the Middle East and is a goal toward which we must sustain our vigorous diplomacy and support. The Egyptian-Israeli Peace Treaty and its security arrangements monitored by the MFO is the cornerstone of the Middle East peace process. The MFO is a critical component of the Israeli-Egyptian peace treaty. It serves as a model confidence building measure and security arrangement in the context of the ongoing peace negotiations between Israel and its neighbors.

Strategic Goals and Supporting Programs for FY 2000:

Regional Stability: The MFO is an important part of the peace between Egypt and Israel. In addition to an established system to monitor treaty compliance, the MFO offers an effective liaison system between the Egyptian and Israeli defense forces. The United States has a firm political commitment to finance one-third of the annual MFO budget, with the other two thirds provided by Israel and Egypt. Subject to Congressional authorization and appropriations, the U.S. is committed to support the Multinatinal Force and Observers (MFO) mission until the Parties to the agreement which created the MFO mutually agree that the MFO is no longer necessary. The MFO's longstanding effectiveness is apparent in the continued compliance with the treaty and in the excellent cooperation between Egyptian and Israeli officials in the treaty's liaison system. $16,000

Performance Evaluation:

- Demonstrate that confidence-building measures are viable alternatives to military occupation of strategic territory. The MFO allows Israel to concentrate on peace negotiations with neighbors on its other borders secure in the knowledge that its border with Egypt is monitored effectively. It also plays a central role in the broad context of the peace process as a possible model for security arrangements elsewhere.

Key Indicators for FY 2000 Performance:

- Egyptian-Israeli compliance with Treaty security arrangements.
- Cooperation and interaction between Israeli and Egyptian officials.

MULTINATIONAL FORCE AND OBSERVERS
FUNCTION 150 RESOURCES
($ in thousands)

Appropriations Accounts by Strategic Goal	Actual FY 1998	Estimate FY 1999	Request FY 2000
Regional Stability	**15,500**	**15,500**	**16,000**
PKO	15,500	15,500	16,000
Total	***15,500***	***15,500***	***16,000***

Appropriations Accounts	Actual FY 1998	Estimate FY 1999	Request FY 2000
PKO	15,500	15,500	16,000
Total	***15,500***	***15,500***	***16,000***
MULTINATIONAL FORCE AND OBSERVERS FUNCTION 150 RESOURCES GRAND TOTAL	***15,500***	***15,500***	***16,000***

Israel-Lebanon Monitoring Group

($ in thousands)

National Interests: After two weeks of major hostilities between Israel and armed groups in southern Lebanon, the United States -- in consultation with Syria -- brokered the April 26, 1996, Understanding to end the crisis and prevent a renewed escalation of violence. The Understanding established a Monitoring Group comprising the United States, France, Syria, Lebanon, and Israel to monitor the Understanding's prohibition against armed groups carrying out attacks into northern Israel and its prohibition against all parties' targeting civilians or using civilian populated areas for launching attacks. In the absence of formal peace agreements among Israel, Syria and Lebanon, the Monitoring Group promotes stability in the volatile southern Lebanon region by helping to limit civilian casualties and by providing an important confidence building forum for all parties.

Strategic Goals and Supporting Programs for FY 2000:

Regional Stability: The Israeli-Lebanon Monitoring Group's (ILMG) aim is to provide the parties with a viable alternative to military escalation. After decades of intermittent hostilities in southern Lebanon and along the Israeli-Lebanese border, the ILMG is the first face-to-face setting in which all parties to the conflict can quickly address specific grievances instead of resorting to military escalation. The group's ability to convene rapidly after an alleged violation of the Understanding and its success in issuing unanimous recommendations to enhance compliance with the Understanding have earned it credibility and support in the region.

1,000

Performance Evaluation:

- Promote mutual respect and trust between longstanding protagonists—Israel, Lebanon, and Syria—and enhanced protection of civilians by providing a multilateral, confidence-building forum to resolve disputes and interrupt the cycle of violence in southern Lebanon. After three years of operations and nearly weekly sessions in the past year, all parties believe the Monitoring Group to be a vital component of broader peace efforts in the Middle East. Deaths, injuries, and property damage to civilians have decreased in each successive year since the ILMG was created, demonstrating the highly positive impact this unique mechanism has had as an alternative to violence and military escalation in this volatile region. Crossborder Katyusha rocket attacks into Israel have dropped significantly to the extent that launchings are a rarity these days and a welcome sign of restraint by Lebanon and Syria. Israel has shown similar restraint, by regularly refraining from artillery counterfire when such shelling could produce civilian casualties.

Key Indicators for FY 2000 Performance:

- Israeli and Lebanese restraint in the use of force.
- Increased protection of civilians.
- Cooperation and interaction between Israeli, Syrian, and Lebanese representatives to the Monitoring Group.

ISRAEL-LEBANON MONITORING GROUP
FUNCTION 150 RESOURCES
($ in thousands)

Appropriations Accounts by Strategic Goal	Actual FY 1998	Estimate FY 1999	Request FY 2000
Regional Stability	**810**	**1,000**	**1,000**
PKO	810	1,000	1,000
Total	***810***	***1,000***	***1,000***

Appropriations Accounts	Actual FY 1998	Estimate FY 1999	Request FY 2000
PKO	810	1,000	1,000
Total	***810***	***1,000***	***1,000***
ISRAEL-LEBANON MONITORING GROUP FUNCTION 150 RESOURCES GRAND TOTAL	***810***	***1,000***	***1,000***

Middle East Multilateral Working Groups

($ in thousands)

National Interests: The multilateral negotiations in the Middle East peace process grew out of the 1991 Madrid Peace Conference as a complement to the bilateral talks. The Arms Control and Regional Security, the Environment, Regional Economic Development, Refugees, and Water Resources Working Groups were established to promote discussion of regional issues among Israelis and Arabs and to bring to bear the expertise and resources of the international community to support concrete projects. Such projects contribute to long-term peace, regional stability, and prosperity in the Middle East. As co-sponsor of the peace process, it is imperative that the U.S. maintains its leadership role in funding multilateral peace process activities.

Strategic Goals and Supporting Programs for FY 2000:

Regional Stability. The Arms Control and Regional Security Working Group supports a range of regional activities to promote regional stability. These activities include joint workshops and training exercises for Arab and Israeli military personnel. $ 667

Regional Stability/Economic Development. The Regional Economic Development Working Group (REDWG) plays a key role in advancing Arab-Israeli ties, furthering ties through economic partnerships. $ 666

Regional Stability/Humanitarian Assistance. The Multilateral Working Group on Refugees works in cooperation with the UN to assist the more than 3.4 million Palestinian refugees in Jordan, Syria, Lebanon, the Gaza Strip and the West Bank. The working group builds consensus on targeted projects in vocational training, human resource development and job creation. $ 667

Environment. Water is in critically short supply in the Middle East. It and many other critical environmental issues are best addressed regionally. Continued ESF support for ongoing and new water and environmental initiatives in areas such as water data availability, desalination, solid and hazardous waste, pesticides, and desertification will be needed to ensure that these issues are adequately addressed. $2,000

Performance Evaluation:

- Continue expansion of normalization of relations with Israel. With the marked slowdown in the peace process that we witnessed throughout 1998, it was not possible to expand normalization with Israel. However, with our support for the multilateral working groups' activities, we were able to maintain regional contacts between Israelis and Arabs at a fairly constant level.

- Expand activity at the Middle East Desalination Research Center, including private sector participation. During FY 1998, the Center issued initiated 8 research projects and issued a Request for Proposals for another 10 projects. The Center also sponsored or co-sponsored several international conferences and training programs. Some of these activities were done in conjunction with the International Desalination Association, the largest international desalination professional group. The Center also began development of a program to attract private sector support for the Center.

- Development of a Middle East Regional Environment Center. Due to the downturn in the peace process, it proved impossible to move forward with formally establishing this Center. However, we began preparations for regional training activities that can be done prior to formal establishment of the Center and can be carried out under an informal Center umbrella.

Key Indicators for FY 2000 Performance:

- Restart of expansion of normalization of relations with Israel.
- Continued expansion of Middle East Desalination Research Center activities.
- Progress on formal establishment of a Middle East Regional Environment Center.
- Continued progress on Israeli-Palestinian-Jordanian regional water and environment projects.

MIDDLE EAST MULTILATERALS
FUNCTION 150 RESOURCES
($ in thousands)

Appropriations Accounts by Strategic Goal	Actual FY 1998	Estimate FY 1999	Request FY 2000
Regional Stability			
ESF	**550** 550	**500** 500	**667** 667
Economic Development			
ESF	**550** 550	**500** 500	**666** 666
Humanitarian Assistance			
ESF	**550** 550	**500** 500	**667** 667
Environment			
ESF	**1,850** 1,850	**1,500** 1,500	**2,000** 2,000
Total	***3,500***	***3,000***	***4,000***

Appropriations Accounts	Actual FY 1998	Estimate FY 1999	Request FY 2000
ESF	3,500	3,000	4,000
Total	***3,500***	***3,000***	***4,000***
MIDDLE EAST MULTILATERALS FUNCTION 150 RESOURCES GRAND TOTAL	***3,500***	***3,000***	***4,000***

Middle East Regional Cooperation

($ in thousands)

National Interests: A key aspect of promoting peace in the Middle East involves bringing Israelis and Arabs together at every level (policy makers, technical experts, etc.) on a wide range of issues. The Middle East Regional Cooperation (MERC) Program promotes mutually beneficial technical cooperation between experts in Israel and its Arab neighbors. MERC-supported projects promote and strengthen Israeli-Arab ties by demonstrating that peaceful cooperation can yield tangible benefits for all involved. The MERC Program complements the work being done in the Multilateral Working Groups program. Whereas the Multilaterals focus on cooperation among Israeli and Arab officials, the MERC supports much cooperation between academic and NGO-based experts. Continued strong U.S. support for the MERC is necessary to ensure that Israeli-Arab cooperation is as broadly based as possible.

Strategic Goals and Supporting Programs for FY 2000:

Economic Development: Most MERC projects under this goal are in the area of agriculture. Projects focus on increasing productivity of livestock and crops through a variety of approaches. Due to the importance of agriculture in the region, sustained U.S. support for this component of MERC is important. $2000

Environment: Since the lack of water is the most salient environmental problem in the Middle East, water projects are a key part of MERC's environment portfolio. Problems in the areas of air pollution, desertification, and coastal and marine pollution also are becoming more severe. MERC's increased support for environmental projects will demonstrate U.S. recognition of the importance of these problems. $4500

Health: A number of health issues have impacts on the health and productivity of the population of the Middle East. MERC projects focus on issues such as: cancer, hepatitis and a range of infectious diseases, as well as blood screening, and environmental health concerns. $3500

Performance Evaluation:

- Expanded cooperation between Israeli and Arab technical experts. In FY 1998, the MERC Program continued to be greatly oversubscribed, receiving many more proposals than it had resources to fund. It also continued to receive more proposals from Israeli and Arab organizations and groups that are new to MERC, indicating that awareness of the program is growing.

- Increased number of projects that support and complement the peace process. MERC emphasis on supporting the peace process got stronger in FY 1998. Projects directly related to the peace process on cancer, water data banks, environmental health effects of pesticides, and marine peace parks were approved. The other water and environment projects approved, though not formally part of the peace process, will complement work on those topics being done in the peace process.

- Streamlined procedures for solicitation and review of projects to ensure timely responsiveness. In FY 1998, a revamping of MERC procedures for the proposal solicitation and review process has resulted in a more efficient process.

Key Indicators for FY 2000 Performance:

- Continued expansion of Israeli and Arab cooperation, including new organizations submitting proposals to MERC.
- Continued emphasis on projects that support and complement the peace process.

MIDDLE EAST REGIONAL COOPERATION
FUNCTION 150 RESOURCES
($ in thousands)

Appropriations Accounts by Strategic Goal	Actual FY 1998	Estimate FY 1999	Request FY 2000
Economic Development	**1,400**	**1,200**	**2,000**
ESF	1,400	1,200	2,000
Environment	**3,000**	**2,800**	**4,500**
ESF	3,000	2,800	4,500
Health	**2,600**	**2,000**	**3,500**
ESF	2,600	2,000	3,500
Total	***7,000***	***6,000***	***10,000***

Appropriations Accounts	Actual FY 1998	Estimate FY 1999	Request FY 2000
ESF	7,000	6,000	10,000
Total	***7,000***	***6,000***	***10,000***
MIDDLE EAST REGIONAL COOPERATION FUNCTION 150 RESOURCES GRAND TOTAL	***7,000***	***6,000***	***10,000***

Middle East Regional Democracy Fund

($ in thousands)

National Interests: The development of democratic culture in the Near East, based on strong institutions, civil society, and guaranteed respect for individual human rights, directly supports U.S. national interests and our other strategic goals for the Near East. More democratic countries in the Near East which respect the rule of law and embrace civil society should be able to transfer power peacefully, resist the spread of extremism, increase confidence in the business sectors, and enhance the stability of the region as a whole.

Strategic Goals and Supporting Programs for FY 2000:

Democracy: For FY 2000, we seek a substantial increase in democracy funding in support of four key areas: support for participatory political processes; promotion of accountable and transparent governance; strengthening civil society; and support for human rights and the rule of law. We plan to continue parliamentary training and civil society advocacy programs in Yemen, Morocco and Algeria, as well as regional programs to expand the rule of law and women's legal rights and political participation. A small grants program, modeled after successful initiatives in Africa and the newly independent states of the former Soviet Union, will act as a catalyst for non-governmental organizations in the Near East to expand their commitment to civil society activities. We also plan to support a broader range of election-monitoring programs in the region.

$7,000

Performance Evaluation:

- Representative and accountable government at national, regional, and local levels. Due to U.S.-supported parliamentary and electoral training, there are more independent legislatures and local councils whose members understand the legislative process. For example, the Yemen Parliament is functioning with greater outreach to local constituents. In Algeria, we have proposed to support free and fair presidential elections through an independent international elections monitoring team.

- Commitment to the rule of law, including respect for human rights, a strong legal system, and an independent judiciary. The Human Rights Report indicates movement toward increased independence of judicial officials to make fair, if at times unpopular, decisions. In addition, there is now in production a compendium of all electoral law in the region that will enable legal reformers to assess relative progress on these issues.

- A strong and participatory civil sector. We are in the process of developing a small grants program to allow us to catalyze additional efforts by non-governmental organizations in the region to expand civil society. It is programmed to begin in FY 99 and we hope to report results in FY 2000.

Key Indicators for FY 2000 Performance:

- Increased political participation by women.
- Increased level of outreach at local level by non-governmental organizations.
- Increase in the number of people participating in free and fair elections, as measured by evaluations of elections and other aspects of democratic transitions by U.S. government and other assessments.
- Decrease in human rights violations.

MIDDLE EAST DEMOCRACY
FUNCTION 150 RESOURCES
($ in thousands)

Appropriations Accounts by Strategic Goal	Actual FY 1998	Estimate FY 1999	Request FY 2000
Democracy	**3,680**	**2,500**	**7,000**
ESF	3,680	2,500	7,000
Total	***3,680***	***2,500***	***7,000***

Appropriations Accounts	Actual FY 1998	Estimate FY 1999	Request FY 2000
ESF	3,680	2,500	7,000
Total	***3,680***	***2,500***	***7,000***
MIDDLE EAST DEMOCRACY FUNCTION 150 RESOURCES GRAND TOTAL	***3,680***	***2,500***	***7,000***

U.S. – North Africa Partnership

($ in thousands)

National Interests: North African economies which fail to generate sustainable economic growth and jobs for young populations risk tumbling into major turmoil, as experienced in Algeria, thereby threatening regional stability. A more prosperous North Africa would not threaten key U.S. allies in southern Europe and would constitute a growing market of nearly 70 million consumers for American exports.

Strategic Goals and Supporting Programs for FY 2000:

Open Markets: Excessive government regulation and opaque North African government procedures hobble trade and private investment in North Africa. Consultants from U.S. agencies and business associations, including Customs, Commerce, Treasury and the Patent and Trademark Office will provide technical assistance to improve the legal and regulatory systems in Morocco, Tunisia and Algeria. This assistance should benefit local private firms and U.S. companies seeking to do business with North Africa. $3,600

Expand U.S. Exports: North Africans are broadly unfamiliar with U.S. companies and rely instead on traditional ties to European firms. U.S. agencies such as the Trade Development Agency and Commerce will significantly expand business promotion efforts. Also, technically expert U.S. agencies will provide assistance to North Africans preparing major infrastructure projects to ensure project specifications will allow U.S. firms to compete with European companies for the tenders. $1,400

Note: As a new program, there are no performance evaluations.

Key Indicators for FY 2000 Performance:

- Increased U.S. exports to North Africa (excluding oil/gas production equipment);
- Deregulation of investment regimes in Morocco, Algeria and Tunisia;
- Greater domestic investment in all North African countries.

U.S.-NORTH AFRICA PARTNERSHIP
FUNCTION 150 RESOURCES
($ in thousands)

Appropriations Accounts by Strategic Goal	Actual FY 1998	Estimate FY 1999	Request FY 2000
Open Markets	-	-	**3,600**
ESF	-	-	3,600
U.S. Exports	-	-	**1,400**
ESF	-	-	1,400
Total	**-**	**-**	***5,000***

Appropriations Accounts	Actual FY 1998	Estimate FY 1999	Request FY 2000
ESF	-	-	5,000
Total	**-**	**-**	***5,000***
U.S.-NORTH AFRICA PARTNERSHIP FUNCTION 150 RESOURCES GRAND TOTAL	**-**	**-**	***5,000***

West Bank and Gaza

($ in thousands)

National Interests: U.S. national security is directly strengthened through successfully advancing the Middle East peace process on the Palestinian-Israeli track. American assistance to encourage broad based economic growth and the development of democracy helps to deliver tangible benefits of peace by translating agreements on paper into improved welfare on the ground.

Strategic Goals and Supporting Programs for FY 2000:

Economic Development: Economic growth solidifies underlying support for the Middle East peace process while contributing to a stable, democratic Palestinian society. Increased potable water supplies, construction of industrial zones, and assistance for development of small businesses and financial services will all address critical issues in developing the economy of the West Bank and Gaza Strip. $86,000

Democracy: Responsive and accountable institutions are key to the stability and credibility of Palestinian self-rule. Strengthening the capacities of the legislature, executive authority, and judiciary, as well as civil society organizations contributes directly to increased democracy in the West Bank and Gaza. $13,000

Health: A pilot program in infant health care and birth spacing will address health issues involving mothers and their newborn, contributing to improved child health and survival. $1,000

Performance Evaluation:

- Further progress in Israeli-Palestinian negotiations, including the beginning of accelerated permanent status talks. The signing of the Wye River Memorandum was a significant step forward in the Middle East peace process. The memorandum has directly advanced issues key for Palestinian economic development, including the opening of the Gaza airport and Gaza Industrial Estate, formulation of a ad-hoc committee to address economic issues, and the re-energizing of the international donor effort with over $3 billion of new assistance pledges.

- Annual increase in employment level of 8 percent in 1999. The latest UN figures (released in fall 1998) show an 8.8% increase in the number of employed persons the first half of 1998 as compared with the first half of 1997. We assess this trend will continue into 1999.

- Five percent increase in exports by assisted firms. The latest UN figures (released in fall 1998) show a 0.1% decrease in Palestinian exports to Israel and a 1.2% increase in Palestinian exports to other countries. These figures are reflective of an economic environment that remains constrained by security restrictions on the movement of goods and people and limited by an ambiguous commercial legal environment for investors. Data for U.S.-assisted firms were not available at the time of this submission.

- Increase in the rate of domestic water consumption. Water distribution systems for 27 West Bank villages and Hebron have been upgraded, benefiting about 260,000 people. Per capita consumption of water has increased from 42.5 liters/day to 65 liters/day in one area and from 45 liters/day to 50 liters/day in another. Overall data for increases in Palestinian domestic water consumption were not available at the time of this submission.

- Improvement in the Palestinian public's perception of the government's allocation and management of public resources. With USAID's help, the Palestinian Council has developed mechanisms for oversight of the executive authority. The Council's reviews of the executive authority's 1997 and 1998 budgets were substantive, consultative, and effective.

Key Indicators for FY 2000 Performance:

- Increased per capita domestic consumption of potable water by 10% and increase portion of industrial and agricultural water needs met by non-potable sources to 6% of total water usage.
- Increased microloans as share of total private commercial loans to 6%.
- Increased sales per employee in USAID-assisted firms by 35%
- Improved approval ratings of Palestinian Authority institutions as revealed in public opinion polling.
- Increased proportion of laws drafted by the Palestinian Council that is signed into law by the Executive.

WEST BANK/GAZA
FUNCTION 150 RESOURCES
($ in thousands)

Appropriations Accounts by Strategic Goal	Actual FY 1998	Estimate FY 1999	Request FY 2000
Economic Development	**74,000**	**66,000**	**86,000**
ESF	74,000	66,000	86,000
Democracy	**10,000**	**8,000**	**13,000**
ESF	10,000	8,000	13,000
Health	**1,000**	**1,000**	**1,000**
ESF	1,000	1,000	1,000
Total	***85,000***	***75,000***	***100,000***

Appropriations Accounts	Actual FY 1998	Estimate FY 1999	Request FY 2000
ESF	85,000	75,000	100,000
Total	***85,000***	***75,000***	***100,000***
Other Accounts			
ECE	1,602	1,730	1,828
Total	***1,602***	***1,730***	***1,828***
WEST BANK/GAZA FUNCTION 150 RESOURCES GRAND TOTAL	***86,602***	***76,730***	***101,828***

Wye Memorandum – Middle East Peace Process

($ in thousands)

National Interests: The Middle East Peace Process is a critical link in our diplomatic agenda, just as it has been for every U.S. administration since Truman. The rationale for vigorous U.S. engagement in peace process diplomacy remains the same -- U.S. commitment to the security of the state of Israel and recognition of the substantial risks of broader regional instability if the peace process were to founder. Our emphasis continues to be on assisting the Israelis and the Palestinians to implement existing agreements and conclude an agreement on permanent status issues. Jordan played a key role in reaching consensus during negotiations and we need to ensure its ability to continue engagement in peace process activities. While the risk of a superpower conflict stemming from Arab-Israeli tensions may have receded since the end of the cold war, the underlying justification of U.S. engagement has not. The Wye Supplemental Package supports an important milestone in the Middle East peace process, the October 23, 1998 Wye River Memorandum. The Wye memorandum reflects Israeli and Palestinian agreement on basic land-security tradeoffs. Effective implementation is needed to restart the peace process.

Strategic Goals and Supporting Programs for FY 2000:

Regional Stability: Both the Israelis and Palestinians signaled to us that U.S. financial support is vital to ensure implementation of the Wye Memorandum. Activities supported by the Wye Supplemental Package provide the peace process parties a tangible demonstration of U.S. support as they approach permanent status talks. Programs for Israel support its strategic military requirements, including further redeployment and enhanced counter-terrorism capabilities. Programs for the Palestinians focus on urgent economic and social development needs, including rule of law activities, education and health care. Programs for Jordan respond to the need for both economic and military assistance at a time of transition, including support for IMF-led reforms and modernization of defense capabilities. $500,000

Performance Evaluation: This is new funding.

Key Indicators for FY 2000 Performance:

- Movement toward final status negotiations.
- Improved border security and training in Jordan.
- Upgrade in Jordan's air defense system.
- Relocation of Israeli troops and equipment from the West Bank.
- Increase in Israel's counter-terrorism capabilities.
- Increased access to graduate level education for Palestinian students.
- Decreased transit time for Palestinian people and goods moving through crossing points.

WYE PEACE PROCESS
FUNCTION 150 RESOURCES
($ in thousands)

Appropriations Accounts by Strategic Goal	Actual FY 1998	Estimate FY 1999	Request FY 2000
Regional Stability	-	**900,000**	**500,000**
FMF-Grant-Wye	-	650,000	350,000
Wye - ESF	-	250,000	150,000
Total	-	***900,000***	***500,000***

Appropriations Accounts	Actual FY 1998	Estimate FY 1999	Request FY 2000
FMF-Grant-Wye	-	650,000	350,000
Wye - ESF	-	250,000	150,000
Total	-	***900,000***	***500,000***
WYE PEACE PROCESS FUNCTION 150 RESOURCES GRAND TOTAL	-	***900,000***	***500,000***

NEW INDEPENDENT STATES

The New Independent States (NIS)
Statement by Ambassador-at-Large Stephen Sestanovich

For nearly 50 years after the end of World War II, the principal threat to the security of the United States came from the Soviet Union. Today, American policy toward the twelve new states that emerged from the USSR's collapse has to take into account the vast opportunities – and problems – created by their unprecedented transformation. The failure of these states to move toward modern political and economic institutions, develop cooperative relations with each other and pursue policies of international integration would come at substantial cost to US interests. By contrast, their success will yield benefits for the people of the NIS, the US and the world as a whole.

Policy Priorities

Democracy

The starting point for US policy toward the NIS is support for freedom, democracy, the rule of law and respect for human rights. Seventeen parliamentary and presidential elections will take place in the NIS in 1999-2000. Bilaterally, with our friends and allies, and through such organizations as the OSCE, we must work with governments, NGOs and other groups towards free and fair elections that ensure public participation in the political process and accountable government -- key for promoting the rule of law and civil society in the NIS.

A broad range of programs support democracy, civil society and human rights. Since 1992, over 10 percent of total US bilateral aid ($1.36 billion through FY 1998) supported these purposes. This includes election assistance; support for NGOs and independent media; assistance in developing appropriate legal systems, fighting crime and corruption, and curbing drug trafficking and trafficking in women and children; partnerships between US and NIS hospitals, universities, civic organizations and local governments; and people-to-people and other exchange programs that foster contacts between Americans and citizens of the NIS. People-to-people contacts are particularly important. They create connections and foster exposure to the West that reinforce democracy and market reform throughout the NIS.

Markets

Sustainable open market development that will bring prosperity and economic opportunity will also nurture democracy and peaceful cooperation in the NIS. NIS success in building economic prosperity will enhance these countries' ability to address such problems as proliferation, international crime, drug trafficking, terrorism, the environment, population and health. It will help build global economic growth and provide trade and investment opportunities for American business.

Support for accession to the WTO, including technical assistance to prepare accession offers and support policy reforms, is a central element of US economic strategy in the NIS, despite slow progress. Bilateral dialogue with NIS leaders and technical assistance on behalf of sound reform strategies, favorable investment climates and appropriate macroeconomic and structural reform policies will remain essential for years to come. Coordination with our friends and allies and ensuring the International Financial Institutions (IFIs) provide advice and resources reinforce our interest in getting the NIS integrated into the world community. Advocacy for US investors and exporters will help to secure a share of the growing NIS market for US business; it is critical in addressing investor problems in Ukraine, Russia, Kazakhstan, Georgia and other countries. Humanitarian aid remains essential in certain areas, but is declining in importance as the NIS economies strengthen and develop. Over 27 percent ($3.4 billion) of our bilateral assistance since 1992 has been aimed at economic recovery and restructuring. These funds advance vital U.S. national interests in the region.

Regional Cooperation

The NIS have little history of real cooperation with one another except in distorted ways dictated by the imperial and Soviet past. There is no shortage of ethnic and local sources of discord within and among nearly all of these countries. Persistent tensions and conflicts undermine US interests across the board. Securing positive contributions from Russia and other NIS in addressing instability in the broader Euro-Atlantic community runs up against historical, ethnic and resource barriers, as well as some conflicting ambitions. Regional cooperation and conflict prevention/resolution therefore command significant attention in US policy in the NIS.

We support regional cooperation through bilateral diplomacy, security cooperation and assistance, as well as in the NATO Euro-American Partnership Council and Partnership for Peace (PFP), OSCE, UN and other multilateral contexts. Our support for Caspian Basin energy development and multiple pipelines fosters regional cooperation and ensures against domination and spheres of influence that the US cannot support. Our assistance in the formation of the Central Asian Peacekeeping Battalion (Centrasbat) aims to facilitate cooperation among member states' armed forces and orient them toward activities that contribute to regional peace and stability and appropriate civil-military relations.

The US is co-chair of the OSCE Minsk Group on Nagorno-Karabakh, and active in the Friends of the UN Secretary General with respect to Georgia and the conflict in Abkhazia. A senior US diplomat currently heads the OSCE mission in Moldova that is seeking to resolve the Transnistrian secessionist movement, and our embassy in Tajikistan works closely with the UN Secretary General's representative there to promote implementation of the 1997 Tajik peace accords. Progress on each of these problems has been very slow, and more effective US diplomacy is needed. Removing the burden of Section 907 restrictions on aid to Azerbaijan would eliminate a political handicap that hobbles our efforts in the peace process and enable us to support Azeri economic reform.

Security

US strategy toward the NIS must include a clear and strong focus on eliminating weapons of mass destruction and associated delivery systems that could threaten the US and its allies and friends around the world. The START accords, the Chemical Weapons Convention, other existing and future arms control treaties and their full implementation are an essential means for reducing the strategic threat. Effective nonproliferation and export control policies and mechanisms are key to ensuring that the former Soviet military-industrial complex's enormous arms production capability, arms technology potential and existing stockpiles of armaments and materials for producing weapons do not make their way into the wrong hands, especially international rogue states. This is an issue in nearly every NIS country. It requires concerted diplomacy and the utilization of all the tools available to US policymakers. Our work is particularly targeted on efforts by Iran to acquire ballistic missile technology, a nuclear weapons capability and other arms and arms technologies.

Diplomacy must be a central element of US nonproliferation policy in the NIS. Negotiating a START III agreement once the Russian Duma ratifies START II should be a major objective in 1999-2000. US efforts with NIS political leaders cannot ultimately succeed, however, if governments are unable to exercise effective control over weapons, weapons delivery systems, technologies, expertise as well as their export. Key assistance programs to buttress US diplomacy include weapons dismantlement, control of nuclear and other sensitive materials, engagement with former weapons scientists, military and defense contacts, export controls and customs monitoring. About 23 percent of US bilateral aid (nearly $3 billion from FY 1992 through FY 1998) has supported these programs.

The economic crisis that affected the region in FY 1999, however, increased the proliferation risks, leaving former Soviet weapons scientists unpaid and underemployed, increasingly vulnerable to the temptations of illicit trafficking in their expertise. In response, we are seeking significant increases in FY 2000 – 04 funding for a multi-agency Expanded Threat Reduction (ETR) Initiative. The Initiative will address the high priority security, arms control and nonproliferation requirements in Russia and the other NIS. We will also encourage other nations to contribute. These efforts complement progress on market reform, democracy and regional cooperation - each an important end in itself – and an important ingredient in helping to ensure that no part of the former Soviet Union or remnants of its military-arsenal threaten the US or its interests.

Global Issues

Problems of crime and corruption in the NIS have serious implications for US interests; trafficking in women and children, drug use, narcotics trafficking and HIV/AIDS are on the rise throughout the NIS; environmental problems are enormous, health care is woefully inadequate and population growth looms as a problem in several countries. A range of programs are directed at these and other global issues and need more attention from us.

Resources

The availability of sufficient resources is critical for U.S. diplomacy in the NIS in two fundamental respects -- in our assistance accounts and operating funds.

Assistance

Assistance programs are at the heart of ongoing efforts to promote US interests in the NIS. In the early phases we provided all NIS countries with emergency food and medicine when supplies were not assured; now humanitarian aid is focused primarily on the Caucasus and Tajikistan, although a major food aid program for Russia is being administered. The US provides key input as NIS governments wrote their first real constitutions, created parliaments and judiciaries and developed new laws. We have supported independent media and new political organizations. On the economic front, we have assisted as these new governments privatized state-owned enterprises, created the regulatory framework for private sector business, put in place new commercial codes, established stock markets, and managed fiscal and monetary policy. Our assistance has facilitated the implementation of arms control treaties, financed the dismantlement of weapons of mass destruction, prevented proliferation of weapons materials and helped make nuclear reactors safer. These are accomplishments of which the US can be proud. Because the transitions in the NIS are not complete, such efforts must continue.

In Russia, the current financial crisis demonstrates the fragility of reform – both economically and politically. While our assistance to the government is now focused on a just a few remaining areas – tax reform, nuclear safety, law enforcement, export control and nonproliferation of weapons expertise -- these are critical efforts that must be continue. The US must intensify our exchange programs with NIS youth: stays by young people of several months or semesters in the US may do more to advance our long-term interests in the NIS than anything else we do. These exchanges and partnerships with hospitals, universities, scientific institutes, laboratories, cities, business associations, environmental organizations, and women's and children's advocacy groups are the heart of the Partnership for Freedom begun last year. These programs help generate grass roots support for fundamental changes in Russia's political and economic arenas. They also address the increasing risk of weapons of mass destruction proliferation. Regrettably, we must also consider new needs for humanitarian assistance where it is requested.

In Ukraine, economic reform is having a tough time. Through exchanges and partnerships, the US will work with NGOs to support reform and support independent media and rule of law. Chornobyl remains a priority. The Caucasus offer an opportunity to make a real difference. Large assistance programs provide the US a major role in economic and democratic transitions. The FY 1999 Foreign Operations appropriation includes a specific fund for peace in Nagorno-Karabakh and Abkhazia. Section 907 of the FREEDOM Support Act limits our ability to provide aid to Azerbaijan and is a political impediment for us with Baku regarding Nagorno-Karabakh and East-West pipeline strategy. This provision must be repealed. In Central Asia, we still have work on behalf of market economics and especially democratic reform. Although we received a welcome increase in

NIS assistance funding from $770 million in FY 1998 to $847 million for FY 1999, the FREEDOM Support Act resources remaining after earmarks for the Caucasus and Ukraine, as well as essential Russia programs, limit what we can do in Central Asia. This underscores the need for the Administration's full funding request for FY 2000.

Since 1992, well over $13.5 billion, has been appropriated for assistance to the NIS, including $5.95 billion in Freedom Support Act funds and over $2 billion in DOD Cooperative Threat Reduction (CTR or Nunn-Lugar) funds. Our assistance programs continue to be limited by restrictions and sanctions provisions that appear in the FY 1999 appropriations bill. Earmarks for Ukraine, Armenia and Georgia have the effect of under-funding programs in Russia and Central Asia. Now is not the time to abandon or curtail our support for the successful transition of the NIS to democracy. The Administration needs its request unencumbered by earmarks and other restrictions in order to effectively advance the broad array of US interests in the NIS.

Operating Resources

Advancing US interests in the NIS depends on the effectiveness of twelve embassies, three consulates and the domestic offices reporting to S/NIS. Each plays a vital role in implementing nearly all of the Department's strategic goals. But almost without exception, they are classic illustrations of what "crippling infrastructure deficit" means. It is hard to do our jobs with the extremely lean operations that we see at every single overseas NIS post (except Moscow, Kiev and Almaty). Our small posts are ill-equipped for the complex array of goals and objectives they are asked to advance. Workloads are excessive and in some cases abusive, working conditions are frequently poor, and the quality of life is low.

Other USG agencies are clamoring to increase their presence in the NIS to address such high priority issues as crime, nonproliferation, energy, trade promotion and drug trafficking. Marine Security Guards are planned for a number of posts, and in two cases their arrival will double the official American presence there. This growth in other agency presence puts enormous pressure on our administrative operations and will require more resources. We expect costs for utilities, office and apartment leases, and FSN salaries and benefits (particularly as health and pension benefits are introduced) to rise dramatically over the next several years as the NIS economies develop.

We need the resources to bring our posts up to par or to deal with expected cost increases. Without sufficient resources and personnel, our posts will not be able to cope with the demands placed on them, and US interests in the NIS will be the loser.

Getting to the point where resources match programs and where employees have suitable working and living conditions is not a two-year task, especially given the lengthy Moscow chancery construction. S/NIS will be undertaking a five-year effort to address the personnel, resource and physical plant shortfalls noted above. This is essential if our NIS diplomacy is to have the success that we require of it.

NEW INDEPENDENT STATES
FUNCTION 150 RESOURCES
($ in thousands)

Appropriations Accounts by Strategic Goal	Actual FY 1998	Estimate FY 1999	Request FY 2000
Regional Stability	**51,564**	**46,040**	**94,500**
FMF-G	20,450	13,000	15,200
FSA	16,580	17,000	57,000
IMET	4,635	4,740	4,800
CIPA	9,899	11,300	17,500
Weapons of Mass Destruction	**19,622**	**37,897**	**193,465**
ESF	-	-	-
FSA	17,300	34,000	184,000
NADR-Export Control	2,322	3,897	9,465
Open Markets	**26,954**	**13,000**	**14,000**
FSA	26,954	13,000	14,000
U.S. Exports	**29,448**	**19,885**	**20,802**
FSA	29,089	19,610	20,500
TDA	359	275	302
Global Economic Growth	**1,230**	**21,600**	**23,000**
FSA	1,230	21,600	23,000
Economic Development	**255,652**	**261,500**	**279,000**
FSA	255,652	261,500	279,000
International Crime	**22,450**	**26,705**	**31,100**
FSA	22,450	26,705	31,100
Illegal Drugs	**1,580**	**2,315**	**2,400**
FSA	1,580	2,315	2,400
Counter-Terrorism	**-**	**6,000**	**6,200**
NADR-ATA	-	6,000	6,200
Democracy	**194,740**	**214,190**	**218,000**
FSA	194,740	214,190	218,000
Humanitarian Assistance	**100,496**	**104,730**	**79,100**
FSA	96,408	102,730	75,500
NADR-Demining	39	2,000	3,600
Title II	4,049	-	-

Appropriations Accounts by Strategic Goal Cont.	Actual FY 1998	Estimate FY 1999	Request FY 2000
Environment	**74,189**	**81,610**	**79,500**
FSA	74,189	81,610	79,500
Population	**1,640**	**1,865**	**1,950**
FSA	1,640	1,865	1,950
Health	**32,917**	**44,875**	**46,050**
FSA	32,917	44,875	46,050
Diplomatic Activities	**70**	**-**	**-**
FSA	70	-	-
Total	***812,551***	***882,212***	***1,089,067***

Appropriations Accounts	Actual FY 1998	Estimate FY 1999	Request FY 2000
CIPA	9,899	11,300	17,500
ESF	-	-	-
FMF	20,450	13,000	15,200
FSA	770,798	841,000	1,032,000
IMET	4,635	4,740	4,800
NADR	2,361	11,897	19,265
TDA	359	275	302
Title II	4,049	-	-
Total	***812,551***	***882,212***	***1,089,067***
Other Accounts			
D&CP	48,539	51,595	72,411
ECE	22,820	20,400	21,004
IIP	15,370	16,365	-
Peace Corps	14,427	16,283	17,479
Total	***101,156***	***104,643***	***110,894***
NEW INDEPENDENT STATES FUNCTION 150 RESOURCES GRAND TOTAL	***913,707***	***986,855***	***1,199,961***

NIS: FY 2000 REGIONAL PLAN

STRATEGIC GOAL: Regional Stability (RS) -- Ensure that local and regional instabilities do not threaten the security and well being of the United States or its allies.

REGIONAL GOAL: Ensure that the NIS countries are secure, stable and coherent nation states, at peace within and outside their borders. Foster active, positive contributions by these nations to European and regional stability and their successful integration into European security, political and economic institutions. Contribute to constructive relationships between Russia and the former Soviet republics that do not exclude the United States.

NATIONAL INTEREST: National Security: Peaceful cooperation among the NIS will reduce any tendency toward arms development, the maintenance of the old Soviet military-industrial complex, and therefore opportunities for proliferation of weapons of mass destruction and their delivery systems. Peace and stability also lessen the opportunity for such transnational problems as terrorism, trafficking in narcotics and crime to gather strength in the NIS. Stability within the New Independent States and cooperation among them will help to promote sustainable economic development, strengthen the prospects for democracy, and foster trade and investment opportunities for the United States. Nowhere is this truer than in the Caspian Basin region, where energy and pipeline development is directly connected with cooperation among regional states and the absence of conflict – whether in Nagorno-Karabakh or Abkhazia.

STRATEGY:

The United States will use diplomacy and assistance resources, where appropriate, to prevent and contain regional instability; we will work toward long-term solutions. The US will maintain an active role in the Nagorno-Karabakh peace process as a co-chair of the OSCE Minsk Group and on Abkhazia through the UN Friends of the Secretary General, making full use of our bilateral relations with Armenia, Azerbaijan and Georgia to reinforce movement toward long-term peace. The US will also continue to support OSCE and UN efforts to end the separatist movement in Transdnistria and foster the reconciliation process in Tajikistan. The US will encourage Russia, Ukraine, and the Central Asian states toward regional cooperation in pursuit of common interests; that is, responsible regional behavior. The US will provide appropriate political support and other assistance in potential trouble-spots (e.g. Crimea). We will also promote inter-governmental agreement among the Caspian Basin states toward the development of regional energy resources and pipeline routes to international markets as a key mechanism for reinforcing regional cooperation among them.

Among the key assets at our disposal is U.S. aid. It can facilitate reconstruction as peace takes hold in these areas, promote economic stability, foster the development of democratic norms and democratic control of defense forces, facilitate the extension of human rights, and encourage development of civil societies characterized by the rule of law. When unrest, instability or conflict break out, we will engage regional states on a

bilateral basis and work with the OSCE, the United Nations and in other forums to restore peace and stability. While direct U.S. involvement should be considered only sparingly, we should be prepared to use our prestige, authority and resources to intervene, if and when US interests dictate.

The US will continue to involve NIS armed forces through bilateral and NATO Partnership for Peace initiatives to promote military reform and regional cooperation, creating institutions and organizations that are responsive to democratic control. The US will support diplomatic efforts to "adapt" the CFE (Conventional Forces in Europe) Treaty to current circumstances. We will continue to encourage constructive Russian policies with respect to the Balkans, the Baltics, the Middle East and other areas of the world.

OBJECTIVES:

1. Achieve a lasting, political settlement to the Nagorno-Karabakh conflict If an initial agreement is reached, contribute to reconstruction efforts in cooperation with international financial institutions.
   FY 2000 TARGET: Peace agreement reached and implementation begins.

2. Support the UN peace process on Abkhazia toward maintaining the cease-fire and securing a lasting solution to the conflict.
   FY 2000 TARGET: Implement agreement on limited return of refugees and economic assistance to Abkhazia; reach agreement on political status.

3. Support the June 27, 1997, Moscow peace accord on Tajikistan signed by the government and the United Tajik Opposition. Promote its success by extending and expanding UNMOT's mandate to effectively monitor the disarmament and demobilization of UTO forces and their integration into the Tajikistani military. Encourage real power sharing as envisioned under the accords, and push for security for representatives of the international community in Tajikistan, based on implementation of the accords. [CACEN]
   FY 2000 TARGET: National reconciliation should move forward, armed groups no longer active, greater trust between the elements of society.

4. Contain and help resolve the conflict in Transdniester through emphasis on effective OSCE monitoring and mediation.
   FY 2000 TARGET: Progress on negotiating a settlement and determination of Transdnistria's status.

5. Secure intergovernmental agreement among the Caspian Basin states on energy and pipeline development and a bilateral accommodation between Turkmenistan and Azerbaijan on the delimitation of Caspian seabed resources that will facilitate pipeline construction.
   FY 2000 TARGET: Secure a commercially viable MEP route that accommodates major regional political concerns. Secure gas purchase agreement between

Turkmenistan and Turkey, together with a commitment that the gas will not transit Iran. Gain Azerbaijani commitment to gas pipeline that may run parallel to MEP.

6. Seek repeal or further modification of section 907 restriction on U.S. assistance to Azerbaijan, so that it no longer hinders the effectiveness of our policies in pursuit of peace in Nagorno-Karabakh and construction of trans-Caspian pipelines.
   FY 2000 TARGET: U.S. assistance to support market reform in Azerbaijan commences.

7. Ensure Russian compliance with CFE, INF, MTCR, and other arms accords designed to enhance regional stability and security.
   FY 2000 TARGET: Continued implementation of arms control agreements.

8. Increase NIS participation in NATO Partnership for Peace activities and secure approval for a Military Liaison Mission in Moscow.
   FY 2000 TARGET: Regularize Russian participation in Partnership for Peace.

9. Maintain Russian cooperation in the Balkans.
   FY 2000 TARGET: Russia supports longer-term settlements on Bosnia and Kosovo.

ASSUMPTIONS:

- Moscow will continue to view the former Soviet republics as its sphere of interest.
- NIS policy-makers will often seek short-term gain over long-term advantage or interest in stability.

INDICATORS:

- The conflicts in Nagorno-Karabakh and Abkhazia are contained and settled.
- Implementation of the Tajikistan peace accords proceeds on schedule.
- The Transdniester conflict is contained and moved toward a lasting settlement.

NIS: FY 2000 - REGIONAL PLAN

STRATEGIC GOAL: Weapons of Mass Destruction (WD) -- Eliminate the threat to the U.S. posed by weapons of mass destruction.

REGIONAL GOAL: Achieve continued, verifiable bilateral reductions of nuclear weapons held by Russia and the U.S. and collaborate with the NIS governments to halt the proliferation of weapons of mass destruction and related technologies.

NATIONAL INTEREST: National Security: Weapons of mass destruction, especially the former Soviet Union's strategic nuclear arms, chemical and biological weapons and modern WMD delivery systems pose a direct and credible threat to the security of the United States and our allies. Eliminating the threats these weapons, delivery systems and technologies represent to the U.S. and our allies must be our highest priority in the NIS – both through bilateral diplomacy, especially with Russia, and through comprehensive engagement with all of the NIS to ensure responsible non-proliferation policies. US support for sustainable economic development policies, democratic governments and regional cooperation undergirds our policies aimed at the WMD problem.

STRATEGY:

The US will continue to promote ratification of START II by the Russian Duma and lay the groundwork for initiation of START III negotiations immediately thereafter to achieve further stabilizing reductions in the U.S. and Russian strategic nuclear arsenals.

The US will pursue a vigorous diplomacy with Russia, Ukraine, Kazakhstan and other NIS to persuade them to take effective steps to end cooperation with Iran and other states in areas related to weapons of mass destruction so as to halt their proliferation. Development of effective export control mechanisms will be an essential component. The US will build on an existing web of international agreements aimed at preventing proliferation of weapons of mass destruction and associated technologies (MTCR, CTBT, Australia Group, CWC, BWC, Wassenaar Arrangement, etc.) to inhibit the transfer of dangerous technologies or weapons. This will require a concerted and continuing diplomatic effort to convince Russia and the other NIS that compliance and effective enforcement of these agreements is in their best interests and outweighs any possible short-term commercial gain that might be realized through sales of such weapons and technologies.

US assistance programs will remain a critical component of efforts to help strengthen border controls, customs enforcement and other functions that will help the NIS avoid being used as conduits for smuggled weapons and technology. The DOD Cooperative Threat Reduction Program and other assistance and cooperative programs to help Russia and other NIS destroy WMD and related infrastructure under existing and future arms control agreements remain critical, as well. During the current economic crisis it is essential that an Expanded Threat Reduction Initiative be undertaken to cover gaps that have developed or have the potential of developing in the safeguard and control of

nuclear materials which could be used in WMD. More needs to be done to prevent proliferation of weapons expertise by offering former Soviet WMD scientists and engineers the opportunity to engage in peaceful research and development activities.

OBJECTIVES:

1. Eliminate the threat to the U.S. posed by weapons of mass destruction.

    - Russian ratification of START II and, on that basis, initiate and complete negotiations on a START III treaty to lock in further reductions in U.S. and Russian nuclear stockpiles.
    - Ensure continued implementation by Russia of reductions, destruction, and dismantling of WMD under START and other international treaties.
      FY 2000 TARGET: Complete negotiations on Start III.

2. Prevent the proliferation of WMD materials, weapons expertise, technologies and delivery systems:

    - Complete the Materials Protection, Control and Accountability (MPC&A) programs already underway in other NIS countries.
    - Expand MPC&A programs in Russia to address all sites containing weapons-usable material.
    - Secure the adoption in all NIS countries of export control and enforcement programs and stronger border controls.
    - Complete construction of the new Fissile Material Storage Facility at Mayak, Russia.
    - Enhance the security of nuclear weapons storage sites through initiatives undertaken in conjunction with the Security Assessment and Training Center.
    - Complete modification of three plutonium production reactors at Seversk and Zheleznogorsk to cease production of weapons grade plutonium but continue to generate electricity.
    - Provide programs through the International Science and Technology Center, Initiatives for Proliferation Prevention, and Civilian Research and Development Foundation programs that engage former WMD scientists and engineers in peaceful R&D.
      FY 2000 TARGET: Continued implementation and improvement of export controls.

3. Prevent the proliferation and reduce the threat of biological weapons and chemical weapons:

    - Ensure and facilitate where possible the implementation by Russia and other NIS of the Chemical Weapons Convention, including ratification where it has not taken place.

- Support implementation of a USG biological weapons threat reduction program to enhance the security of biological facilities and agents against insider and outsider threats and redirect efforts of researchers to peaceful endeavors.
  FY 2000 TARGET: Continue work on destruction of stocks and capacity for chemical and biological weapons.

ASSUMPTIONS:

- Russia will continue to have a reformist, Western-oriented government that supports arms control and nonproliferation, but internal political disputes and a history of distrust and competing geo-political interests will hinder U.S. - Russian cooperation in this area from time to time.
- Financial difficulties and weak infrastructure complicate enforcement of international agreements aimed at halting the export of sensitive items and technologies.
- Russian government leaders will continue to see benefits from cooperating with the U.S. and other countries to address WMD proliferation concerns.
- The economic pressures that encourage proliferation and transfers of sensitive technology at a variety of levels will remain.

INDICATORS:

- Conclusion, ratification and implementation of agreements on weapons of mass destruction.
- Establishment in foreign legislation of export controls governing WMD materials, expertise, technology and delivery systems.
- Functioning of export controls and border enforcement systems.
- Measurable progress in collaborative efforts to eliminate WMD and prevent the proliferation of weapons, materials, technologies and expertise.

NIS: FY 2000 REGIONAL PLAN

STRATEGIC GOAL: Open Markets (OM) -- Open markets to the free flow of goods, services and capital.

REGIONAL GOAL: Encourage the NIS to normalize and liberalize investment regimes, to enter the World Trade Organization on commercially viable terms as soon as possible, and to pursue only those regional trade agreements that are voluntary, WTO-consistent, and outward-looking, and that do not undermine national sovereignty.

NATIONAL INTEREST: Economic Prosperity: Achievement of open markets throughout the NIS will increase trade and investment opportunities for U.S. firms. Open markets will help to bring competition which is an essential component of long-term development and growth, as well as U.S. and other foreign investment, both of which are key to developing the prosperity needed in the NIS if the independent states are to thrive and move toward democracy. Integration of the former Soviet economies into the global economy will build stronger political and economic ties to the international community, thereby increasing the stake of individuals and organizations in economic stability. Open market economies will improve the prospects for democratic development and NIS integration into Euro-Atlantic and other global institutions.

STRATEGY:

The President's Partnership for Freedom initiative will promote the economic growth in the NIS by supporting the adoption of liberal trade and investment regimes consistent both with WTO and OECD norms, as well as the swift resolution of individual investment disputes in a manner consistent with such norms. The US will use diplomacy and appropriate assistance efforts to encourage the NIS to mount WTO accession efforts. Graduation of NIS countries from the provisions of the Jackson-Vanik amendment, when appropriate in light of improved emigration policies, will add to the gains made by WTO accession. The US will urge the NIS to give priority to WTO accession prior to creation of regional trade agreements and it will discourage the raising of new trade barriers. The US will encourage activities and initiatives by the international financial institutions, the European Union, the OECD and other appropriate governments and organizations, as well as local American Chambers of Commerce to reinforce these efforts.

OBJECTIVES:

1. Encourage the NIS to improve their investment climates by establishing appropriate legal and economic conditions, dispute-resolution and investment-facilitation mechanisms, and by combating corruption.
   FY 2000 TARGET: Significant improvements in investment climate as evidenced by increases in US and other foreign investment in the NIS.

2. Work within the WTO accession process and bilaterally to bring all NIS intellectual property legislation into compliance with international requirements. [PRA]

FY 2000 TARGET: Georgia, Armenia, and Moldova will accede. Russia and Ukraine will have made substantial progress towards accession.

3. Streamline customs procedures and bring them into compliance with WTO rules.
   FY 2000 TARGET: Customs will still be a problem for some exporters to the NIS, but will be substantially streamlined in relation to FY98 situation.

4. Urge Russia to pass legislation related to production sharing agreements that will pave the way for U.S. and other investment in Russia's energy sector.
   FY 2000 TARGET: PSA Regimes implemented and substantial U.S. investment in place.

5. Conclude and bring into force bilateral investment treaties (BIT) with countries where they don't currently exist.
   FY 2000 TARGET: Negotiate and conclude BITs with Uzbekistan, Moldova and Azerbaijan.

ASSUMPTIONS:

- Host governments will place a high priority on WTO accession.
- Weakness of banking sector will continue to impede both foreign and domestic investment.
- Protectionist and nationalist pressures will continue.

INDICATORS:

- WTO Accessions.
- Conclusion of bilateral investment treaties.
- U.S. exports to the region.

NIS: FY 2000 REGIONAL PLAN

STRATEGIC GOAL: Exports (EX) -- Expand U.S. exports

REGIONAL GOAL: To double U.S. exports to the NIS from the 1996 level of $4.76 billion by promoting effective economic policies and through advocacy for U.S. exporters on major projects and trade disputes.

NATIONAL INTEREST: Economic Prosperity: Increased U.S. exports are key to ensuring jobs and economic prosperity for Americans. Expanded U.S. business presence abroad helps to reinforce American values in a multitude of areas. Integration of the former Soviet economies into the global economy will build stronger political and economic ties to the international community, thereby increasing the stake of individuals and organizations in economic stability.

STRATEGY:

The US will advocate on behalf of U.S. businesses in the NIS, using such trade facilitating mechanisms as EXIM, OPIC, and TDA, and Commerce Department trade promotion programs. The US will target Partnership for Freedom and other assistance to expand U.S. exports by encouraging NIS policies to open markets, boost growth, and thereby create potential opportunities for American business. Support for NIS participation in such global economic institutions as the WTO will also buttress further movement toward opening trading regimes. That will translate into more potential trade opportunities

OBJECTIVES:

1. Introduce potential buyers from the region to U.S. businesses and our standards and practices.
   FY 2000 TARGET: NIS countries should be partially recovered from the current financial crisis, and U.S. programs will aim to help U.S. companies rebuild exports to $5 billion or above.

2. Make information available to local businesses on U.S. products and services at Business Centers throughout the NIS.
   FY 2000 TARGET: Number of inquiries will rise to 10,000.

3. Support technical studies of business and engineering problems in fields where U.S. business has a leadership position.
   FY 2000 TARGET: Demand for TDA-funded studies will increase as NIS economies rebound.

4. Ensure NIS markets remain open to key US exports such as meat, poultry and aircraft by working within the framework of bilateral trade agreements and joint commissions.

   FY 2000 TARGET: U.S. programs will aim at helping position exporters to build their NIS markets. Meat exports should rise to $700 million, aircraft to $700 million and medical equipment to $140 million.

UMPTIONS:

- NIS export earnings, hence ability to purchase abroad, will continue to grow slowly, given depressed petroleum prices, slow growth of their export markets and ineffective promotion of export trade by NIS authorities.
- Iran and, to some extent, Russia, will seek to frustrate Caspian Basin development and especially the development of an east-west transport route to international markets.
- Unrest and instability will continue in a number of NIS countries, dampening their attractiveness as trade and investment partners.
- Corruption will remain a serious problem throughout the NIS.

ICATORS:

- U.S. exports to each NIS grows at least at a rate equal to the rate of growth of GDP in these countries.
- U.S. companies continue to gain a reasonable proportion of projects associated with the development of the Caspian Basin's energy resources and transportation routes.

NIS: FY 2000 REGIONAL PLAN

STRATEGIC GOAL: Global Economic Growth (EG) -- Increase global economic growth

REGIONAL GOAL: To promote sustainable, non-inflationary economic growth in the major economies of the NIS and add the region's petroleum products to the world market.

NATIONAL INTEREST: National Security: Economic growth will ensure that opportunities exist for U.S. trade and investment in the NIS. Growth will buttress pro-Western and pro-integrationist policies that are attracting the NIS to WTO-consistent policies and ultimately accession, as well as integration into Western security structures. Increasing prosperity will reinforce movement toward democracy and the rule of law, and it will provide critical underpinning for responsible policies on arms and arms technology exports and proliferation. Economic growth will also, over time, reduce the susceptibility of the NIS to such transnational threats as organized crime and narcotics trafficking; provide resources necessary to address critical environmental and other transnational problems; and foster peaceful, cooperative relations among the NIS and between the NIS and their neighbors. Finally, increasingly prosperous NIS countries will become significant markets for U.S. exports. With respect to the Caspian Basin, our east-west, multiple pipeline strategy advances broader goals and objectives with respect to Turkey and Iran and contributes to increased global energy supplies.

STRATEGY:

Through the President's Partnership for Freedom (PFF) initiative, participation in IFI support programs, and bilateral discussions with NIS leaders and economic policymakers, we will encourage the adoption of policies oriented toward growth, macroeconomic stabilization, structural reform, and the removal of legal and other impediments to increased trade and investment. The US will promote the development of the small business sector through training and credit programs, including investment and lending activities carried out by U.S. enterprise funds, the EBRD, and others. The US will promote U.S. exports to the NIS and encourage American firms to establish a presence in these countries through trade and investment finance agencies such as OPIC, EXIM Bank, and TDA. The US will also encourage partnerships between U.S. and NIS cities, regions, non-government organizations and private businesses as a means to increase economic linkages between the U.S. and NIS.

OBJECTIVES:

1. Adoption of transparent and fair tax codes.
   FY 2000 TARGET: Unfinished legislative tax agendas, if any, should be completed in FY 2000. Work on transferring analytic and policy skills to host government ministries and parliaments will continue to be necessary.

2. Improvement in the efficiency and fairness of tax collections.
   FY 2000 TARGET: Tax administration reforms targeted for FY 1999 will in general still require follow-through in FY 2000.

3. Passage of effective market-oriented bankruptcy laws, budget laws, commercial codes, banking reform and other essential commercial legislation.
   FY 2000 TARGET: Same as FY 1999, i.e., continued work toward sustainability of commercial law reforms emphasizing administration and enforcement.

4. Establishment of commercial dispute resolution mechanisms.
   FY 2000 TARGET: Same as FY 1999. Continued work will further address "sustainability" of effective contract law through recourse to an appropriate mix of formal vs. informal dispute resolution.

5. Support the rapid development of energy resources in the Caspian Basin and facilitate the construction of secure pipeline routes to international markets.
   FY 2000 TARGET: Construction continues on the CPC pipeline. Those companies involved with construction of the MEP conclude due diligence and technical feasibility studies. Turkmenistan concludes construction contracts with companies engaged on trans-Caspian gas pipeline, and construction of these two latter pipelines commences.

6. Establishment of legislation and programs to combat economic/commercial corruption.
   FY2000 TARGET: More progress in improving international cooperation to deal with economic crime and corruption problems should lead to improvements in this area in the NIS countries.

ASSUMPTIONS:

- Russia and Ukraine will be able to push some of their reform programs through their parliaments, but will face opposition on other reform efforts.
- Iran and to some extent Russia will promote alternative Caspian energy strategies that are contrary to our interests.
- Continued instability in the Caucasus could slow the development of a Eurasian corridor and undermine efforts to enhance regional cooperation.
- Global financial currents will remain unsettled for a year or more, putting NIS emerging market under scrutiny and making financing difficult.

INDICATORS:

- Real GDP growth and low inflation
- Increase in domestic and foreign investment in NIS.
- Passage of business-friendly foreign investment law and tax reform legislation.
- Resolve key investment disputes with U.S. investors, especially in Ukraine & Russia.
- Completion of a Western "early oil" route to transport initial volumes of oil from Azerbaijan to the Black Sea in the spring of 1999.
- Selection by Azerbaijan of the route for an east-west main export pipeline.
- Energy price are above the minimum to make key hydrocarbon projects viable.

NIS: FY 2000 REGIONAL PLAN

STRATEGIC GOAL: Economic Development (ED)

REGIONAL GOAL: To promote growth and expansion of the economies of the NIS in ways that assure the benefits are shared widely among people of all income levels throughout the region.

NATIONAL INTEREST: Economic Prosperity: Broad-based growth will provide for increased standards of living for the bulk of the population, reinforcing support for market reform and consolidating the transition to democratic institutions. Broad-based growth will also create additional opportunities for U.S. companies throughout the NIS by increasing the size of NIS markets, enhancing consumer buying power, and enlarging the number of companies seeking U.S. investment, technology, parts, and other supplies. A restoration of economic growth will reduce pressure on society that produce drug use, trafficking in women and children, and other criminal activities.

STRATEGY:

A major portion of our senior-most dialogue with NIS leaders aims to encourage effective, sustainable pro-growth economic policies that will bring prosperity to the region. Our bilateral commissions with Russia, Ukraine, Kazakhstan and Uzbekistan are particularly important and are focused on broad-based growth. Political dialogue is reinforced by assistance programs that help to restructure intergovernmental financing systems; establish modern, transparent, budgeting practices; regulate securities markets; establish accounting standards for commercial banks; carry out privatization under equitable conditions; support trade union activism; and foster the growth of thousands of small businesses and the emergence of an entrepreneurial class, through training and finance programs. We encourage the international financial institutions to provide complementary policy advice and resources, as appropriate, to support and sustain growth strategies. We work with the European Union and other allies and friends to encourage harmonization of advice and assistance. Regional peace and stability, discussed elsewhere, will be critical to long-term, broad-based growth in the NIS.

OBJECTIVES:

1. Promote effective macro-economic strategy and structural reforms in the NIS and support their development through technical assistance and policy dialogue.
   FY 2000 TARGET: USG assistance continues to be supportive of and coordinated with IBRD and IMF.

2. Promote and assist in the privatization of small, medium and large-scale enterprises.
   FY 2000 TARGET: USG assistance winding down in urban and rural land privatization. Limited assistance in strategic enterprise privatization is provided on a case-by-case basis.

3. Make credit and training programs more accessible to entrepreneurs, and promote the markets for private land and real estate, based on effective land reform.
   FY 2000 TARGET: Small business continues to emerge as key component of the NIS economies, and is recognized as a politically and economically significant sector. Several NIS countries have functioning land and real estate markets, particularly in urban areas.

ASSUMPTIONS:

- Corruption will remain a serious factor hampering the broadening of economic growth.
- The institutional and societal counterweights to concentrations of economic power will remain relatively weak and undeveloped in the short-term.

INDICATORS:

- Per capita GDP; distribution of monetary income.
- Share of government expenditures authorized at the regional and local levels.
- Ratio of tax receipts to GDP.

NIS: FY 2000 REGIONAL PLAN

STRATEGIC GOAL: American Citizens (AC) -- Enhance the ability of American citizens to travel and live abroad securely.

REGIONAL GOAL: Protect and promote the interests of American citizens traveling and living in the NIS.

NATIONAL INTEREST: American Citizens Abroad: Protection of American citizens traveling and living in the countries of the NIS will contribute to the overarching interest of the United States in assuring the welfare of all citizens overseas.

STRATEGY:

Consular operations in all fifteen NIS posts are at the core of U.S. strategy for protecting American citizens' interests in the region. The U.S. will promote freedom of travel for U.S. citizens in the NIS. The U.S. will use outreach to local authorities, broad networks among the travel industry, and the warden system to ensure effective engagement with resident and visiting Americans. When emergency conditions require, due to unrest or natural disaster, our posts will warn American citizens not to visit affected areas. Assistance to the substantial number of Americans seeking to adopt children born in the NIS will be a major component of our consular activities, as well as protection of and assistance to American citizens imprisoned, arrested or detained by local authorities. Safe and secure conditions for American citizens will be reinforced by expanding democracy, the rule of law, and economic development, all of which are major objectives of U.S. policy in the NIS.

OBJECTIVES:

1. Provide guidance on safety and emergency procedures throughout the NIS by disseminating written publications, holding mandatory security awareness briefings, and creating consular contact databases.
   FY 2000 TARGET: Continue to develop security awareness procedures.

2. Ensure communication with American citizens through updated, expanded co-ordination with local radio stations, and regularly testing the NIS warden systems which should be regularly tested.
   FY 2000 TARGET: Ensure that established emergency procedures are fully implemented in the NIS.

3. Gain access to guidelines for adoption procedures in the NIS.
   FY 2000 TARGET: Disseminate updated adoption guidelines to U.S. citizens interested in NIS adoptions. Discuss accession to the Hague Convention.

4. Ensure fair treatment for Americans within the judicial systems by working with local law enforcement authorities.
   FY 2000 TARGET: Develop timely notification procedures and pursue quicker access to American citizens being detained.

ASSUMPTIONS:

- American citizen travel to the NIS and adoptions of NIS children by Americans will continue to increase.
- NIS governments want to be responsive to our interest in protecting American citizens, but the remoteness of the NIS, the poor quality of internal communication and transportation networks, and resource constraints will limit what they can do.
- Lack of travel funding and staffing gaps will continue to hamper consular outreach and protection to American citizens residing in the NIS.

INDICATORS:

- Agreements with the NIS on visa reciprocity schedules and new visa issuance processes.
- Regular testing of warden networks.

NIS: FY 2000 REGIONAL PLAN

STRATEGIC GOAL: Travel and Immigration (TI) -- Control how immigrants and foreign visitors enter and remain in the United States.

REGIONAL GOAL: Control the conditions under which NIS immigrants and non-immigrants enter and remain in the United States. Improve consular readiness at embassies and consulates in the NIS by instituting more effective visa procedures. Provide for the lawful entry of NIS immigrants or travelers while enhancing the consular screening system in order to deter illegal NIS immigration and deny entry to NIS criminals.

NATIONAL INTEREST: American Citizens and U.S. Borders: American jobs and our way of life depend on our ability to control U.S. borders, of which our consular operations overseas are one essential element. We must keep out ineligibles, while also providing fast and efficient service to eligible travelers, which in turn fosters positive images of the United States.

STRATEGY:

Our policies and our consular operations overseas are charged with facilitating the lawful travel of foreigners to the United States, while preventing travel for illegal purposes. We seek to facilitate travel of eligible NIS nationals to the United States, and impede travel of ineligible NIS nationals by denying them visas through careful screening by fast efficient visa operators at our consular posts in the NIS. We coordinate border security efforts and establish database links to all agencies involved in immigration. We will continue to work with the NIS on migration issues of common concern. Through U.S. assistance, economic development and democratization strategies, we will seek to mitigate over time the social, economic and political factors which lead to that lead to illegal immigration from the NIS.

OBJECTIVES:

1. Maintain consistent, fair and streamlined visa procedures throughout the NIS.
   FY 2000 TARGET: Streamline visa procedures.

2. Establish visa reciprocity, emphasizing longer visa validity and lower fees.
   FY 2000 TARGET: Implement new reciprocity schedules.

3. Coordinate with FBO, FSI, and posts in the NIS to develop new techniques to streamline consular workload.
   FY 2000 TARGET: Implement new streamlined procedures.

4. Exchange of information with NIS authorities to identify local organizations engaging in visa fraud. Develop profiles of fraud cases in order to better detect and prosecute those involved in fraudulent visa cases.
   FY 2000 TARGET: Develop shared data base.

5. Provide adequate training to newly-hired Foreign Service Nationals (FSNs) or hire consular investigators who specialize in detecting visa fraud.
   FY 2000 TARGET: Launch training program.

ASSUMPTIONS:

- The United States will remain a desirable destination for immigrants and visitors from the NIS, especially in light of economic conditions. Applicants for non-immigrant visas will increase.
- Sophisticated visa fraud and applications from individuals with ties to organized crime will increase.

INDICATORS:

- Frequency of applications by NIS nationals to adjust status in the U.S.
- Frequency of complaints about slow, inefficient or rude treatment by consular staff in the NIS.

NIS: FY 2000 REGIONAL PLAN

STRATEGIC GOAL: International Crime (IC) -- Minimize the impact of international crime on the United States and its citizens.

REGIONAL GOAL: Enhance the ability of governments in the NIS to combat international crime. Improve cooperation of those governments with U.S. authorities and build capability to enforce laws and administer justice.

NATIONAL INTEREST: Law Enforcement: NIS governments that are willing and able to effectively investigate, prosecute and enforce their own laws will be able to reduce activity such as cyber security violations, bankruptcy fraud, insurance fraud, health care fraud, extortion and trafficking in women and protect American as well as their own citizens. They will be better able to control the export of dangerous arms technologies, including weapons of mass destruction; provide a hospitable climate for entrepreneurs, private business and foreign investment; and command the respect of their populations. Success in all of these areas is essential for their long-term viability as independent, sovereign states. The effective and even-handed administration of the rule of law in countries with long authoritarian histories will represent a major advance for American values.

STRATEGY:

The U.S. will sustain and expand high-level dialogue with senior NIS officials on law enforcement, legislative and rule of law issues; assist the development and expansion of partnerships between U.S. federal agencies and NIS law enforcement and criminal justice agencies; and educate NIS officials and agencies on the need and methods to address international organized crime, financial crimes, drug trafficking and corruption. The US will assist them in developing country-by-country strategies for doing so; provide assistance and encourage support by other donors to improve criminal justice institutions and other legal and judicial entities within the NIS; and expand law enforcement training to include state and municipal criminal justice agencies. The U.S. will also collaborate with the NIS intelligence community to ensure that the intelligence on transnational crime is complete, analyzed, and available to all agencies. The U.S. will develop practical cooperation, based on specific case work, between the U.S. and NIS law enforcement agencies, including through Mutual Legal Assistance Treaties and other appropriate arrangements.

OBJECTIVES:

1. Integrate high-level policy dialogue on law enforcement, legislative/regulatory, and rule of law issues into Summit discussions, our bilateral commissions, and governmental and parliamentary exchanges.
   FY 2000 TARGET: Expand dialogue on ROL/LE in Central Asia and the Caucasus. Broaden dialogue in bilateral commissions to include achievement of specific goals

(e.g., passage of money laundering legislation). Implement recommendations of the Vice President's international conference on corruption and the Moscow G-8 ministerial on crime.

2. Develop country-by-country law enforcement strategies, including those focused on trafficking in women and children, domestic violence and counter-narcotics programs.
   FY 2000 TARGET: Update country strategies to take into account new political and economic developments. Provide sexual assault investigation training for Russia and Ukraine. Provide special prosecutorial training for Russia related to trafficking in women and children.

3. Provide training in financial fraud, money laundering, organized crime, anti-narcotics and bank inspections; support the International Law Enforcement Academy (ILEA) for training NIS law enforcement professionals; provide support with forensics, computer and communication equipment, as opportunities and funding permit; and train judges, attorneys and prosecutors.
   FY 2000 TARGET: Leverage the activities of current multilateral and regional organizations such as the FATF and the Council of Europe. Assist in the development of additional forums, as appropriate, to impede the spread of money laundering and financial crime.

4. Bring the MLAT (Mutual Legal Assistance Treaty) with Ukraine into force, conclude negotiation of the MLAT with Russia, and work toward such treaties with other NIS countries.
   FY 2000 TARGET: Submit Russian treaty to the Senate for advice and consent to ratification. Complete Kazakhstan negotiations if concept approved by USG interagency.

5. Gain full participation of Russia as a member of the Lyon Group on Transnational Organized Crime of the "Eight."
   FY 2000 TARGET: Implement recommendations of Moscow G-8 ministerial. Include results in UN Crime Convention.

ASSUMPTIONS:

- NIS leaders are interested in combating crime and improving law enforcement, but lack resources and face widespread corruption in their countries.
- Local conflicts in Abkhazia, Nagorno-Karabakh and Transdnistria, as well as civil strife in Tajikistan and the North Caucasus and weak economies throughout the NIS provide fertile ground for criminal activity.

INDICATORS:

- Mutual Legal Assistance Treaties are concluded with selected NIS and submitted to respective legislatures for approval.
- Casework between U.S. and NIS counterpart agencies increases and becomes more effective.
- The NIS governments pass legislation pertaining to crime and corruption (e.g., money laundering laws; criminal procedure codes, etc.) and improve enforcement mechanisms.

NIS: FY 2000 REGIONAL PLAN

STRATEGIC GOAL: Illegal Drugs (ID) -- Reduce significantly from past levels the entry of illegal drugs into the United States.

REGIONAL GOAL: Prevent the NIS from becoming major suppliers or transit routes of illegal drugs and curb narcotics trade in areas where it exists.

NATIONAL INTEREST: Law Enforcement: Collaboration with the host governments of the NIS countries will contribute to protecting U.S. citizens from drugs. Avoiding establishment of an active drug trade will help to assure NIS democracy, sound economies and political stability.

STRATEGY:

Sustain and expand high-level dialogue with senior NIS officials on law enforcement, legislative and rule-of-law issues. Assist the development and expansion of partnerships between U.S. federal agencies and NIS law enforcement and criminal justice agencies as a key component of educating the NIS on the need and methods to address international organized crime, financial crimes, drug trafficking and corruption of public officials.

Provide assistance and encourage support by other NIS donors to improve criminal justice institutions and other legal and judicial entities within the NIS. Expand law enforcement training to include state and municipal criminal justice agencies. Collaborate with the NIS intelligence community to ensure that the intelligence on transnational crime is complete, analyzed and available to all agencies. Work with European countries more directly affected by the NIS drug trade and reinforce their efforts.

OBJECTIVES:

1 Enhance ability of law enforcement to conduct drug trafficking investigations and to interdict shipments of drugs.
FY 2000 TARGET: Expand agreements to broader range of states. Increase scope of assistance.

2 Familiarize law enforcement officials with U.S. counter-narcotics activities and practices.
FY 2000 TARGET: Expand the number of states receiving assistance in demand reduction.

3 Seek effective implementation of laws on narcotics where they exist and assist NIS countries in writing them where such laws are absent.
FY 2000 TARGET: Continue to assist in the modernization of legal frameworks and the implementation of international drug control treaties.

ASSUMPTIONS:

- The NIS will remain willing to cooperate with U.S. law enforcement and diplomatic agencies to combat crime, including through case work.
- Continued production of narcotics and turmoil in Afghanistan, as well as in Tajikistan, will exacerbate drug flows through the NIS.

INDICATORS:

- Case work between U.S. and NIS counterpart agencies increases and becomes more effective.
- The NIS passes legislation pertaining to crime and corruption (e.g., money laundering laws; criminal procedure codes, etc.) and improve enforcement mechanisms.

NIS: FY 2000 REGIONAL PLAN

STRATEGIC GOAL: International Terrorism (TE) -- Reduce international terrorist attacks, especially on the United States and its citizens.

REGIONAL GOAL: Improve counter-terrorism cooperation with the New Independent States. Secure the cooperation of host governments to maintain pressure on and isolate state sponsors of terrorism and to deter terrorist attacks on facilities where weapons are stored. Cooperate with countries to strengthen legal mechanisms to combat terrorism.

NATIONAL INTEREST: Law Enforcement: Collaboration by NIS governments will contribute to protecting U.S. citizens from acts of terrorism.

STRATEGY:

Establish high-level dialogue with senior NIS government officials including foreign ministries, police and others to intensify and sharpen focus on domestic and international terrorism issues. Continue to promote nonproliferation with the NIS. Promote casework between U.S. and NIS law enforcement counterpart agencies to prevent terrorism incidents and to bring terrorists to justice. Promote the integration of the NIS into multilateral law enforcement and security institutions. Encourage the NIS to establish an appropriate legal, legislative, and operational base to deal with terrorism and related crimes such as fund raising in support of listed groups and money laundering.

Cooperation against terrorists will help ensure internal stability in the NIS, peaceful stability and cooperation within and among them, and help to protect our friends and allies from threats. Economic revival, stronger and accountable democratic institutions and integration into Euro-Atlantic and global structures will all help ensure against a climate in which terrorists and state sponsors of terrorism will find fertile ground.

OBJECTIVES:

1. Persuade the NIS not to transfer nuclear, other WMD, and conventional military technologies to state sponsors of terrorism. (See section on Weapons of Mass Destruction.)

2. Persuade the NIS to adopt adequate legislation, legal and operational procedures, and enforcement mechanisms to deal with terrorist activities and incidents.
   FY 2000 TARGET: Continue to consult with NIS countries on terrorism conventions and the development of domestic laws to address serious crime including terrorism, and assist in institutional development and enhancement of law enforcement mechanisms.

3. Work with the NIS to improve law enforcement coordination with U.S. and other Western countries on terrorist activities.
   FY 2000 TARGET: Continue to enhance and develop law enforcement coordination through increased contacts with appropriate law enforcement authorities at the operational and policy levels; continue development of cooperation through implementation of 1995 U.S.-Russia mutual legal assistance agreement and through U.S.-Russia mutual legal assistance treaty if it has entered into force.

4. Identify training and assistance, as well as initiate information-sharing activities, to improve counterterrorism cooperation.
   FY 2000 TARGET: Provide recommended training based on earlier assessments.

5. Implement the Mutual Legal Assistance Treaty (MLAT) with Ukraine.
   FY 2000 TARGET: Increase case work under the Ukraine MLAT.

6. Once an MLAT is negotiated with Russia, consider the possibility of pursuing an extradition treaty.
   FY 2000 TARGET: Begin discussions with the Russians on the feasibility of pursing an extradition treaty.

7. Negotiate extradition treaties with other selected NIS, as circumstances permit.
   FY 2000 TARGET: Consider discussions with selected NIS on extradition treaties (depending on priorities and human rights issues in the NIS).

8. Urge NIS governments to adhere to the eleven international conventions to combat terrorism.
   FY 2000 TARGET: Seek adherence to remaining 4 conventions.

ASSUMPTIONS:

- NIS cooperation with us to combat terrorism will be fitful and infrequent without U.S. prodding.
- State sponsors of terrorism will continue to look to NIS as a source for conventional arms and arms technology, as wall as for WMD, their delivery systems and related technologies.
- Civil strife in the Caucasus, southern Russia, Tajikistan, and elsewhere will increase terrorist actions in the NIS, and support from abroad will increase as well.

INDICATORS:

- NIS countries pass legislation to establish legal and operational procedures and enforcement mechanisms to deal with terrorism.
- Mutual Legal Assistance Treaties are concluded and enter into force.
- The NIS countries become parties to key international conventions on terrorism.

NIS: FY 2000 REGIONAL PLAN

STRATEGIC GOAL: Democracy and Human Rights (DE) -- Increase adherence of foreign governments to democratic practices and respect for human rights.

REGIONAL GOAL: Strengthen durable civil, legal, economic and political institutions that follow democratic principles and practices in the NIS states.

NATIONAL INTEREST: National Security: The consolidation of democratic institutions and values in the New Independent States over the long term is critical to ensuring our security and advancing a broad range of other interests. For over forty years, our relations with an autocratic USSR that systematically suppressed human rights and denied its people any real voice in their governance were tense and frequently hostile. The NIS is in the midst of a political, economic and social transformation unprecedented in modern history. Expanded political pluralism and respect for human rights and democratic values are central to the region's transformation. Achievement of these goals will contribute greatly to achievement of other U.S. national interests and expression of American values.

STRATEGY:

U.S. diplomacy and our assistance programs will support democratic institutions, the rule of law, human rights, and civil society in the NIS through vehicles such as NGOs, independent media, and citizens' advocacy groups that can sustain themselves in the long run independent of U.S. bilateral assistance. Helping the NIS prepare for elections, encouraging leaders to ensure that the elections are free and fair, and monitoring their conduct will be especially important in light of the presidential and parliamentary elections scheduled to take place in FY 1999-2000. The U.S. will work to encourage respect for human rights, especially religious tolerance, as well as to encourage changes in NIS political culture by expanding partnerships and exchanges to support cooperative activities and grass-root ties between U.S. and NIS citizens, institutions and communities. The U.S. expects that this kind of experience will increase confidence in democratic institutions by giving NIS participants a first-hand look at such institutions in practice. As well, the U.S. will encourage actions by the European Union, the OSCE and other governments and organizations to reinforce and further these goals.

OBJECTIVES:

1 Encourage the development of political parties and responsible government institutions at all levels.
FY 2000 TARGET: Rudimentary political parties are better organized, more issue-oriented, and are often identified with the specific interests of a social base.

2 Encourage free and fair electoral processes.
FY 2000 TARGET: Most NIS governments have the institutional capacity and political will to carry out free and fair elections. There are continued improvements

in implementation of laws/procedures, media access and NGO involvement, and there is increased competition in elections at all levels.

3 Foster participatory civil society by supporting creation of effective non-profit/non-governmental sector and developing partnerships among public institutions such as universities, bar associations, charities and advocacy groups.
FY 2000 TARGET: Partnerships are established between NGOs and government at both the local and national levels. A legislative environment that supports volunteerism and NGO fundraising and cost-recovery exists. Citizens are generally aware of the NGO sector and perceive NGOs as capable and professional organizations. More partnerships established and expanded between U.S. and NIS civic institutions.

4 Instill democratic beliefs and respect for human rights, including religious tolerance, among NIS officials, elites and the broader public by increasing the number of NIS citizens coming to the U.S. on exchange visits. Increase opportunities for the next generation of leaders to participate in exchange programs.
FY 2000 TARGET: Further expand the number of participants in U.S.-based training and exchange programs. Increasing numbers of alumni form a core of reformers able to support one another in their work. Alumni are increasingly able to implement their new ideas after returning home.

5 Encourage and support cooperation with the OSCE and other international institutions that work to enhance respect for human rights and rule of law.
FY 2000 TARGET: OSCE offices open in Baku and Yerevan. OSCE and other international organization efforts work in tandem with USG assistance programs throughout the region and serve as an effective mechanism for resolving regional disputes and strengthening local institutions to monitor their own countries' progress in human rights and the rule of law.

6 Strengthen the development of free and independent media within the NIS.
FY 2000 TARGET: Independent media gain an increasing market share and increase in quality.

7 Develop and strengthen laws, legal/judicial institutions, and civic structures to promote and support the rule of law and respect for human rights in and the administration and enforcement of justice.
FY 2000 TARGET: Initial steps towards independence of the judiciary are also evident in the less progressive NIS countries. Continued progress is made in the observance of human rights, fewer incidents are reported.

8 Continue to support management training in Russia and expand the effort throughout the NIS; include democracy programs as a vital component of regional economic initiatives.
FY 2000 TARGET: Alumni of management training programs serve as agents of change in their businesses and spread their knowledge throughout the region.

Approaches and results of democracy programs in regional initiatives serve as examples to other regions that draw upon them in their own reform efforts.

9 Provide support to women in the NIS to facilitate their full participation in the political and economic life of their countries.
FY 2000 TARGET: Increased percentage of women-owned businesses and business associations. Increased percentage of women in regional and local political institutions.

10. Implement solutions to the local taxation of U.S. assistance in various NIS. Such taxes drain our assistance program and undermine support for it in the U.S.
FY 2000 TARGET: Continue working with governments. Sporadic problems at the local or regional level can generally be resolved.

ASSUMPTIONS:

- Democratic reform in the NIS is a long-term process that will take many generations to complete. Progress will be uneven.
- Many in the NIS are worse off economically than they were before the collapse of the Soviet Union, leading some political leaders to argue that democracy leads to impoverishment and disorder, exacerbating pressure against reform.
- We should be prepared to adjust priorities and resources as events unfold in the region.

INDICATORS:

- Free, fair and regularly scheduled local and national elections.
- Greater activity characteristic of a free press.
- Reports of corruption-related complaints by U.S. businesses decline, and assertions that investment tenders and trade deals were conducted unfairly and in non-transparent ways are reduced.
- Enforcement of court decisions.
- Active debate in NIS parliaments and among independent media of public policy issues.
- Number of human rights violations, as reflected in annual human rights reports.
- Number of active non-governmental organizations.
- Number of women in positions of political and economic influence.
- Respect for and practice of religious, ethnic and gender tolerance.
- OSCE offices open in Central Asian and Caucasus countries.

NIS: FY 2000 REGIONAL PLAN

STRATEGIC GOAL: Humanitarian Assistance (HA)

REGIONAL GOAL: Prevent or minimize the human costs of conflict and natural disasters in the NIS. Promote stability by easing the suffering of those in most need.

NATIONAL INTEREST: Humanitarian Response: Americans are a generous people, and we can and must respond to people in humanitarian crisis in the NIS. Such assistance may be key in helping address natural and other disasters, as well as to help the NIS cope with transition they are undergoing.

STRATEGY:

Utilize U.S. and multilateral assistance resources to address humanitarian crises in the NIS as they arise. Coordinate and take proactive steps with the international community to deal with problems as they begin to emerge. Facilitate the transition from humanitarian aid to development and technical assistance, which in many of the NIS is largely complete--meaning that some NIS countries can now handle most humanitarian crises without outside help.

OBJECTIVES:

1. Facilitate the delivery of humanitarian commodities to those in most need within the NIS. Continue Operation Provide Hope.
   FY 2000 TARGET: Refocus humanitarian programs back to transitional assistance where possible with an emphasis on moving away from humanitarian to developmental programs.

2. Maximize ratio of assistance delivered per USG dollar expended to demonstrate effective use of appropriated funds in a environment of ever-diminishing budgets.
   FY 2000 TARGET: Move Private Voluntary Organizations (PVOs) supported under the BHR/PVC subsidized Ocean Freight Program under our Small and Medium Size Program expanding the operation and reallocating funds.

3. Help develop long-term programs that will ultimately lead these countries away from dependence on U.S. assistance and toward self-sufficiency. Provide Demining assistance.
   FY 2000 TARGET: Refocus on transitional goals and higher forms of developmental and technical assistance while continuing to furnish assistance in the area of existing humanitarian needs.

ASSUMPTIONS:

- Regional disasters and conflicts will continue and cause hardships for populations in the NIS.
- Displaced persons will continue to need assistance donated from international sources.
- U.S. Private Voluntary Organizations will continue to support disadvantaged populations in the NIS and will seek USG assistance to do so.

INDICATORS:

- Speed and effectiveness of assistance delivered following a disaster.
- Effectiveness of deliveries in terms of transportation and administrative costs as a percentage of the value of commodities delivered and the types and quality of humanitarian assistance delivered.
- Deaths and casualties from natural disasters and other local crises.

NIS: FY 2000 REGIONAL PLAN

STRATEGIC GOAL: Environmental (EN)

REGIONAL GOAL: Secure a sustainable global environment in order to protect the United States and its citizens from the effects of environmental degradation in the New Independent States.

NATIONAL INTEREST: Global Issue:; Environmental Protection: The U.S. seeks to assure that pollution and depletion of natural resources in the NIS do not result in adverse economic impacts on the United States. Of key importance is the need to improve the safety of nuclear power plants, secure storage of fissile materials and safe storage of radioactive waste.

STRATEGY:

Soviet industrialization and the transition to market-based economies have resulted in severe pollution and contributed to global problems. Insufficient local resources have been devoted to clean-up. A major theme of our diplomacy must be to ensure that the NIS take responsibility for their own environments. The U.S. will use bilateral diplomacy, including joint commissions, our assistance programs, and multilateral initiatives (e.g. Northeast European Initiative) to encourage the NIS to address environmental issues, particularly in the context of sustainable economic development policies.

Aid for nuclear reactor safety and support for public health help advance these goals. The U.S. will also encourage constructive NIS involvement in global environmental forums, particularly the climate change negotiations and the development of an emissions trading regime, which may provide economic benefits in a number of the NIS.

OBJECTIVES:

1. Achieve Russian compliance by 2000 with the Montreal Protocol to end production of ozone-depleting substances.
   FY 2000 TARGET: Completion of destruction of CFC production facilities and verify.

2. Obtain support of Russia, Ukraine and other key countries for an effective system of emissions trading to reduce greenhouse gas production.
   FY 2000 TARGET: Continue work on alternative approaches to greenhouse gas reductions. Complete development of the emissions trading accounting system.

3. Support NIS implementation of safety upgrades to Soviet-designed nuclear power plants and secure closure of the most dangerous reactors. Ensure full implementation of the G-7 Ukraine MOU on Chornobyl closure by the year 2000.
   FY 2000 TARGET: Closure of Chernobyl. Completion of safety assessment of

Kursk 1 and incorporation of procedures developed into operations of Russian nuclear inspection agency (GAN). Continued cooperation with Russia, Armenia and Ukraine on power sector reforms which are essential to maintaining financial viability of the power sectors. Reforms will allow closure of old reactors and their replacement.

4. Gain Russian adherence to 1993 London Convention amendments barring all ocean disposal of radioactive waste. Implemented largely through Murmansk Initiative (Russia, Norway and the U.S.)
   FY-2000 TARGET: Murmansk facility in full operation, although there may be maintenance issues. Processing of waste streams from icebreakers and decommissioned nuclear submarines under way.

5. Encourage the NIS to better manage critical ecosystems to prevent the loss of endangered species.
   FY 2000 TARGET: Support institutional capacity of Environment ministries, nature preserves, scientific bodies and non-governmental organizations. Undertake projects to conserve species and habitats of concern. Establish donor coordination mechanism.

6. Expand environmental research with the NIS to benefit our understanding of global ecological processes and trends.
   FY 2000 TARGET: Implement activities to eliminate the use of DDT and PCB's. Develop a program to control the industrial use of mercury and lead. Encourage safe management of organic pollutants.

7. In cooperation with other international donors, develop a cooperative regional environmental program for management of the Caspian Sea.
   FY 2000 TARGET: Develop regional capacity to manage ecological impacts of oil and gas development and regulate, monitor and enforce environmental; standards. Cooperate to develop programs to protect Caspian Sea sturgeon.

8. Assist in the creation of Regional Environmental Centers in Moscow, Chisinau, Kiev, and Tbilisi.
   FY 2000 TARGET: Establish remaining Regional Environmental Centers.

ASSUMPTIONS:

- Policymakers in the NIS will continue to recognize the value of bilateral and multilateral programs of environmental protection and remediation, but indigenous resources for these programs will remain modest.
- NIS governments will be reluctant to shut down Soviet-designed nuclear power reactors pending identification of secure alternative fuel sources.

INDICATORS:

- Russian compliance with the Montreal Protocol.
- Participation of NIS (particularly Russia and Ukraine) in a global greenhouse gas emissions trading regime.
- Russian acceptance of the 1993 London Convention amendments, which ban ocean dumping of radioactive waste.
- Closure of the Chernobyl Nuclear Power Plant on schedule by 2000.

NIS: FY 2000 REGIONAL PLAN

STRATEGIC GOAL: Population (PO)

REGIONAL GOAL: Introduce safe and effective family planning services and increase the availability and use of modern contraceptives.

NATIONAL INTEREST: Population Control: Helping people to determine freely and responsibly the number and spacing of their children, and reducing the use of abortion as a primary method of family planning will enhance the health and well-being of the population, which, in turn, will help build the foundation necessary for sustainable development. Reducing the high rate of sexually transmitted diseases and improving maternal, infant and child health will impact positively the respective countries' health care reforms and social infrastructure. Improved health of the population will also contribute to an improved quality of life, higher individual productivity, broad-based economic growth and regional stability.

STRATEGY:

Help provide access and education on modern, safe and effective methods of family planning. Work with the respective ministries of health to ensure appropriate training of health care providers and medical students on modern methods of family planning and safe motherhood practices. Encourage governments to support expanded public education about reproductive health, including adolescent reproductive health. Support multilateral, international and non-governmental organizations (i.e., UNFPA, WHO, UNICEF) working on reproductive health and safe motherhood programs in the region. Specifically, support organizations (such as UNHCR) that provide reproductive health services for refugees and internally displaced persons.

OBJECTIVES:

1. Increase the availability and use of modern contraceptives to reduce dependence on abortion.
   FY 2000 TARGET: Broaden family planning programs to include integrated approaches to women's and children's health: Russia, Moldova, Ukraine, CAR, Armenia and Georgia

2. Increase the awareness of the population and the training of health care providers regarding modern methods of family planning, safe motherhood and infant care practices, and the prevention and treatment of sexually transmitted diseases.
   FY 2000 TARGET: Expand to Georgia and Armenia.

3. Work with the respective governments of the region to ensure support for the Program of Action agreed upon at the 1994 Cairo International Conference on Population and Development.
   FY 2000 TARGET: Strengthen and expand support for 1997 program of action and including recommendations from "Cairo Plus Five."

ASSUMPTIONS:

- Economic problems will limit the resources NIS governments dedicate to regulation issues.
- Abortion will remain a favored method of birth control.

INDICATORS:

- Modern contraceptive prevalence rate.
- The number of abortions performed.
- Infant, child and maternal mortality rates.

NIS: FY 2000 REGIONAL PLAN

STRATEGIC GOAL: Health (HE) -- Protect human health and reduce the spread of infectious diseases.

REGIONAL GOAL: To reduce disease and the impact of disease in the NIS.

NATIONAL INTEREST: Health: Improved health is key to sustainable development, regional stability and broad based economic growth, and national security interests in the NIS. The rapid increase of infectious diseases in the NIS, including HIV/AIDS, threatens to spread beyond the borders of the region.

STRATEGY:

Utilize U.S. assistance programs to reduce infectious disease and other health problems in the NIS. Mechanisms will include hospital partnerships, health finance reform, reproductive health programs, services to internally displaced persons, disease monitoring and surveillance, childhood immunizations and vaccine procurement, laboratory diagnostics, HIV/AIDS education and prevention, and tuberculosis and typhoid programs. The U.S. will support multilateral, international and non-governmental organizations working to improve the health of the region's population. Mission programs will encourage the respective governments to undertake proactive programs related to health and infectious diseases and to follow World Health Organization guidelines and protocols. Partnering relationships with U.S. health institutions will be an important element of our health strategy that also promotes people-to-people contacts and enriches U.S. engagement with the peoples of the NIS.

OBJECTIVES:

1. Improve infant and child health; reduce infant and child mortality, e.g., Combat typhoid outbreaks in Tajikistan and Turkmenistan.
   FY 2000 TARGET: Increase the population receiving potable water, reduce wastage, and begin to charge users.

2. Expand access to Western levels of health service through health partnerships with U.S. institutions.
   FY 2000 TARGET: Initiate 10 new partnerships.

3. Support and encourage national immunization programs.
   FY 2000 TARGET: Expand IICC to include vaccine procurement training and to provide technical assistance for National Immunization days (NIDs).

4. Investigate the health consequences of the Chornobyl nuclear disaster, particularly as it affects women's breast cancer, thyroid cancer, and children's diseases.
   FY 2000 TARGET: Determine program impact.

5. Work with NIS governments and international organizations to stem the astronomical rate of transmission of HIV/AIDS infections in Ukraine, Russia, Moldova and Belarus, and to prevent such outbreaks in other countries in the region.
   FY 2000 TARGET: Continue and expand program strategies to CAR.

6. Support efforts to reduce the high rates of tuberculosis, and iodine and iron deficiency throughout the NIS.
   FY 2000 TARGET: Expansion of TB Task Force and its activities related to implementation of directly observed therapy, short course (DOTs).

7. Reduce the incidence of malaria in Azerbaijan and other southern countries of the region.
   FY 2000 TARGET: Increased public awareness of methods to reduce malaria and of proper treatment for malaria.

8. Support efforts to control the spread of sexually transmitted diseases.
   FY 2000 TARGET: Expand task force on STDs and its programs to Caucasus.

9. Improve hosts government awareness of the foreign policy implications of infectious diseases. Important aspects include the impact on the labor force, security and the potential for bioterrorism, economic development, and trade.
   FY 2000 TARGET: Continue policy dialogue and develop strategies against MDR.

ASSUMPTIONS:

- The NIS will continue to lack adequate ability to provide for infectious disease surveillance, and care monitoring without international assistance.
- U.S. assistance can have a beneficial effect in re-establishing national vaccination schedules and in reducing disease.
- International health-related assistance will continue and will have a beneficial effect in reversing current trends in life expectancy; mortality; and infectious disease.
- Assistance in population planning will continue to reduce the abortion rate, which will led to improvements in overall women's health.

INDICATORS:

- National immunization schedules are established, funded and implemented in the NIS.
- Number and quality of vaccinations increases.
- Completion of training provided through hospital partnerships, health finance reform, reproductive health, and infectious disease control programs.
- The infection rate of HIV/AIDS infections slows in Ukraine, Russia, Moldova and Belarus and does not increase in the other NIS.
- Number of ministries of health and health care providers that accept and implement WHO guidelines on tuberculosis and other infectious diseases.
- Maternal, infant and child mortality rates.
- Modern methods of family planning replace abortion as the main means of birth control.
- Average life expectancy.

Public Diplomacy
Educational and Cultural Exchanges

National Interests:

All international exchange programs organized and administered by the Public Diplomacy arm of the Department of State directly support U.S. national interests by creating a foundation of mutual understanding between current and future foreign leaders and their U.S. counterparts and by promoting linkages between U.S. and foreign institutions and citizens. Professional and academic exchange programs develop and maintain informed, cooperative, and productive relations between the U.S. and other countries by fostering constructive dialogue on individual strategic goals. As a complement to the policy advocacy of information programs, exchange programs build a community of shared interests and values that support traditional U.S. diplomacy.

Strategic Goals and Supporting Programs for FY 2000:

For the past seven years, the NIS have experienced epochal change which has altered the social, economic, and political foundations of the region. People have had to think differently about their lives and the affairs of their country and region. Throughout this formerly totalitarian region, public attitudes now matter as never before, and public opinion is a major factor in shaping domestic and foreign policies. Despite these revolutionary changes, suspicion and hostility toward the U.S. lingers in this region. Exchange programs, which give people from the NIS a chance to have a direct dialogue with Americans and to see our democracy and market economy at work, cannot be underestimated in reducing fear and misunderstanding. These programs encourage a perception of the U.S. as a trusted international partner and, in some instances, even a worthy model as societies establish their own democratic and free market systems. These programs also encourage remaining open to contact with the West, resisting the impulse to turn inward, and valuing the United States as a free, diverse, tolerant society that offers opportunity to all.

Specifically, these programs will target current and future leaders in politics and other professions to provide practical opportunities to observe societal institutions as they exist in the United States. Exchange programs also familiarize government officials and those involved in business with Western corporate practices and entrepreneurial spirit. Academic exchange opportunities for students and faculty will introduce those in the NIS to democratic institutions and encourage their commitment to democracy in their own countries. Media training helps ensure more professional, responsible, and investigative journalism, necessary to check potential misuses of government power. Finally, International Visitor programs to the U.S., Brussels and other NATO locations enhance understanding of U.S. policy among influential NIS publics.

Performance Evaluation:

Six Russian officials, responsible for implementing a controversial religious law passed by the Russian Parliament, participated in an International Visitors program in January 1998. The program provided the group with a first-hand look at how the U.S. safeguards one of its most fundamental freedoms. The participants have already been instrumental in defusing cases where regional officials, citing the law, took action against religious groups.

A Georgian, who received a master's degree in public administration from Indiana University through the Graduate Fellowship Program, was confirmed as the Minister of Trade and Foreign Economic Relations for the Republic of Georgia in September 1998. She is only the second female to be appointed to a ministerial position in Georgia

Despite idle factories and general economic malaise in Kharkiv, Ukraine, alumni of USIA's Community Connections program, a U.S.-based program focused on practical training for entrepreneurs and other professionals, returned home to start an investment magazine, as well as a company to sell American paint products in the Ukraine.

A September, 1998, survey in Russia indicated that alumni of the USIA's FLEX exchange program for young leaders were twice as likely as other Russian youth to believe they had a good understanding of democracy and to voice commitment to democratic principles. For example, over 80 percent of alumni said censorship of the media would be "impermissible," compared to 55 percent among all young people.

A university partnership between the University of Baltimore School of Law and Kiev Mohyla Academy of Law is contributing to the development of the economy and rule of law in Ukraine. A professor from the Kiev Mohyla Academy, who is also an advisor to the Ukrainian State Securities and Stock Market Commission, drafted new laws and securities regulations based on information drawn from his visits to the United States.

In the wake of the arrest of opposition leaders and demonstrators during violent clashes on the streets of Baku, the director of the human rights department at the Institute for Peace and Democracy, and a former participant in an International Visitor program, ran a series of seminars on the U.S. judicial and prison system. Representatives from the Ministries of Justice and Internal Affairs who were in attendance have since requested and received additional materials from the director, a surprising result in that she is widely regarded as one of the more outspoken critics of the Azeri government.

The director of the Agricultural Library in Belarus returned from his International Visitor program to open the library stacks, the first in the country to do so. This director also convinced the Ministry to purchase the American Checkpoint security system which also contributed to opening the library to the public. This is an important benchmark for the Belarusian library community and is a result of USIA efforts to promote free and unfettered access to information.

Key Indicators for FY 2000 Performance:

- Participants in International Visitor programs, media training, NATO tours and other exchange programs move into key positions and undertake action consistent with U.S. policy objectives.
- Government officials and business leaders who have participated in exchange programs promote laws to protect and encourage foreign investment.
- Exchanges and improve academic faculties and increase the number of students and professionals trained in Western business management practices.
- Exchange visitors demonstrate greater understanding of the U.S. criminal justice system and are more willing to work with U.S. officials on transnational criminal problems.
- Number of alumni and networking associations established by returned visitors in cooperation with their U.S. counterparts.
- Professionals, government officials, and young people return with a greater understanding of U.S. institutions and a willingness to engage Americans on issues of mutual concern.
- Surveys indicate young exchange alumni have greater trust in U.S. and civil society than their peers.

Educational and Cultural Exchange Program
New Independent States

	FY 1998 Actual	FY 1999 Estimate	FY 2000 Request
Armenia	$1,709	$1,535	$1,606
Azerbaijan	703	631	660
Belarus	921	827	865
Georgia	990	889	930
Kazakhstan	1,563	1,404	1,469
Kyrgyzstan	880	790	826
Moldova	550	494	517
Russia	10,199	9,159	9,580
Tajikistan	84	75	78
Turkmenistan	143	128	134
Ukraine	2,493	2,239	2,342
Uzbekistan	834	749	783
Regional Programs	1,751	1,480	1,214
Total, Exchanges	22,820	20,400	21,004

Public Diplomacy
International Information Programs

National Interests:

Substantial changes have occurred in the way that governments make decisions or develop and implement policies. The broad range of actors engaged in this process now includes the media, think tanks, non-governmental organizations, religious institutions, and issue-specific voluntary associations, among others. Especially in robust, developed democracies, the process of making policy is more open, consultative, and responsive to public opinion, whose role is fundamental. Increasingly, even less democratic governments tend to operate with an eye to domestic and international public reaction to their decisions. International Information programs are designed to influence these new audiences, as well as foreign government officials through products and services produced by Washington public diplomacy elements and overseas posts.

Strategic Goals and Supporting Programs for FY 2000:

For the past seven years, the NIS have experienced epochal change that have altered the social, economic, and political foundations of the region. However, fear and suspicion of the West lingers. Throughout this formerly totalitarian region, public attitudes now matter as never before, and public opinion is a major factor in shaping domestic and foreign policies. The number of actors affecting policy has grown and now includes NGOs, political parties and an independent media. Key is ensuring that governments and publics have access to accurate and timely information explaining U.S. policies and goals through the Washington File and other information products, our Information Resource Centers and U.S. experts who travel to the region to discuss important policy matters.

The ultimate national security goal is integration of the NIS into overarching political institutions and economic associations, thereby helping to assure their commitment to peaceful relationships. Our efforts to reshape the security and economic structures in the region are also those that will be met with the most suspicion and must be clearly stated and explained to audiences at all levels. Information programs will also highlight why economic reform is vital to development and stability and to attract western investment.

Performance Evaluation:

A former Pentagon staffer now writing a book on NATO after the Cold War, spoke to key foreign policy audiences at the Russian Ministry of Foreign Affairs and its Diplomatic Academy, the Russian Parliament and Moscow State University. With all of these influential interlocutors, the scholar repeatedly urged Russia to seek, not shirk,

security cooperation with the U.S. and Western Europe, arguing for active Russian participation in the Russia-NATO Permanent Joint Council. She also elaborated on ways in which an enlarged NATO will play a new role in Europe, including peacekeeping and humanitarian operations. The program was persuasive in convincing those in attendance that it is important for Russia to participate in European security debates.

An activist with the League of Women Voters went to Kazakhstan to share her experience with voter education in Texas. Her NGO and media workshops promoted the idea of building democratic institutions through free elections. Several Kazakh NGOs are preparing voter education programs, and she remains in contact with them via e-mail, continuing her role as their advisor.

An FCC attorney was a featured speaker at the international conference on "Electronic Mass Media in an Independent State" in Kazakhstan. She provided the GOK with a model, based on the FCC, of how an agency can regulate radio and television while providing fair distribution of frequencies and licenses, avoiding corruption and political bias, and being transparent and accountable to the public. The Minister of Information participated actively in discussions throughout the conference and commented at the end that the Ministry is open to possible change in its plans for the auction of frequencies, licensing, and liberalization of the Regulatory Commission by adding public representatives.

A U.S. speaker from Columbia University sparked heated discussion on political reporting among Armenian journalists and officials. He exhorted the media to be more curious about links between politics and money, and explained the nature of U.S. political reporting. He stressed the responsibility of the media to be fair and to verify factual information.

The Information Resource Center in Kiev held an information fair for new parliamentarians, elected officials and staffers. That event led to presentations on the U.S. view on freedom of the press during Ukrainian hearings on proposed library legislation, on U.S. public broadcasting for those officials working on the privatization of state-owned television and radio stations, on sections of the U.S. tax code being used as models for the revision of local codes, and on the rights of opposition political parties.

At a human rights roundtable in Zhitomyr on International Human Rights Day, USIS Kiev presented the Ukrainian version of "National Standards for Civics and Government" translated by the USIA book translation program. Publishers and participants, including approximately 50 NGO representatives, local government officials, and human rights activists from around Ukraine, praised the book for its clear and systematic presentation of rights and responsibilities.

A USIS-organized meeting on drafting freedom of information legislation in Moldova, lead to the drafting of a measure that will be presented to the Moldovan Parliament in 1999.

In Russia, USIA has sought to encourage understanding of NATO enlargement and, where possible , allay fears and criticism. An influential Moscow journalist called USIS Moscow's home page on the subject "the most condensed and comprehensive information source available to his newsroom," indicating that the Agency's vigorous efforts to disseminate authoritative and objective information on this key policy issue are reaching opinion leaders.

A retired USIA senior official conducted an outstanding series of workshops with press spokespersons on "Government Relations with the Media" in three cities in Kazakhstan. The first workshop of its kind, it provided concrete advice on dealing with the press from the government's perspective, demonstrating that government relations with the media can be positive and mutually beneficial. While the nascent independent press remains vulnerable and it lacks internal cohesion, the seminar encouraged journalists to not behave in ways that unnecessarily alienates government officials.

Over the past year USIS Kiev has conducted a range of activities to support the newly established Ukrainian Constitutional Court. In the words of the Chief Justice, these programs made a critical difference in the functioning of the court during its first year. The Constitutional Court has again turned to USIS Kiev to establish an ongoing informational partnership between its library and the USIS Information Resource Center. The Court's first requests focused on the death penalty in the U.S. and on parliamentary immunity. The post believes this will be an excellent means for channeling U.S. views and maintaining contact with this important new institution.

Key Indicators for FY 2000 Performance:

- Polling documents greater understanding and support for U.S. positions.
- Media commentators and opinion leaders support U.S. initiatives.
- Government officials, policy analysts, and opinion leaders demonstrate a complete understanding of American positions on matters of bilateral concern.
- Business representatives and government officials draw upon our Information Resource Centers in efforts to promote legislation and practices supporting a market economy.
- Reference queries to websites and Resource Centers increase.

Armenia

($ in thousands)

National Interests: U.S. national security is strengthened by promoting peace and stability in the Caucasus and by helping the region fulfill its potential as a gateway from the Caspian Basin to the West. Concomitant U.S. national interests are advanced by transforming Armenian society into a democratic, law-based, pluralistic community that functions on free-market principles, is integrated into the world economy, has the capability to provide for the welfare of its citizens, and is at peace with its neighbors. A transformed Armenia would be less likely to engage in armed conflict with Azerbaijan or to disrupt the export of hydrocarbons from the Caspian Basin. A democratic, secure and prosperous Armenian also would be less vulnerable to Iranian economic influence, less dependent on Russian military support, and more capable of preventing the proliferation of Weapons of Mass Destruction (WMD) and halting environmental degradation.

Strategic Goals and Supporting Programs for FY 2000:

Weapons of Mass Destruction: Encourage Armenia to establish peaceful research projects for weapons scientists and to develop effective export control and customs clearance systems to prevent the proliferation of weapons of mass destruction. Programs provide training and equipment to customs authorities to improve their export control capabilities and promote the participation of former WMD scientists in peaceful research projects supported by the International Science and Technology Center and U.S. Civilian Research and Development Foundation. $2,998

Open Markets, Economic Development, and Expand U.S. Exports: Provide support and practical assistance for transformation to a free-market system, integration into the world economy, and broad-based economic development. These goals are supported by programs to promote power sector restructuring, extend credit to small businesses, and develop enterprise funds. Department of Commerce and other programs work with the business and agricultural sectors to increase markets for U.S. exports. Treasury and Information Agency programs provide technical assistance and information resources for development of open markets. $37,500

International Crime: Strengthen Armenian law enforcement authorities' ability to fight transnational crimes, particularly narcotics trafficking and financial crimes that threaten U.S. security. U.S. law enforcement working through State Department's Bureau of International Narcotics and Law Enforcement Affairs provide training and assistance to increase Armenia's capacity to fight international crime and corruption and to improve human rights practices in criminal justice institutions. $2,500

Democracy: Aid in the establishment of democratic laws, institutions, procedures, and practices and promote an active, engaged civil society. This goal is supported by FSA funded programs designed to assist law-makers in drafting appropriate legal frameworks, to train judges and prosecutors, and to assist political parties, independent

media and non-governmental organizations to effectively articulate public interests and strengthen civil society. Exchanges as well as training and partnership programs will provide opportunities for current leaders and the next generation of Armenians to learn about U.S. society and institutions first-hand and will foster linkages between U.S. and Armenian individuals and communities. $16,000

Humanitarian Assistance and Health: Help the government provide for the physical welfare of its citizens. Continued FSA support for humanitarian relief programs help the victims of the 1988 earthquake and refugees resulting from the Nagorno-Karabakh conflict. A separate program supports government efforts to provide health care for disadvantaged citizens. $11,800

Environment: Support government programs to improve operational safety at the Metzamor nuclear power generating plant until its scheduled closure in 2004. FSA funding provides programs such as Department of Energy and Nuclear Regulatory Commission projects to ensure Metzamor is made as safe as possible until operation of the plant ceases. $2,500

Performance Evaluation:

- Progress with Azerbaijan toward a settlement of the Nagorno-Karabakh conflict. Armenia remains an active participant in the OSCE Minsk process, which the U.S. co-chairs to achieve a mutually acceptable negotiated settlement. A cease fire established in 1994 remains in effect. However, progress toward resolution of the conflict stagnated throughout 1998 and remains stalled.

- Improved performance of elections. Armenia conducted a presidential election in March 1998, following the resignation of President Levon Ter-Petrosyan. While many observers considered that election a qualified improvement over fraud-laden elections in 1995 and 1996, the 1998 election did not meet international standards. A new electoral code, which Armenian champions of democracy hope will further improve the process, was being debated by parliament at year's end.

- Additional progress on privatization in key sectors, including energy and communications. President Kocharian and the government of Prime Minister Darbinian initiated genuine efforts to privatize most major state enterprises and have achieved noteworthy progress, including the sale of the State Brandy plant, which is widely considered to be a national legacy. Private radio and television stations are increasing in number, and the formerly state-owned newspaper printing and distribution companies were privatized.

- Reduced frequency of complaints regarding human rights of detainees and arrestees. The practice of security personnel beating pretrial detainees during arrest and interrogation remains a routine part of criminal investigations. Most cases of police brutality continue not to be reported to Armenian authorities.

Key Indicators for FY 2000 Performance:

- Progress with Azerbaijan toward a settlement of the Nagorno-Karabakh conflict.
- Development of cohesive political parties that articulate the interests of the electorate.
- Elections that meet international standards.
- Privatization of key sectors, including energy and communications.
- Reduced occurrence of beatings of criminal detainees.

ARMENIA

FUNCTION 150 RESOURCES

($ in thousands)

Appropriations Accounts by Strategic Goal	Actual FY 1998	Estimate FY 1999	Request FY 2000
Weapons of Mass Destruction	**1,231**	**1,118**	**2,998**
ESF	-	-	-
FSA	1,200	1,000	2,000
NADR-Export Control	31	118	998
Open Markets	**1,500**	**1,000**	**1,500**
FSA	1,500	1,000	1,500
U.S. Exports	**90**	**270**	**-**
FSA	90	270	-
Economic Development	**43,642**	**36,430**	**36,000**
FSA	43,642	36,430	36,000
International Crime	**-**	**1,670**	**2,500**
FSA	-	1,670	2,500
Democracy	**23,940**	**25,530**	**16,000**
FSA	23,940	25,530	16,000
Humanitarian Assistance	**9,753**	**5,400**	**6,800**
FSA	9,753	4,900	6,000
NADR-Demining	-	500	800
Environment	**5,400**	**4,500**	**2,500**
FSA	5,400	4,500	2,500
Health	**1,975**	**4,600**	**5,000**
FSA	1,975	4,600	5,000
Total	***87,531***	***80,518***	***73,298***

Appropriations Accounts	Actual FY 1998	Estimate FY 1999	Request FY 2000
ESF	-	-	-
FSA	87,500	79,900	71,500
NADR	31	618	1,798
Total	***87,531***	***80,518***	***73,298***
Other Accounts			
D&CP	2,134	2,268	2,365
ECE	1,709	1,535	1,606
Peace Corps	1,163	1,329	1,395
Total	***5,006***	***5,132***	***5,366***
ARMENIA			
FUNCTION 150 RESOURCES GRAND TOTAL	***92,537***	***85,650***	***78,664***

Azerbaijan

($ in thousands)

National Interests: U.S. national interests focus on the development of an independent, secure, democratic and prosperous Azerbaijan. Economic and democratic reform are crucial elements toward long-term stability. The involvement of U.S. oil firms in the development and export of Azerbaijani oil is key to our objectives of diversifying world oil supplies, U.S. energy security, and promoting U.S. exports. Our relationship with Azerbaijan will influence the course of our bilateral relationship with Russia and affect the role that Iran is able to play in the Caucasus. U.S. leadership, as a co-chair in the OSCE Minsk Group peace process, is vital to achieving a settlement of the Nagorno-Karabakh conflict. Providing humanitarian assistance to the victims of this conflict will remain important, especially post-conflict. The U.S. also needs to encourage Azerbaijan to develop an effective export control system to prevent the proliferation of weapons of mass destruction or conventional arms and transshipment of narcotics. Other U.S. interests include global issues such as health, and law enforcement.

Strategic Goals and Supporting Programs for FY 2000:

Regional Stability: The Nagorno-Karabakh conflict has hindered economic and political development and limited efforts for regional cooperation. The U.S. needs to continue diplomatic efforts and informational programs to promote cooperation and stability.

Expand U.S. Exports: To continue to promote effectively American investment opportunities in Azerbaijan, we must continue USG efforts to work with the GOAJ on oil development, encourage continued economic reform, and support American companies through OPIC, TDA and EXIM activities.

Economic Development: Development of an open market economy in Azerbaijan will assist with the country's long-term stability. USG will promote growth through programs aimed at the expansion of the private sector in Azerbaijan.

International Crime: Improving law and order and fighting corruption in Georgia contributes to the protection of Americans and promotes economic prosperity. The USG will implement programs aimed at strengthening Azerbaijani justice system.

Democracy: The U.S. will continue to promote democratic institution-building, including the holding of free and fair municipal elections in 1999 and parliamentary elections in 2000. USG will continue programs for non-governmental organizations, political parties and media, and exchanges. The U.S. also seeks to promote building of democratic institutions with the government through rule of law and electoral assistance.

Humanitarian Assistance: The conflict over Nagorno-Karabakh has left 780,000 Azerbaijanis (about 10%of the total population) uprooted from their homes and significant percentage of Azerbaijan's territory occupied by ethnic Armenian forces. We

will need to continue assistance to the refugees and displaced persons, from current efforts to provide food, shelter and medical aid to eventual resettlement assistance following a peace agreement.

$6,800

Health: USG assistance will help improve Azerbaijan's health care system and help the medical staff fight the spread of disease, including those prevalent in refugee camps.

$3,000

Weapons of Mass Destruction: To assist in a secure Azerbaijan, we will need to direct cooperative programs, that will have regional benefits and continue to engage in regular bilateral dialogue with Azerbaijan on security issues. Cooperative programs, particularly in the area of export control, will be necessary to combat the growth in trafficking in narcotics and other material in the region.

Performance Evaluation:

- Progress with Armenia toward resolution of the Nagorno-Karabakh conflict. The 1994 cease-fire remains in place and the parties have reiterated their commitment to OSCE-led peace talks. However, efforts to reach agreement among the parties to a framework for further peace negotiations have been unsuccessful.

- Improved business opportunities for U.S. businesses. Oil deals with U.S. oil companies continue. A bilateral investment treaty was concluded with the GOA in 1997 and U.S. foreign investment continued to grow in Azerbaijan. Business opportunities outside of the energy sector, however, remain limited.

- Progress in the development of democratic institutions and human rights practices. Azerbaijan's legislature operates under the direction of the president and its judiciary has limited independence. Human rights abuses continue. There has been some progress in the area of democracy and human rights, such as the end to censorship in 1998. However, significant problems remain, including presidential elections in 1998 that fell below international standards.

- Progress toward privatization of state-owned enterprises. 90% of Azerbaijan's farmlands is in private hands, although small farmers have poor access to credit and markets. Privatization through auction continues for small and medium sized state-owned enterprises, but large enterprises remain almost exclusively under government control. Private retail enterprises, cotton gins and grain mills are proliferating.

- Azerbaijani participation in PfP. Azerbaijan actively participates in PfP events.

Key Indicators for FY 2000 Performance:

- Progress with Armenia toward resolution of Nagorno-Karabakh conflict;
- Improved business opportunities for U.S. companies;
- Progress toward decision on a secure main export pipeline route;
- Progress in the development of democratic institutions and human rights practices;
- Progress in development of private sector; and improved export control regime

AZERBAIJAN
FUNCTION 150 RESOURCES
($ in thousands)

Appropriations Accounts by Strategic Goal	Actual FY 1998	Estimate FY 1999	Request FY 2000
Regional Stability	**-**	**-**	**2,000**
FSA	-	-	2,000
U.S. Exports	**840**	**260**	**-**
FSA	840	260	-
Economic Development	**1,500**	**5,720**	**12,000**
FSA	1,500	5,720	12,000
International Crime	**-**	**150**	**500**
FSA	-	150	500
Democracy	**8,230**	**6,060**	**10,000**
FSA	8,230	6,060	10,000
Humanitarian Assistance	**23,720**	**9,650**	**6,800**
FSA	23,720	9,150	6,000
NADR-Demining	-	500	800
Health	**-**	**2,500**	**3,000**
FSA	-	2,500	3,000
Total	***34,290***	***24,340***	***34,300***

Appropriations Accounts	Actual FY 1998	Estimate FY 1999	Request FY 2000
FSA	34,290	23,840	33,500
NADR	-	500	800
Total	***34,290***	***24,340***	***34,300***
Other Accounts			
D&CP	1,901	2,021	2,108
ECE	703	631	660
Total	***2,604***	***2,652***	***2,768***
AZERBAIJAN FUNCTION 150 RESOURCES GRAND TOTAL	***36,894***	***26,992***	***37,068***

Belarus

($ in thousands)

National Interests: The U. S. has a strong national interest in promoting a democratic, market-oriented, independent Belarus. Belarus' lack of democratic institutions, resistance to political and economic reform and existing and potential relations with rogue states threaten regional development and security, potentially undermining U.S. interests. The benefits of a successful transformation of Belarus into a more democratic society would include: increased European security, reduced danger of Weapons of Mass Destruction (WMD) proliferation, reinforcement of regional democratic trends, improved human rights, more effective treatment of human suffering from the 1986 Chernobyl nuclear disaster, regional economic prosperity and increased opportunities for exports.

Bilateral USG assistance to the Belarusian government is suspended because of its continued lack of progress in democracy and human rights, and, most recently, its violation of the Vienna Convention on Diplomatic Relations. The programs described below either are suspended, involve cooperation apart from assistance, or involve assistance to non-government organizations (NGOs).

Strategic Goals and Supporting Programs for FY 2000:

Regional Stability: International Military Education and Training (IMET) programs remain ready to develop the military's understanding of its role in a democracy and promote English language capabilities. USIS and the Defense Attaché Office (DAO) will work to educate both the general population and key military and civilian leaders about NATO's role in a stable and democratic Europe. When reinstated, Warsaw Initiative funding will be used to promote a reliable and lawful military and regional stability cooperation. Efforts currently focus on ensuring Belarusian policy leaders understand that admission of new members to NATO does not threaten Belarusian security and on increasing the level of Belarusian participation in Partnership-for-Peace (PfP) events and exercises. $0

Economic Development: Belarus should adopt meaningful economic reform that could lead to multi-year IMF programs and World Bank structural adjustment loans (both suspended) and other cooperation with international financial institutions and donors. The International Finance Corporation (IFC) promotes small-scale privatization. The U.S. will continue to support international visitor grants and academic exchanges for non-government elements and sponsor programs to increase awareness and understanding of market-based economic principles and support for economic reform. Exchange programs and the AID-funded Farmer-to-Farmer program, Volunteers in Overseas Cooperative Assistance (VOCA) will provide opportunities for the exchange of scientists, agricultural experts and information, including the introduction of Western agricultural practices. $1,500

Democracy: US support to Belarusian NGOs and independent media will help preserve a rudimentary basis of civil society in Belarus. FSA through Democracy Fund Small Grants, USIA academic and professional exchanges, as well as USAID, DAO and the Multilateral Liaison Team (MLT; suspended), will encourage democratic reform and provide moral and material support to NGOs, trade/labor unions and independent media. DAO and the MLT (suspended) will use military programs to support military reform and decrease Belarusian anxiety over NATO enlargement. $7,000

Humanitarian Assistance: FSA funding to NGOs, as well as continued AID and DOD support, provides humanitarian assistance to Belarusian NGOs to help alleviate the human suffering resulting from the 1986 Chernobyl nuclear disaster. $1,000

Health: FSA funding to NGOs will help Belarus address increasing public health concerns including tuberculosis, hepatitis, HIV, Chernobyl-related illnesses, poor public health care, and the need to improve women's wellness and infant/child care. $1,000

Performance Evaluation:

- Promote a stable and cooperative relationship between Belarus and the U.S. and its allies. In June 1998, the GOB evicted the U.S. and several other ambassadors from their residences in violation of the Vienna Convention. As a result of these violations of international law, on July 14, 1998 we imposed restrictions on travel of senior Belarusian officials to the United States and suspended remaining assistance, primarily residual military-to-military programs. The issue remains unresolved and the U.S. ambassador has not returned to Belarus.

- Assist Belarus' transition to transparent and accountable governance through democratic political processes. In February 1997, the U.S. initiated a policy of "selective engagement" with Belarus in response to an illegitimate November 1996 referendum, the subsequent dissolution of parliament and the deterioration of democracy and human rights within the country. We do not recognize the current legislature. The U.S. supported the OSCE mission in Minsk established in February 1998 to bring Belarusian legislation and practice into conformity with international human rights norms. The Belarusian Government has resisted meaningful cooperation with the mission.

- Foster the emergence of a market-oriented economy. The GOB has failed to pursue meaningful economic reform. EXIM, TDA and OPIC operations are currently suspended. The government has resisted privatizing medium- and large-scale enterprises. In an attempt to secure IMF funding, the government in late 1998 pledged to ease price and currency controls and reduce credit emissions. The investment climate remains poor.

- Assist Chernobyl victims. The U.S. provides humanitarian assistance through the National Institute of Health (NIH) and donation of excess DOD property and equipment to NGOs.

- Integrate Belarus into multilateral security institutions and endeavors and encourage modernization, professionalization, and interoperability of the Belarusian military with U.S. and NATO forces. The Belarusian government's relationship with NATO is weak. The government needs to adopt a more uniformly positive attitude toward NATO and take a more constructive approach to PfP opportunities.

Key Indicators for FY 2000 Performance:

- Improved human rights, free and fair presidential and parliamentary elections, resolution of constitutional impasse, constitution with democratic principle of checks and balances.
- Continued downsizing and democratic reform of the military; active cooperation with NATO.
- Improved investment climate, survival of U.S. businesses in Belarus, increased U.S. exports; medium- and large-scale privatization; freeing prices and exchange rates and rules.
- Continued development of export control regimes; more active GOB cooperation to curb transfers of WMD technology, conventional weapons and/or scientific technology to rogue states.
- Fewer medical equipment and medicine shortages; reduced incidence of tuberculosis, hepatitis, post-natal and childhood illnesses, HIV cases, birth defects and Chernobyl-related illnesses.

BELARUS
FUNCTION 150 RESOURCES
($ in thousands)

Appropriations Accounts by Strategic Goal	Actual FY 1998	Estimate FY 1999	Request FY 2000
Regional Stability	**61**	**-**	**-**
IMET	61	-	-
U.S. Exports	**-**	**30**	**-**
FSA	-	30	-
Economic Development	**1,050**	**1,320**	**1,500**
FSA	1,050	1,320	1,500
Democracy	**5,210**	**6,580**	**7,000**
FSA	5,210	6,580	7,000
Humanitarian Assistance	**600**	**1,050**	**1,000**
FSA	600	1,050	1,000
Health	**400**	**800**	**1,000**
FSA	400	800	1,000
Total	***7,321***	***9,780***	***10,500***

Appropriations Accounts	Actual FY 1998	Estimate FY 1999	Request FY 2000
FSA	7,260	9,780	10,500
IMET	61	-	-
Total	***7,321***	***9,780***	***10,500***
Other Accounts			
D&CP	1,704	1,811	1,889
ECE	921	827	865
Total	***2,625***	***2,638***	***2,754***
BELARUS FUNCTION 150 RESOURCES GRAND TOTAL	***9,946***	***12,418***	***13,254***

Georgia

($ in thousands)

National Interests: U.S. national security interests are at stake in the Georgia where regional and local instability threatens Georgia's evolution toward a democratic and free-market state. A stable, independent Georgia will reduce chances of military conflict in a region bordering Russia, Turkey, and Iran, proliferation of weapons of mass destruction (WMD), and the spread of international crime. Increased opportunities for exports will enhance U.S. economic prosperity. Other U.S. interests in Georgia are promotion of democracy, and humanitarian assistance.

Strategic Goals and Supporting Programs for FY 2000:

Regional Stability: Preventing renewed conflicts in Georgia, which could threaten the country's territorial integrity and the stability of the region serves U.S. national security and economic interests. Continuing U.S. support for the Abkhazia peace negotiations, FSA assistance to help Georgia take control of its borders, and intensification of Georgian cooperation with Western economic and security institutions through Partnership for Peace exercises and International Military and Education and Training (IMET) programs all enhance regional stability. Georgia will be eligible in FY 2000 to receive Excess Defense Articles (EDA) on a grant basis under Section 516 of the Foreign Assistance Act. Transfer of EDA will assist Georgia in meeting defense requirements and furthering NATO interoperability. $36,100

Weapons of Mass Destruction: Georgia's location at the crossroads of Europe's and Asia's commercial routes, and its poorly trained, equipped and supported border control organizations increase the threat of WMD materials transiting Georgia. FSA assistance and IMET programs concentrating on border and customs agencies help train and equip officials responsible for preventing the proliferation of WMD. $2,065

Open Markets: Georgia is located astride the principal export route for energy and natural resources from the Caspian area and Central Asia and a liberal economic environment in Georgia is critical to allowing the free flow of trade to and from these regions. FREEDOM Support Act (FSA) assistance, including Treasury technical advisors, helps Georgia's policymakers reform its trade and investment regimes and fosters integration into world economic organizations. $1,000

Economic Development: Georgia's full transformation into a market economy will offer opportunities for U.S. trade and investment. FSA assistance promotes the development of strong macroeconomic and structural policies, such as power sector restructuring and providing credit to small businesses, to help Georgia's economic recovery. $25,000

International Crime: Improving law and order and fighting corruption in Georgia contributes to the protection of Americans and promotes economic prosperity. FSA support strengthens the Georgian law enforcement capability and justice system. $3,500

Democracy: Georgia has been a leader in democratic reform in the New Independent States. FSA assistance supports the consolidation of democratic institutions and the institutionalization of respect for human rights in Georgia. Increased support for partnerships and exchanges is also critical to improving Georgian understanding and attitudes toward democratic and free market practices. $15,000

Humanitarian Assistance: The global financial crisis and the Abkhazia conflict have left more people vulnerable, requiring more FSA help to reduce human suffering and improve sustainability of social benefits and services in Georgia. $10,750

Health: In the aftermath of the dissolution of the Soviet Union, the health care network in Georgia virtually collapsed. FSA funding helps Georgia improve the sustainability of its health services, including targeting infectious diseases. $5,000

Performance Evaluation:

- Establishment of formal security dialogue. In 1998, the U.S. Department of State hosted the second bilateral security dialogue and the Department of Defense hosted the first Bilateral Defense Working Group.

- Progress toward assuming responsibility for controlling its borders and territorial waters. Georgia assumed control over its Black Sea coastal border (from Russian border forces) in July 1998 and should have control over its land borders by the end of 1999. USG programs have been key to this progress.

- Completion of process by which Georgia joins the World Trade Organization (WTO). Two working party sessions took place at WTO headquarters and Georgia is working, with the help of U.S. technical advisers, to accession in 1999.

- Continuation of bilateral negotiations between Georgian officials and representatives of the Abkhaz separatist regime. Bilateral negotiations have intensified. As a Friend of the Secretary-General, the U.S. plays a role in the UN-led process, which has gained greater visibility and credibility, in the negotiations.

Key Indicators for FY 2000 Performance:

- Establishment of joint Abkhaz-Georgian administrative structures and return of IDPs to Gali region.
- Establishment of a border control regime.
- Increased level of U.S. investments in and exports to Georgia.
- Free and fair parliamentary and presidential elections.
- Substantial decrease in percentage of people living at or below the poverty line.

GEORGIA
FUNCTION 150 RESOURCES
($ in thousands)

Appropriations Accounts by Strategic Goal	Actual FY 1998	Estimate FY 1999	Request FY 2000
Regional Stability	**27,299**	**27,342**	**36,100**
CIPA	4,953	8,300	10,500
FMF-G	5,350	1,650	3,200
FSA	16,580	17,000	22,000
IMET	416	392	400
Weapons of Mass Destruction	**1,090**	**870**	**2,065**
ESF	-	-	-
FSA	1,050	750	2,000
NADR-Export Control	40	120	65
Open Markets	**1,500**	**1,000**	**1,000**
FSA	1,500	1,000	1,000
U.S. Exports	**80**	**360**	-
FSA	80	360	-
Economic Development	**31,062**	**31,065**	**25,000**
FSA	31,062	31,065	25,000
International Crime	**1,600**	**2,400**	**3,500**
FSA	1,600	2,400	3,500
Democracy	**18,068**	**16,075**	**15,000**
FSA	18,068	16,075	15,000
Humanitarian Assistance	**24,049**	**10,710**	**10,750**
FSA	24,010	10,210	10,000
NADR-Demining	39	500	750
Environment	-	**200**	-
FSA	-	200	-
Health	**3,550**	**5,300**	**5,000**
FSA	3,550	5,300	5,000
Total	***108,298***	***95,322***	***98,415***

Appropriations Accounts	Actual FY 1998	Estimate FY 1999	Request FY 2000
CIPA	4,953	8,300	10,500
ESF	-	-	-
FMF	5,350	1,650	3,200
FSA	97,500	84,360	83,500
IMET	416	392	400
NADR	79	620	815
Total	***108,298***	***95,322***	***98,415***
Other Accounts			
D&CP	1,842	1,961	2,045
ECE	990	889	930
Total	***2,832***	***2,850***	***2,975***
GEORGIA FUNCTION 150 RESOURCES GRAND TOTAL	***111,130***	***98,172***	***101,390***

Kazakhstan

($ in thousands)

National Interests: U.S. national security can be strengthened in Kazakhstan in three primary areas: first, encouraging the development of the Caspian basin's hydrocarbon resources as an alternative to Middle East oil and gas; second, promoting Kazakhstan's long-term political stability through the development of democratic institutions and respect for human rights; and third, pursuing further dismantlement of Kazakhstan's Weapons of Mass Destruction (WMD) infrastructure, a peaceful role for its weapons scientists, and the attendant safe and secure storage of nuclear materials and spent fuels.

Strategic Goals and Supporting Programs for FY 2000:

Regional Stability: Kazakhstan plays a key role in Central Asia because of its size and geographic location between Russia, China, Iran and Afghanistan. Deepening Kazakhstan's cooperation in Partnership for Peace, supporting the Central Asian Peacekeeping Battalion, and continuing Foreign Military Financing and International Military Education and Training (IMET) programs as well as education and cultural exchanges will enhance the Kazakhstani military's interoperability with NATO forces, facilitate reform of the armed forces, and help Kazakhstani officials better understand Western democracy and free markets. Programs to coordinate trans-Caspian oil/gas export route issues and facilitate regional cooperation on water and electricity will also build regional stability. Kazakhstan will be eligible in FY 2000 to receive Excess Defense Articles (EDA) on a grant basis under Section 516 of the Foreign Assistance Act. Transfer of EDA will assist Kazakhstan in meeting defense requirements and furthering NATO interoperability. $2,350

Weapons of Mass Destruction (WMD): As a former nuclear weapons state with nuclear reactors, and Soviet biological and chemical weapons inheritance Kazakhstan has the potential to be a source or transit country for WMD materials or technology to state sponsors of terrorism. FSA and NADR programs will help to dismantle WMD infrastructure, ensure the security of nuclear materials at nuclear power, research and production facilities, enhance export controls and redirect scientific expertise into peaceful projects. $10,826

Open Markets: Kazakhstan's efforts to open its markets and progress toward WTO accession have slowed. The country must move ahead with reforms in order to secure the foreign investment necessary to exploit its energy export potential. U.S. support to liberalize Kazakhstan's commercial, legal and regulatory framework will be critical to U.S. interests in seeing that Kazakhstan reaches its potential as a principal exporter of energy and minerals that is the base for over $1.7 billion of U.S. investment.

Expand U.S. Exports: The business environment in Kazakhstan remains difficult, necessitating active U.S. advocacy on behalf of U.S. companies. FSA programs, such as DOC business promotion efforts, USDA's Cochran Farmer Exchanges and ECE, will be vital to increase U.S. trade and investment in Kazakhstan. $500

Economic Development: Positive economic growth in Kazakhstan was reversed by declining export prices and the spill-over of the Russian and Asian financial crisis. FSA, Peace Corps and public diplomacy programs assist Kazakhstan to establish the legal, regulatory, and institutional components of a transparent, market-based economy. They help Kazakhstan improve its financial and economic outlook, providing commercial opportunities for U.S. companies. $20,000

International Crime: Given Kazakhstan's budget woes and deeply-rooted Soviet law enforcement practices, FSA criminal justice assistance, administered by INL and USAID, strengthen Kazakhstan's law enforcement capability and judicial system. They help prevent international crime and corruption from affecting American citizens at home and abroad and promoting Kazakhstani economic prosperity. $1,000

Illegal Drugs: Kazakhstani government funding to fight the drug trade has been reduced and more illegal drugs are believed to be produced in or transit Kazakhstan. FSA criminal justice programs will strengthen Kazakhstan's ability to fight narcotics trafficking, production, and abuse as well as transit. $1,000

Democracy: Given the severely flawed January 1999 presidential election and deteriorating respect for civil liberties, FSA democratic initiatives and exchanges, Peace Corps and ECE will be carefully targeted to support the development of democratic institutions, political pluralism, civil society, and respect for human rights. $14,000

Humanitarian Assistance: Serious budget shortfalls have harmed the lives of large segments of people, primarily children, elderly and physically handicapped. FSA humanitarian initiatives and special transport will allow the U.S. to address specific, compelling social needs. $1,500

Environment: Despite serious budget constraints and industrial resistance, Kazakhstan has announced its intention to undertake serious steps to reduce emissions and protect endangered species and the Aral Sea. FSA, Peace Corps, and public diplomacy programs will strengthen Kazakhstan's commitment to protect the earth's climate, support conservation and sustainable use of natural resources, and reduce already serious environmental degradation. $1,500

Health: With its health system in a state of collapse, Kazakhstan is faced with epidemic levels of tuberculosis in several areas and growing numbers of AIDS cases. FSA programs will combat the spread of infectious disease within Kazakhstan and promote effective reorganization of Kazakhstan's health services. $4,000

Public Diplomacy: Kazakhstan's millennia of isolation from the West have created suspicion of U.S. culture, policy and goals. USIA programs will assist Embassy outreach, and promote and strive to maintain an atmosphere of trust and understanding between the people of Kazakhstan and the United States. $0

Performance Evaluation:

- Encourage the development of the Caspian basin's hydrocarbon resources as an alternative to reliance on Middle East oil and gas reserves. Production Sharing Agreement was signed

between the GOK and the Offshore Kazakhstan International Operating Company. Kazakhstan signed Ankara Declaration in October reaffirming multiple pipelines. Feasibility study signed. Key permits for export pipeline to Russian Black Sea port approved, clearing the way for actual construction preparation and work to begin.

- Promote Kazakhstan's long-term political stability through the development of democratic institutions and respect for human rights. Number of political parties increasing. CEC performance improved in informing citizens in January 1999 presidential election, but the flawed elections were still a setback for democracy.

- Pursue the dismantlement of Kazakhstan's WMD infrastructure and the attendant safe and secure storage of nuclear materials and spent fuels. Significant progress made to redirect expertise of former Soviet weapons scientists to commercial activities. Project for safe, secure disposition of spent nuclear fuel from BN-350 reactor is advancing. 140 ICBM silos and 178 of 181 test tunnels closed so far. Beginning dismantling the Stepnogorsk biological weapons facilities. Cooperation enhanced on export control system following regional forum in Astana in November.

- Enhance regional stability, prevent the spread of international crime and illegal drugs, fight against terrorism, and improve law enforcement cooperation. Bilateral statement on fighting international terrorism signed in November. New Criminal Code, which came into effect in January 1998, criminalizes money laundering and other financial crimes and will help combat drug trafficking.

- Assist Kazakhstan's transition to a free-market economy, help safeguard U.S. investment, and increase opportunities for U.S. exports. At meeting in October, GOK expressed intention in November to submit draft legislation to WTO secretariat by March 1999. GOK shares in second-tier companies sold on stock exchange benefited from USAID technical assistance. Accession to the Bern Convention on Intellectual Property in October.

Key Indicators for FY 2000 Performance:

- Access of Kazakhstani energy resources to world markets and continued GOK commitment to the development of a trans-Caspian export route to link up to an East-West pipeline to Turkey.
- Improve conduct of local and parliamentary elections if held in 1999, facilitate tangible democratic reform efforts, including registration of new political parties;
- Continue dismantlement of WMD infrastructure and redirection of scientific expertise, complete Materials Protection Control and Accounting projects, enhance export controls.
- Continued participation with U.S. and NATO forces in PfP, other multilateral activities, and a redefined CENTRASBAT, involving the development of a battalion from each of the CENTRASBAT nations, with the ability to deploy collectively or individually.
- Increased U.S. exports to Kazakhstan; resolution of ongoing U.S. business disputes.

KAZAKSTAN

FUNCTION 150 RESOURCES

($ in thousands)

Appropriations Accounts by Strategic Goal	Actual FY 1998	Estimate FY 1999	Request FY 2000
Regional Stability	**2,837**	**2,364**	**2,350**
FMF-G	2,250	1,800	1,800
IMET	587	564	550
Weapons of Mass Destruction	**1,564**	**1,805**	**10,826**
ESF	-	-	-
FSA	1,300	1,500	10,000
NADR-Export Control	264	305	826
Open Markets	**500**	**-**	**-**
FSA	500	-	-
U.S. Exports	**800**	**1,540**	**500**
FSA	800	1,540	500
Economic Development	**17,390**	**20,450**	**20,000**
FSA	17,390	20,450	20,000
International Crime	**550**	**950**	**1,000**
FSA	550	950	1,000
Illegal Drugs	**550**	**950**	**1,000**
FSA	550	950	1,000
Democracy	**13,126**	**12,300**	**14,000**
FSA	13,126	12,300	14,000
Humanitarian Assistance	**1,400**	**1,600**	**1,500**
FSA	1,400	1,600	1,500
Environment	**400**	**700**	**1,500**
FSA	400	700	1,500
Health	**4,284**	**4,200**	**4,000**
FSA	4,284	4,200	4,000
Total	***43,401***	***46,859***	***56,676***

Appropriations Accounts	Actual FY 1998	Estimate FY 1999	Request FY 2000
ESF	-	-	-
FMF	2,250	1,800	1,800
FSA	40,300	44,190	53,500
IMET	587	564	550
NADR	264	305	826
Total	***43,401***	***46,859***	***56,676***
Other Accounts			
D&CP	2,800	2,972	3,099
ECE	1,563	1,404	1,469
Peace Corps	1,831	2,172	2,498
Total	***6,194***	***6,548***	***7,066***
KAZAKSTAN			
FUNCTION 150 RESOURCES GRAND TOTAL	***49,595***	***53,407***	***63,742***

Kyrgyzstan

($ in thousands)

National Interests: U.S. national interest security is enhanced by a stable, prosperous and independent Kyrgyzstan that contributes to regional stability, cooperation and market democratic development. Democratization, market-oriented growth and integration into the world economy in turn further Kyrgyzstan's sovereignty and independence.

Strategic Goals and Supporting Programs for FY 2000:

Regional Stability: Warsaw Initiative funding for participation in Partnership for Peace (PFP) activities, training, and equipment combined with International Military Education and Training (IMET) programs will further regional cooperation and reform of the Kyrgyz military along Western models. State Department and Peace Corps will promote regional stability via cooperation in natural resources management. Kyrgyzstan will be eligible in FY 2000 to receive Excess Defense Articles (EDA) on a grant basis under Section 516 of the Foreign Assistance Act. Transfer of EDA will assist Kyrgyzstan in meeting defense requirements and furthering NATO interoperability. $1,900

Weapons of Mass Destruction: An effective export control system will be promoted via assessment of current resources, and training and equipment assistance. U.S. Civilian Research and Development Foundation projects will fund peaceful research projects for former weapons scientists and support the commercial development of promising innovative developments. A seismology center, staffed by local scientists, will monitor regional seismic activity. $6,707

Economic Development: FSA supported training and technical assistance will continue in commercial law reform, government finance reform, power sector restructuring, small business formation and economic development. FSA funds also support initiatives to provide capital for Kyrgyz business through the Central Asian - American Enterprise Fund. $14,000

Illegal Drugs: Continuation of criminal justice assistance, including training in investigation, forensics, and organized crime prevention. $1,000

Democracy: Democratic institutions and practices will be strengthened through programs focusing on assisting NGO's, media, academia, and the government, in particular in preparation for upcoming elections. The USG has partnered with the Soros Foundation and made a significant investment in the founding of the independent American University of Kyrgyzstan. $10,000

Open Markets: Exchanges under USIA and Peace Corps auspices will focus on further development of commercial law and private enterprise development.

Humanitarian Assistance: Assistance for transportation of humanitarian donations and natural disaster emergency supplies. $1,500

Health: Support for reform of health sector and disease prevention. $3,000

Public Diplomacy: Educational and cultural exchanges and information programs are designed to expose Kyrgyz to U.S. democratic and economic institutions.

Performance Evaluation:

- Entry into the WTO Kyrgyzstan entered the WTO in December 1998 after negotiating a forward-looking accession package, including parliamentary approval of a number of key reforms. Next key steps are implementation of agreed tariff and goods & services agreements.

- CENTRASBAT 98 participation Kyrgyzstan actively participated in planning and executing a successful regional peacekeeping exercise with other contributors to the Central Asia Peacekeeping Battalion (Uzbekistan and Kazakhstan).

- Weapons interdiction Kyrgyz customs authorities detained an Iranian humanitarian shipment to Afghanistan after discovering the shipment contained ammunition.

Key Indicators for FY 2000 Performance:

- Passage and implementation of commercial laws conducive to business development and investment,
- Free and fair elections in 1999/2000.
- Continued participation with U.S. and NATO forces in PfP, other multilateral activities, and a redefined CENTRASBAT, involving the development of a battalion from each of the CENTRASBAT nations, with the ability to deploy collectively or individually.
- Progress towards a credible non-proliferation/anti-narcotics regime, including professional customs service and immigration controls.

KYRGYZSTAN
FUNCTION 150 RESOURCES
($ in thousands)

Appropriations Accounts by Strategic Goal	Actual FY 1998	Estimate FY 1999	Request FY 2000
Regional Stability	**1,686**	**1,883**	**1,900**
FMF-G	1,350	1,550	1,550
IMET	336	333	350
Weapons of Mass Destruction	**42**	**908**	**6,707**
ESF	-	-	-
FSA	-	500	5,000
NADR-Export Control	42	408	1,707
Open Markets	**1,000**	**-**	**-**
FSA	1,000	-	-
U.S. Exports	**190**	**490**	**-**
FSA	190	490	-
Economic Development	**9,332**	**13,150**	**14,000**
FSA	9,332	13,150	14,000
Illegal Drugs	**600**	**1,000**	**1,000**
FSA	600	1,000	1,000
Democracy	**8,278**	**8,900**	**10,000**
FSA	8,278	8,900	10,000
Humanitarian Assistance	**2,640**	**1,600**	**1,500**
FSA	2,640	1,600	1,500
Health	**2,280**	**2,880**	**3,000**
FSA	2,280	2,880	3,000
Total	***26,048***	***30,811***	***38,107***

Appropriations Accounts	Actual FY 1998	Estimate FY 1999	Request FY 2000
ESF	-	-	-
FMF	1,350	1,550	1,550
FSA	24,320	28,520	34,500
IMET	336	333	350
NADR	42	408	1,707
Total	***26,048***	***30,811***	***38,107***
Other Accounts			
D&CP	1,285	1,366	1,425
ECE	880	790	826
Peace Corps	1,257	1,419	1,498
Total	***3,422***	***3,575***	***3,749***
KYRGYZSTAN ***FUNCTION 150 RESOURCES GRAND TOTAL***	***29,470***	***34,386***	***41,856***

Moldova

($ in thousands)

National Interests: The U.S. national interests primarily at stake in Moldova include promotion of a democratic government, a free market economy, and regional stability and security. U.S. national security is affected by the regional instability caused by the ongoing Transnistrian conflict, which adversely affects security in the Balkans and the former USSR. Other U.S. interests in Moldova include promoting economic prosperity, combating transnational crime, preventing weapons proliferation, and averting humanitarian crises.

Strategic Goals and Supporting Programs for FY 2000:

Regional Stability: Transnistrian secession threatens the stability of the Balkans and the Newly Independent States (NIS) region. Support of the Moldovan government's emerging strategy for resolving the conflict will aid in mitigating regional instability and fostering the withdrawal of Russian troops and arms stockpiles. Continuing the Warsaw Initiative and International Military Education and Training (IMET) programs support regional stability by promoting the development of a Western-oriented military that can participate in Partnership for Peace (PfP) exercises and conferences, which serves to more closely integrate Moldova with Euro-Atlantic security institutions. Moldova will be eligible in FY 2000 to receive Excess Defense Articles (EDA) on a grant basis under Section 516 of the Foreign Assistance Act. Transfer of EDA will assist Moldova in meeting defense requirements and furthering NATO interoperability. $32,050

Weapons of Mass Destruction: Preventing the export or transit of arms or strategic materials that could be used for weapons of mass destruction is a key U.S. objective in Moldova. To that end, U.S. assistance programs in this area will emphasize strengthening Moldova's export control system and its ability to prevent, deter, and investigate incidents involving the movement and trafficking of lethal weapons. $2,912

Open Markets: Treasury and Commerce Technical Assistance will help strengthen Moldova's economy through the provision of financial expertise to advise Moldova on its securities and banking regulations. In conjunction with other economic reforms, this assistance will serve to further harmonize Moldova's financial markets with those of Western countries. $500

Economic Development: Political stability in Moldova requires long-term stable economic growth, and Moldova is perhaps the most advanced of any of the NIS in economic reform. U.S. assistance in this area seeks to help Moldova be a model in obtain long-term growth through large-scale land privatization, deregulation, and other reform measures. U.S. assistance programs target not only land reform, but other restructuring efforts in accounting systems, taxation, the energy sector, and legislation affecting trade and investment. $26,000

International Crime: The growth of organized crime in the NIS region presents a direct and growing threat to Moldovan prospects for economic and political stability, and thus for U.S. national security interests. Assistance funds underwrite cooperative efforts between U.S. Government law enforcement and GOM/local officials designed to combat organized crime.

$3,500

Democracy: Moldova has generally outpaced its neighbors in terms of its democratic development and human rights observance. Furthering this trend through USG assistance programs fosters the development of a civil society that will promote stability internally and in the region. Moldova's success in promoting a democracy will provide a positive example for other neighboring states to follow in their democratic development.

$8,500

Humanitarian Assistance: In recognition of Moldova's current economic crisis and the hardships associated with its ongoing reform efforts, the U.S. intends to continue providing emergency humanitarian assistance including emergency pharmaceutical and vaccine supplies.

$2,750

Health: In an attempt to further improve healthcare for vulnerable groups of Moldova's population, and thereby promote a measure of greater prosperity for all Moldovans, the U.S. will continue supporting health partnerships, and women's health/family planning activities.

$1,000

Public Diplomacy: In keeping with U.S. goals in Moldova, ECE will help to promote economic growth, political security, democracy and human rights, and the free flow of information. Perhaps the most significant U.S. assistance to Moldova in public diplomacy will be to promote the free flow of information through both the development of a more independent and responsible press and the promotion of greater internet access.

Performance Evaluation:

- Bring mechanisms into operation to convey and title land. In FY 1998, FSA programs resulted in a streamlined land and property allocation process and a decentralized and simplified titling and registration system. During this fiscal period, USAID completed the pilot phase of the restructuring of 72 collective farms, resulting in the issuance of 185,000 individual legally-valid titles and formation of more than 3,000 new private farms.

- Progress in privatizing and restructuring the power sector. The break-up and corporatization of the state electric-power monopoly into three generation, five distribution, and one dispatch and transmission entity laid the foundation for privatization in FY 1998. USAID helped establish the National Agency for Energy Regulation (ANRE) as an independent regulatory body with the exclusive authority over licensing, establishing tariffs and consumer service standards. USAID advisors

also helped introduce a cash collection system and fuel procurement mechanism, as well as information and management techniques toward a new market-oriented environment conducive to foreign investments.

- Increase size of USIS exchange programs in Moldova. Exchanges conducted by USIA Chisinau in FY 1998 saw a net increase. The Community Connections program saw the biggest increase of individuals - from 110 in FY 1997 to 140 in FY 1998- participating in exchanges in the fields of law, business, public administration, agriculture and the press. Other FY 98 USIS exchange programs included the Fulbright program for graduate and undergraduate scholars as well as high school teachers, and the International Visitors Program. USIS sent a number of legal and law enforcement officials to the U.S. with a special emphasis on fighting crime and corruption through the International Visitor's Program (IVP) in FY 1998. Under the IVP, the President of the Supreme Court, the President's advisor on foreign affairs, the President's advisor on national security, the head of the President's Supreme Economic Council, and six members of Parliament, including almost the entire Budget Commission, visited the U.S.

- Continued PFP participation and increased promotion to senior military or defense ministry positions of graduates of U.S. IMET programs. Moldova is one of the most active of the former Soviet states in the Partnership for Peace program and has significantly increased its participation since 1995 despite severe financial limitations. Moldova participated in 7 PfP exercises in 1998. IMET trained 11 Moldovans in FY 1998, bringing the total to 41 since the beginning of the program. Moldovan graduates of the IMET program have consistently moved into positions of greater responsibility. The Moldovan Ministry of Defense is very pleased with the program, and it has proved a definite plus in engaging with the Moldovans.

Key Indicators for FY 2000 Performance:

- Number of farms decollectivized with title certificates for individual plots issued to the eligible farmers.
- Organization of successful tenders for electrical power generation and distribution companies.
- At least one visit to Chisinau by a USG law enforcement agency.
- Establish a technical assistance program for independent newspapers with a resident U.S. advisor.
- Continue IMET and other military exchanges intended to develop democratically oriented armed forces.
- Help draft and secure passage of legislation containing required reforms affecting trade and investment policy to prepare Moldova for WTO accession.
- Promote and assist new investments by U.S. firms in the Moldovan agribusiness sector.

MOLDOVA
FUNCTION 150 RESOURCES
($ in thousands)

Appropriations Accounts by Strategic Goal	Actual FY 1998	Estimate FY 1999	Request FY 2000
Regional Stability	**3,910**	**1,311**	**32,050**
FMF-G	3,450	850	1,500
FSA	-	-	30,000
IMET	460	461	550
Weapons of Mass Destruction	**37**	**77**	**2,912**
FSA	-	-	2,000
NADR-Export Control	37	77	912
Open Markets	**500**	**-**	**500**
FSA	500	-	500
U.S. Exports	**110**	**910**	**-**
FSA	110	910	-
Economic Development	**18,850**	**23,100**	**26,000**
FSA	18,850	23,100	26,000
International Crime	**500**	**3,050**	**3,500**
FSA	500	3,050	3,500
Democracy	**5,810**	**5,500**	**8,500**
FSA	5,810	5,500	8,500
Humanitarian Assistance	**6,700**	**2,800**	**2,750**
FSA	6,700	2,300	2,000
NADR-Demining	-	500	750
Health	**600**	**1,000**	**1,000**
FSA	600	1,000	1,000
Total	***37,017***	***37,748***	***77,212***

Appropriations Accounts	Actual FY 1998	Estimate FY 1999	Request FY 2000
ESF	-	-	-
FMF	3,450	850	1,500
FSA	33,070	35,860	73,500
IMET	460	461	550
NADR	37	577	1,662
Total	***37,017***	***37,748***	***77,212***
Other Accounts			
D&CP	969	1,034	1,078
ECE	550	494	517
Peace Corps	1,569	1,700	1,725
Total	***3,088***	***3,228***	***3,320***
MOLDOVA FUNCTION 150 RESOURCES GRAND TOTAL	***40,105***	***40,976***	***80,532***

Russia

($ in thousands)

National Interests: The U.S. has an overriding national security interest in furthering Russia's development of a democratic civil society ruled by law with respect for human rights and a growth oriented market economy that are fully integrated into the mainstream of world political and economic relations. The benefits to the United States of a non-threatening and reforming Russia are direct and tangible in terms of maintaining a reduced level of defense spending and opening up a potentially huge export market and alternative source for our energy needs. Russia's fledgling steps toward democracy could be reversed if its people lose hope in economic revival and a more economically secure future. We also have strong interests in preventing proliferation of weapons of mass destruction, protecting Americans from the threat of international crime originating in Russia, and cleaning up the environmental degradation from the Soviet period.

Strategic Goals and Supporting Programs For FY 2000:

Regional Stability: Russia plays a significant role in Europe, Asia, and the Middle East as well as in the UN Security Council. Continuing Warsaw Initiative funding for Partnership for Peace exercises and International Military Education and Training programs will help policy leaders in Russia understand that the admission of new members to NATO does not threaten Russian Security. Russia will be eligible in FY 2000 to receive Excess Defense Articles (EDA) on a grant basis under Section 516 of the Foreign Assistance Act. Transfer of EDA will assist Russia in meeting defense requirement and furthering NATO interoperability. $5,400

Weapons of Mass Destruction: Nonproliferation, Antiterrorism, Demining and Related Programs (NADR) funds help Russia contain its nuclear, biological and chemical weapons and related technology. Scientific collaboration programs with FSA keep experts at home and employed in peaceful pursuits, while the Export Control program provides equipment and training and helps strengthen institutions charged with containment of potential weapons components within Russia. $121,261

Open Markets: Foreign investors must have confidence in the transparency of Russia's economic policies before they risk the capital needed to tap into Russia's vast resources. Full-time, professional advisers provide expertise and advice to Russian policymakers as they develop regulatory legislation. $5,000

Expand U.S. Exports: For nearly a century, most of Russia's markets were closed to U.S. products and services. The FSA funds programs that provide U.S. businesses with information about markets and investment opportunities across the broad expanse of the Russian Federation. In a number of Russian regions, American Business Centers provide U.S. businesspeople with logistical support and help them identify purchasers and joint venture partners. $6,000

Global Economic Growth: Russia must build a positive investment climate to attract capital flows needed to bring about long-term economic growth. FSA programs help provide training and expertise to develop a coherent tax code, improve budget policy, and tighten regulation of the banking sector. $23,000

Economic Development: Success of democratic and economic reform in Russia depends on the individual Russian's belief that their day-to-day lives will improve. The engine of future growth in Russia is small business. The lion's share of FSA for this program in FY 2000 will capitalize revolving Enterprise funds and credit programs for small businesses, with particular emphasis on the regions outside Moscow. Such funds are particularly important in helping entrepreneurs in the financial crisis. Other programs will help build the legislative framework to create a positive environment for investment at the regional level, and provide training to thousands of entrepreneurs. $49,000

International Crime: Russia's authorities now recognize the threat to their economy presented by international crime, and they have turned to the U.S. and other Western partners for assistance in addressing these issues. The complexity of white-collar crimes, particularly corruption, money-laundering, fraud and others, is beyond the capability and resources of Russian law enforcement. The USG provides training and expertise to Russian law enforcement authorities on these issues. $8,600

Illegal Drugs: Russia's role as a transit country for illegal drugs has increased since the breakup of the Soviet Union. Drug use, particularly of opiates, is on the rise. Russian law enforcement is poorly prepared to address the complexity and international nature of issues relating to drug trafficking and narcobusiness. Targeted USG interagency programs, coordinated by INL, support training of Russian law enforcement authorities in modern methods to combat these crimes. $400

Democracy: Success for Russian reforms in general, and the direct benefits to the U.S. they present, depend on the success of Russia's democratic institutions. Despite political and economic crises, transition of authority has remained within the bounds of Russia's constitution, a trend FSA programs seek to support. Long-term change will be generational and must come from the grass roots. FSA funding for exchange programs and support for development of Russia's fledgling NGO sector and independent media address our long-term goal to foster democratic institutions and respect for international human rights standards. $58,000

Humanitarian Assistance: The stability of Russia's government -- which is in our direct national interest -- depends in part on its ability to address the populations' most urgent needs. One consequence of the financial crisis is that Russia no longer has the capacity to address emergencies as they arise. In addition to addressing genuine humanitarian needs, US assistance does much to engender good relations between U.S. and Russian NGO's. $6,000

Environment: Russia's environment bears deep scars from the Soviet era. Now some areas have the potential to damage the environment well beyond Russia's borders. With

the governments of countries in the region, FSA funds support programs to safely contain nuclear waste in Russia's northwest . Other programs contribute to the international effort aimed at phasing out ozone-depleting CFC's. $9,000

Population: Regional conflicts, particularly in the North Caucasus and Central Asia, have displaced thousands and created refugee flows. The USG contributes to international efforts coordinated by the UNHCR and other international organizations. $1,200

Health: Russia's financial crisis has further damaged the post-Soviet social safety net, and most Russians no longer have access to adequate health care. Now Russia's health concerns have the potential to have impact on the world at large. In addition to funding partnerships with U.S. hospitals, FSA programs will help address the spread of multi-drug-resistant strains of tuberculosis. $6,800

Performance Evaluation:

- Achieve and implement bilateral agreements on arms control and nonproliferation arrangements. Consensus for passing START II nearly reached in Duma, passage slowed by political response to air strikes on Iraq. On non-proliferation, Russian authorities have taken action against entities discovered to be contravening policy, but GOR needs to press for tight compliance.

- Provision of civilian employment alternatives to a majority of scientists with critical weapons expertise. USG programs engaged approximately 65 percent of weapons scientists and technicians in peaceful research and development projects. Science Centers significantly expanded the number of projects involving former Russian biological weapons scientists and energized a concerted U.S. interagency effort to increase activities in the biotechnical arena. The Science Centers expanded business training programs for these scientists, and the Civilian Research and Development Foundation initiated several programs to promote collaboration between U.S. companies and weapons scientists with commercially promising research results.

- Passage and implementation of commercial laws conducive to business and investment. Part one of new tax code passed in July 1998. Production Sharing Agreement (PSA) implementing legislation passed in December 1998, other PSA legislation still in parliament. Legislation limiting foreign investment in and management of Russian tourism entities vetoed by President Yeltsin. Amendments to Production Sharing Agreement legislation, opposed by U.S. industry, withdrawn from consideration.

- Progress toward World Trade Organization accession. Official commitment to WTO accession remains strong, despite intensification of financial crisis. Two working party sessions at WTO headquarters held in 1998. Goods offer tabled, although proposed tariff bindings are higher than current, actual tariffs. Agricultural subsidies

offer tabled, although 1988-91 base periods used permit higher subsidies than more recent periods.

- Use implementing regulations to lessen negative effects of religion law. President Yeltsin agreed to use the implementation phase of the 1997 Law on Religion to mitigate some of its negative effects on religious liberty in Russia. Central government officials have done so, but need to take concrete steps to bring local officials in line with international standards.

Key Indicators for FY 2000 Performance:

- Implementation of export control regimes resulting in Russian curbs on WMD technology transfers to Iran/Iraq.
- Recognize international standards of religious freedom.
- Decreased corruption-related complaints by U.S. business.
- Level of U.S. exports to Russia.
- Foreign direct investment to Russian regions.
- Greater portion of Russian scientists and technicians with weapons expertise securely employed.
- Closure of the most dangerous Russian nuclear power plants

RUSSIA
FUNCTION 150 RESOURCES
($ in thousands)

Appropriations Accounts by Strategic Goal	Actual FY 1998	Estimate FY 1999	Request FY 2000
Regional Stability	**2,982**	**2,420**	**5,400**
FMF-G	2,250	1,500	1,500
FSA	-	-	3,000
IMET	732	920	900
Weapons of Mass Destruction	**9,088**	**26,497**	**121,261**
ESF	-	-	-
FSA	7,400	25,000	119,000
NADR-Export Control	1,688	1,497	2,261
Open Markets	**12,650**	**6,400**	**5,000**
FSA	12,650	6,400	5,000
U.S. Exports	**12,684**	**5,750**	**6,000**
FSA	12,684	5,750	6,000
Global Economic Growth	**1,230**	**21,600**	**23,000**
FSA	1,230	21,600	23,000
Economic Development	**25,600**	**24,370**	**49,000**
FSA	25,600	24,370	49,000
International Crime	**9,270**	**7,735**	**8,600**
FSA	9,270	7,735	8,600
Illegal Drugs	**430**	**365**	**400**
FSA	430	365	400
Democracy	**48,338**	**56,680**	**58,000**
FSA	48,338	56,680	58,000
Humanitarian Assistance	**2,920**	**5,580**	**6,000**
FSA	2,920	5,580	6,000

Appropriations Accounts by Strategic Goal	Actual FY 1998	Estimate FY 1999	Request FY 2000
Environment	**5,800**	**11,450**	**9,000**
FSA	5,800	11,450	9,000
Population	**1,020**	**1,115**	**1,200**
FSA	1,020	1,115	1,200
Health	**5,772**	**6,315**	**6,800**
FSA	5,772	6,315	6,800
Diplomatic Activities	**70**	**-**	**-**
FSA	70	-	-
Total	***137,853***	***176,277***	***299,661***

Appropriations Accounts	Actual FY 1998	Estimate FY 1999	Request FY 2000
FMF	2,250	1,500	1,500
FSA	133,183	172,360	295,000
IMET	732	920	900
NADR	1,688	1,497	2,261
Total	***137,853***	***176,277***	***299,661***
Other Accounts			
D&CP	19,908	21,164	22,127
ECE	10,199	9,159	9,580
Peace Corps	3,096	3,474	3,998
Total	***33,203***	***33,797***	***35,705***
RUSSIA FUNCTION 150 RESOURCES GRAND TOTAL	***171,056***	***210,074***	***335,366***

Tajikistan

($ in thousands)

National Interests: U.S. national security is enhanced by Central Asian states that are independent, stable, integrated into Western and global structures, and prosperous market democracies. A stable, peaceful Tajikistan contributes to regional cooperation and stability, minimizes opportunities for interference by outside powers, and will help to curb international crime, narcotics trafficking and terrorism.

Strategic Goals and Supporting Programs for FY 2000:

Regional Stability: Successful implementation of the peace process in Tajikistan is an important key to regional stability in Central Asia. This goal is fostered by support to the United Nations Mission of Observers in Tajikistan (UNMOT). $7,000

Weapons of Mass Destruction: Tajikistan does not have any weapons of mass destruction, either nuclear or chemical, though it does have significant uranium reserves and uranium processing facilities which could be of strategic significance. Export control assistance will continue. $65

Economic Development: Tajikistan was the poorest republic of the former Soviet Union. Development of a private sector is high priority for economic growth. FSA assistance in the form of exchanges, training, and enterprise funds promotes economic restructuring and privatization. $3,000

International Crime: Drug trafficking across Tajikistan's porous border with Afghanistan is a serious problem. FSA criminal justice programs seek to improve law and order and fight corruption. $500

Democracy: Support the establishment of democratic institutions, laws and practices and promote an active civil society. This goal is supported by FSA assistance to support the development of democratic institutions and promote respect for human rights. The U.S. will continue to promote institution-building, including the holding of free and fair elections as required under the peace accords. $3,500

Humanitarian Assistance: Under the terms of the peace accords, repatriation of the refugees from Afghanistan has been completed. These returnees now need help in rebuilding their homes and reintegrating into society. FSA humanitarian programs target returnees and other vulnerable groups. $4,500

Health: Tajikistan has one of the world's highest infant mortality rates and has suffered from outbreaks of diseases such as typhoid. FSA assistance focuses on improving Tajikistan's health care system and fighting the spread of disease. $1,000

Performance Evaluation:

Humanitarian Assistance: Has succeeded in alleviating urgent need among some of the country's most vulnerable groups. Emergency food aid has helped feed returning refugees and has been used by NGO's managing food-for-work programs assisting the returnees to rebuild.

Implementation of the June 1997 peace accord. Both government and opposition have already overcome many hurdles as they move forward with implementation. Refugees have been repatriated, opposition figures given positions in the government, and opposition fighters brought to assembly points and registered.

Further development of political parties. Under the terms of the peace accords the government has promised to lift the ban on the four banned opposition parties.

Key Indicators for FY 2000 Performance:

- Completion of commitments required during the transition period established under peace accords;
- Ban lifted on opposition parties;
- Conduct of free and fair parliamentary elections with the participation of opposition parties;
- Increased privatization, including increased number of small and medium sized businesses;
- Improvement of internal stability.

TAJIKISTAN
FUNCTION 150 RESOURCES
($ in thousands)

Appropriations Accounts by Strategic Goal	Actual FY 1998	Estimate FY 1999	Request FY 2000
Regional Stability	**4,946**	**3,000**	**7,000**
CIPA	4,946	3,000	7,000
Weapons of Mass Destruction	**41**	**24**	**63**
ESF	-	-	-
NADR-Export Control	41	24	63
U.S. Exports	**80**	**220**	**-**
FSA	80	220	-
Economic Development	**3,515**	**3,150**	**3,000**
FSA	3,515	3,150	3,000
International Crime	**200**	**600**	**500**
FSA	200	600	500
Democracy	**3,849**	**1,900**	**3,500**
FSA	3,849	1,900	3,500
Humanitarian Assistance	**7,905**	**5,200**	**4,500**
FSA	3,856	5,200	4,000
NADR-Demining	-	-	500
Title II	4,049	-	-
Health	**450**	**800**	**1,000**
FSA	450	800	1,000
Total	***20,986***	***14,894***	***19,563***

Appropriations Accounts	Actual FY 1998	Estimate FY 1999	Request FY 2000
CIPA	4,946	3,000	7,000
ESF	-	-	-
FSA	11,950	11,870	12,000
NADR	41	24	563
Title II	4,049	-	-
Total	***20,986***	***14,894***	***19,563***
Other Accounts			
D&CP	1,518	1,611	1,680
ECE	84	75	78
Total	***1,602***	***1,686***	***1,758***
TAJIKISTAN FUNCTION 150 RESOURCES GRAND TOTAL	***22,588***	***16,580***	***21,321***

Turkmenistan

($ in thousands)

National Interests: U.S. national security is enhanced by a stable, independent Turkmenistan that contributes to regional stability and prosperity. The U.S. also has an interest in the delivery that Turkmenistan's significant energy resources be delivered to key energy markets in Turkey and that those resources not pass through Iran. Market economic development and the fostering of democracy and respect for human rights will reinforce stability and create a positive environment for U.S. business activity. There is still a great deal that needs to be done in Turkmenistan on both economic and democratic reform.

Strategic Goals and Supporting Programs for FY 2000:

Regional Stability: Warsaw Initiative funding for participation in Partnership for Peace (PFP) activities, training, and equipment combined with International Military Education and Training (IMET) programs will further regional cooperation and reform of the Turkmen military along Western models and enhance Turkmenistan's engagement with Western security institutions. Turkmenistan will be eligible in FY 2000 to receive Excess Defense Articles (EDA) on a grant basis under Section 516 of the Foreign Assistance Act. Transfer of EDA will assist Turkmenistan in meeting defense requirements and furthering NATO interoperability. $900

Weapons of Mass Destruction: An effective export control system will be promoted via assessment of current resources, and training and equipment assistance. $3,418

Economic Development: Support for creating a legal and institutional framework for development of energy resources. FSA funded exchanges, training and technical assistance are designed to promote growth of a stable, market oriented economy. $5,000

International Crime: Continuation of training customs and border guards with a view to strengthening borders and preventing smuggling. $1,000

Democracy: Provide assistance to the Turkmen government to fulfill its public commitments to adhere to democratic norms and to respect human rights, in particular in preparation for upcoming elections. Training, exchanges and information outreach will be designed to support citizens' groups and NGO's. $2,500

Humanitarian Assistance: Assistance for transportation of humanitarian donations and natural disaster emergency supplies. $500

Health: Support for reform of health sector and disease prevention. $1,000

Performance Evaluation

- Support for a trans-Caspian pipeline. In April 1998 the Turkmen government agreed to a feasibility study for a trans-Caspian pipeline sponsored by the U.S. Trade and Development Agency. Since that time, the Turkmen government has displayed excellent progress towards forming a consortium for construction of the trans-Caspian pipeline.

- Opening of OSCE Ashgabat office. Turkmenistan has supported establishing an OSCE office in Ashgabat, which will be open by the beginning of 1999 and is expected to contribute to promotion of democracy in the run-up to parliamentary elections in December 1999.

Key Indicators for FY 2000 Performance:

- Agreement with international consortium for development of a trans-Caspian pipeline and resolution of outstanding issues with transit countries.
- Multicandidate parliamentary elections in 1999.
- OSCE democracy-building activities take place.
- Progress towards a credible non-proliferation/anti-narcotics regime, including professional customs service and immigration controls, increased participation in PFP activities, and continued reform of the armed forces.
- Accelerated progress towards creation of a market economy, including privatization, transparency, and on-line government accounts.

TURKMENISTAN
FUNCTION 150 RESOURCES
($ in thousands)

Appropriations Accounts by Strategic Goal	Actual FY 1998	Estimate FY 1999	Request FY 2000
Regional Stability	**786**	**907**	**900**
FMF-G	450	600	600
IMET	336	307	300
Weapons of Mass Destruction	**56**	**163**	**3,418**
ESF	-	-	-
FSA	-	-	2,000
NADR-Export Control	56	163	1,418
U.S. Exports	**100**	**320**	**-**
FSA	100	320	-
Economic Development	**1,800**	**7,200**	**5,000**
FSA	1,800	7,200	5,000
International Crime	**500**	**1,700**	**1,000**
FSA	500	1,700	1,000
Democracy	**1,850**	**2,200**	**2,500**
FSA	1,850	2,200	2,500
Humanitarian Assistance	**350**	**500**	**500**
FSA	350	500	500
Health	**650**	**1,500**	**1,000**
FSA	650	1,500	1,000
Total	***6,092***	***14,490***	***14,318***

Appropriations Accounts	Actual FY 1998	Estimate FY 1999	Request FY 2000
ESF	-	-	-
FMF	450	600	600
FSA	5,250	13,420	12,000
IMET	336	307	300
NADR	56	163	1,418
Total	***6,092***	***14,490***	***14,318***
Other Accounts			
D&CP	1,203	1,280	1,335
ECE	143	128	134
Peace Corps	1,221	1,307	1,391
Total	***2,567***	***2,715***	***2,860***
TURKMENISTAN FUNCTION 150 RESOURCES GRAND TOTAL	***8,659***	***17,205***	***17,178***

Ukraine

($ in thousands)

National Interests: The U.S. seeks an independent, democratic, and non-nuclear Ukraine with a market economy and a civilian controlled military that is integrated into the broader Euro-Atlantic community. Ukrainian stability is important to U.S. national security. A successful Ukrainian transition would contribute to regional stability and prosperity and promote a secure and undivided Europe. Among the key benefits to the U.S of such a transition would be the elimination of Weapons of Mass Destruction (WMD) infrastructure, the reduction of international organized crime, and a permanent solution to the ongoing risk of nuclear contamination at Chernobyl. Ukraine is also a potentially important market for U.S. goods and services.

Strategic Goals and Supporting Programs for FY 2000:

Regional Stability: Ukraine is strategically located between Russia and Central Europe. Continuing Warsaw Initiative and International Military Education and Training (IMET) programs promote the development of a western-oriented military capable of participating alongside NATO forces in peacekeeping operations and Partnership for Peace (PFP) exercises. These relations tie Ukrainian interests and outlook to the West. Ukraine will be eligible in FY 2000 to receive Excess Defense Articles (EDA) on a grant basis under Section 516 of the Foreign Assistance Act. Transfer of EDA will assist Ukraine in meeting defense requirements and furthering NATO interoperability. $4,650

Weapons of Mass Destruction: Freedom Support Act (FSA) assistance supports the peaceful employment of Ukrainians who once specialized in research and development of WMD and their delivery systems through projects supported by the Science and Technology Center in Ukraine (STCU) and the U.S. Civilian Research and Development Foundation. Export control assistance under FSA and NADR helps to maintain and expand a common understanding and approach with Ukraine on preventing the proliferation of nuclear, chemical, and biological weapons technologies, as well as ballistic missile technologies. $30,557

Open Markets: The President's Partnership for Freedom initiative promotes the adoption of liberal trade and investment regimes consistent with WTO and OECD norms (and eventual accession into the former), as well as the swift resolution of individual trade and investment disputes in a manner consistent with such norms. $4,000

Expand U.S. Exports: The USG utilizes trade-facilitating mechanisms such as Department of Commerce/Foreign Commercial Service trade promotion programs, US EXIM credits, OPIC insurance and project finance mechanisms, TDA feasibility study programs, and targeted use of Partnership for Freedom and other assistance to expand U.S. exports to Ukraine. $2,000

Economic Development: The President's Partnership for Freedom (PFF) initiative and support for IFI programs encourage the adoption of policies oriented to private sector growth (especially small and medium size businesses), macroeconomic stabilization, structural reform, energy reform, and the removal of legal and other impediments to increased trade and investment. The program is designed to build grass roots support for economic reform and ultimately alleviate concern and resistance in the Rada and parts of the government. $54,000

International Crime: Corruption and organized crime are substantial and increasing threats to democratic stability and economic development in Ukraine. The activities of Ukrainian criminal organizations also threaten U.S. international interests, such as eliminating trafficking in narcotics and women and children. Assistance from a number of U.S. agencies is directed through an established law enforcement liaison with the intention of improving the legal basis for law enforcement, strengthening law enforcement institutions and contributing to their reform. $5,000

Democracy: Emerging from 70 years of Soviet totalitarianism, Ukraine has made progress in creating a democratic political system. FSA funded assistance programs support the continuing development of democratic institutions, the rule of law, freedom of religion and movement, and the creation of a civil society in Ukraine. Exchanges and partnerships play an important role. $44,000

Humanitarian Assistance: U.S. and multilateral assistance resources are available to address humanitarian crises in Ukraine now existing and as they arise. $12,000

Environment: The United States, as part of the G-7, signed a Memorandum of Understanding with Ukraine in December 1995 which commits Ukraine to close the Chernobyl NPP by 2000. Continued operation poses a threat to Ukraine, the region, and, potentially, North America. FSA-funded assistance programs are designed to help Ukraine meet these commitments and also to ensure the safety of remaining reactors $60,000

Health: USG assistance programs support restructuring of the health systems in Ukraine, both public and private, to increase efficiency and responsiveness to the needs of the population and to reduce the incidence and impact of disease in Ukraine. $10,000

Performance Evaluation:

- The provision of productive employment within their respective disciplines to scientists and engineers previously working in nuclear and other weapons sectors. STCU has approved over $25 million worth of projects that employ thousands of former Soviet scientists and engineers who might otherwise pose a serious proliferation threat.

reform, measured by increased EU and G-7 donor support and by enhanced IMF and World Bank programs. The Russian financial crisis spilled over into Ukraine, harming the country's balance of payments and slowing the pace of reform. IMF disbursements under the EFF were temporarily suspended. EBRD and World Bank funding depend upon their resumption. Domestic political constraints have further slowed reform and reduced international confidence. However, Ukraine passed a budget for 1999 which narrows the deficit and may help restore confidence.

- Increased number of private media outlets established and operating free of government control. There is a wide variety of press available in Ukraine. However, in advance of the 1999 presidential elections, the Ukrainian Government appears to be exerting pressure on opposition press to discourage negative reporting on government activities.

- Enactment and Implementation of Laws Fostering Business Development and Investment. Ukraine has made some progress in creating legal, tax, and regulatory systems compatible with a free market economy, but the absence of a modern commercial code and lack of transparency in these systems makes the investment environment unattractive. Despite government promises, official corruption remains an impediment to business activity. Foreign direct investment in Ukraine has, as a consequence, lagged behind that of most of its neighbors.

Key Indicators for FY 2000 Performance:

- Continued adherence to bilateral understandings regarding control of nuclear and other WMD technologies, proliferation, and conventional arms transfers.
- Increased international confidence in Ukraine's commitment to reform, measured by increased EU and G-7 donor support and enhanced IMF and World Bank programs.
- Free and fair presidential elections.
- A stronger and more independent media.
- Enactment of policies and legislation that support energy sector restructuring and reform, especially nuclear safety.

UKRAINE
FUNCTION 150 RESOURCES
($ in thousands)

Appropriations Accounts by Strategic Goal	Actual FY 1998	Estimate FY 1999	Request FY 2000
Regional Stability	**5,050**	**4,678**	**4,650**
FMF-G	3,800	3,400	3,400
IMET	1,250	1,278	1,250
Weapons of Mass Destruction	**6,381**	**2,284**	**30,557**
FSA	6,300	2,000	30,000
NADR-Export Control	81	284	557
Open Markets	**7,264**	**2,800**	**4,000**
FSA	7,264	2,800	4,000
U.S. Exports	**8,900**	**2,500**	**2,000**
FSA	8,900	2,500	2,000
Economic Development	**80,293**	**59,325**	**51,000**
FSA	80,293	59,325	51,000
International Crime	**6,260**	**3,950**	**5,000**
FSA	6,260	3,950	5,000
Democracy	**37,460**	**43,945**	**44,000**
FSA	37,460	43,945	44,000
Humanitarian Assistance	**7,207**	**11,100**	**12,000**
FSA	7,207	11,100	12,000
Environment	**62,565**	**59,880**	**61,000**
FSA	62,565	59,880	61,000
Health	**8,751**	**9,500**	**10,000**
FSA	8,751	9,500	10,000
Total	***230,131***	***199,962***	***224,207***

Appropriations Accounts	Actual FY 1998	Estimate FY 1999	Request FY 2000
FMF	3,800	3,400	3,400
FSA	225,000	195,000	219,000
IMET	1,250	1,278	1,250
NADR	81	284	557
Total	***230,131***	***199,962***	***224,207***
Other Accounts			
D&CP	3,744	3,988	4,159
ECE	2,493	2,239	2,342
Peace Corps	3,033	3,168	3,024
Total	***9,270***	***9,395***	***9,525***
UKRAINE			
FUNCTION 150 RESOURCES GRAND TOTAL	***239,401***	***209,357***	***233,732***

Uzbekistan

($ in thousands)

National Interests: The U.S. seeks for Uzbekistan to play a stabilizing and cooperative role among its neighbors and to assist in bringing about a solution, under U.N. leadership, to the war in Afghanistan. The U.S. also seeks to extend Uzbekistan's support for U.S. global and security objectives. Internally, Uzbekistan remains an authoritarian state; it is in the U.S. interest to see it evolve democratically, with respect for human rights. Economically, Uzbekistan's failure to move toward a market economy hurt prospects for its own economic success, for U.S. access to its natural resources, and for increased U.S. trade and investment.

Strategic Goals and Supporting Programs for FY 2000:

Regional Stability: In a region bordering Russia and Iran, the U.S. seeks to orient Uzbekistan's sizable military toward cooperation with NATO, the U.S., and its own neighbors. This cooperation will be achieved through the Warsaw Initiative and Uzbekistan's active participation in the Partnership for Peace (PFP). Foreign Military Financing (FMF) is provided for the Central Asian Peacekeeping Battalion (CENTRASBAT), a joint effort with Kazakhstan and Kyrgyzstan, as well as for equipment and training to enhance Uzbekistan's capability to operate jointly with NATO forces. International Military Education and Training (IMET) is fostering: greater respect for the principle of civilian control of the military, improved military justice systems and procedures, and effective defense resource management. Uzbekistan will be eligible in FY 2000 to receive Excess Defense Articles (EDA) on a grant basis under Section 516 of the Foreign Assistance Act. Transfer of EDA will assist Uzbekistan in meeting defense requirements and furthering NATO interoperability. $2,150

Weapons of Mass Destruction: The U.S. encourages Uzbekistan's commitment to nonproliferation and will work with Uzbekistan to dismantle the Nukus Chemical Research Institute reported under the Chemical Weapons Convention and to develop effective export controls. Projects approved and funded by the Science and Technology Center in Ukraine (STCU) or the U.S. Civilian Research and Development Foundation will keep weapons experts employed in peaceful research. $8,658

Economic Development: Our strategy for improving economic growth prospects in Uzbekistan involves supporting Uzbekistan's shift to a free-market economy and strengthening the legislative foundation and commercial infrastructure needed to encourage investment. The USG is working closely with Uzbekistan to identify and resolve difficulties that inhibit foreign investment and trade limitations on currency convertibility, complex registration and accreditation processes, and an inadequate banking system. USAID is working closely with the Ministry of Finance to assure fair and transparent implementation of a new tax code and to modernize tax administration. The U.S. will continue to encourage investment and support development of private business through the

Central Asian-American Enterprise Fund. The USG encourages Uzbekistan to pursue membership in the WTO and will provide technical assistance as appropriate. $13,000

International Crime: The spread of organized crime and drug trafficking threatens Uzbekistan, which sits astride trafficking routes between Afghanistan and Europe. Our FSA contribution enables the U.S. to train Uzbekistani law enforcement and border officials. $2,500

Democracy: The U.S. seeks to develop democratic institutions in Uzbekistan by focusing on three elements: 1) a transparent legal system to complement market reforms; 2) growth of private indigenous media and access to Western media; and 3) NGO development, particularly in the human rights field. In FY 2000, we will also focus on preparation for free and fair parliamentary and presidential elections. Technical assistance will emphasize the rule of law through drafting of necessary civil and criminal legislation and training judges and attorneys. FSA funded Internews will provide training for the small but growing independent media sector. Several small grant mechanisms, including the Eurasia Foundation and the USIS's Democracy Fund, will provide direct assistance to Uzbekistani NGOs. Exchanges will continue to be a key component of our assistance program to expose current and future Uzbekistani leaders to the U.S. $10,000

Humanitarian Assistance: High rates of rural unemployment and decayed water supply and sanitation infrastructure leave many citizens vulnerable, warranting U.S. humanitarian efforts. $1,000

Population: Uzbekistan's high rate of population growth and young population pose a major demographic and economic challenge. Access to family planning decreases abortions and improves maternal and neo-natal health. $750

Health: Through pilot projects involving privatization, cost recovery, and other health care reforms, the U.S. is helping Uzbekistan better manage its health care needs and reduce costs. $2,250

Performance Evaluation:

- A constitutional and legal framework and judicial process that provide for more secure individual rights and civilian control of the military. Uzbekistan's constitution and laws contain statements of principle that, if adhered to, would substantially improve its human rights record. Government leaders also voice rhetorical support for human rights, but observance remains problematic.

- Continued development of essential elements of civil society, including independent media, NGOs, and political parties. The government approved the opening of several private local radio stations and numerous local TV stations. A new law on NGOs passed at the end of 1998 is viewed as a substantial improvement over the earlier law. Several political parties have been registered, but all at government initiative.

- Removal of barriers against U.S. trade and investment. Registration and licensing requirements for foreign businesses were applied more fairly, though room for improvement remained. Major policy changes are still needed.

- Reform of government finances. The budget deficit remained at a moderate level, but the government failed to reform the budgetary system or subsidies to state-owned enterprises. Implementation of the new tax code was incomplete.

- Increased participation in cooperative economic arrangements. The government signed a multi-year agreement on water and power-sharing with Kazakhstan and Kyrgyzstan, later expanded to include Tajikistan. It applied for WTO membership.

- Improve cooperation and interoperability of forces. The government participated actively in planning and executing the 1998 Centrasbat exercise. Discussions on interoperability were inconclusive.

Key Indicators for FY 2000 Performance:

- Free and fair parliamentary elections, and creation of conditions for free and fair presidential elections;
- Fair implementation of new law on NGOs, resulting in registration of independent NGOs, including in the field of human rights;
- Continued operation of foreign and domestic independent media, with equal access to means of dissemination (e.g. broadcast frequencies);
- Reduction in the hard currency surrender requirement (from 50%);
- Elimination of VAT on capital imports, and application of VAT on retail level;
- Implementation of agreement on water and power-sharing and progress toward WTO membership;
- Effective implementation of border and export controls;
- Signature and implementation of Cooperative Threat Reduction agreement; and
- Continued participation in Centrasbat under the revised concept developed by Centcom that requires contribution of a battalion.

UZBEKISTAN
FUNCTION 150 RESOURCES
($ in thousands)

Appropriations Accounts by Strategic Goal	Actual FY 1998	Estimate FY 1999	Request FY 2000
Regional Stability	**2,007**	**2,135**	**2,150**
FMF-G	1,550	1,650	1,650
IMET	457	485	500
Weapons of Mass Destruction	**92**	**1,651**	**8,658**
FSA	50	750	8,000
NADR-Export Control	42	901	658
U.S. Exports	**680**	**560**	**-**
FSA	680	560	-
Economic Development	**8,175**	**13,250**	**13,000**
FSA	8,175	13,250	13,000
International Crime	**600**	**2,250**	**2,500**
FSA	600	2,250	2,500
Democracy	**8,004**	**6,800**	**10,000**
FSA	8,004	6,800	10,000
Humanitarian Assistance	**461**	**1,000**	**1,000**
FSA	461	1,000	1,000
Population	**620**	**750**	**750**
FSA	620	750	750
Health	**1,860**	**2,250**	**2,250**
FSA	1,860	2,250	2,250
Total	***22,499***	***30,646***	***40,308***

Appropriations Accounts	Actual FY 1998	Estimate FY 1999	Request FY 2000
FMF	1,550	1,650	1,650
FSA	20,450	27,610	37,500
IMET	457	485	500
NADR	42	901	658
Total	***22,499***	***30,646***	***40,308***
Other Accounts			
D&CP	2,455	2,612	2,724
ECE	834	749	783
Peace Corps	1,257	1,714	1,950
Total	***4,546***	***5,075***	***5,457***
UZBEKISTAN FUNCTION 150 RESOURCES GRAND TOTAL	***27,045***	***35,721***	***45,765***

NIS Regional Programs

($ in thousands)

National Interests: U.S. national security is at stake in the successful transformation of the New Independent States (NIS) into a democratic, law-based, pluralistic community functioning on market principles and integrated into the world economy. Several national interests in the NIS are pursued through assistance projects that involve more than one country. Examples include the pursuit of a peace settlement in the Caucasus and promoting economic growth through multi-country enterprise funds in the Western NIS and Central Asia. Several projects are implemented across the NIS region including feasibility studies funded by TDA, funds to augment projects that perform very well during the year and require additional support, export control activities, and funding for refugees and displaced people in the NIS region.

Strategic Goals and Supporting Programs for FY 2000:

Weapons of Mass Destruction: Encourage countries in the NIS region to develop effective export control and customs clearance systems to prevent the proliferation of weapons of mass destruction. Programs provide training and equipment to customs organizations to check proliferation and support NIS efforts to participate in regional counterproliferation effort. Projects sponsored by the Science Centers and US Civilian Research and Development Foundation will encourage regional collaboration on peaceful projects that provide alternative employment for former weapons scientists in the NIS.

$4,000

Open Markets: FSA supports management for Treasury Technical assistance throughout the NIS.

$2,000

Expand U.S. Exports: To promote U.S. exports in the NIS region, citizens throughout the region need an introduction to U.S. products, services, and business practices in order to grasp the value of U.S. exports. Familiarity comes through training of new entrepreneurs and Department of Commerce outreach supported by FSA transfers.

$12,000

Economic Development: The Russian financial crisis has hurt budding small businesses throughout the NIS. FSA funding that provides credit to small and micro business, along with technical advice to assist on structural reform (such as power sector restructuring) will help the region's economies weather the hard times ahead.

$23,500

International Crime: Help countries in the region prevent narcotics trafficking, reduce the likelihood of international terrorists basing in or transiting through the country, and improve human rights practices in criminal justice institutions through INL, DOJ and other agencies' programs.

$2,500

Democracy: The USG plays a central role in supporting the establishment of democratic laws, institutions, procedures, and practices throughout the NIS. The goal of democratization is supported by programs designed to assist law-makers in drafting appropriate legal frameworks, to train judges and prosecutors, and to assist political parties, media organs and non-governmental organizations to effectively articulate public interests and strengthen civil society. Exchanges and partnerships are a key component of our strategy to engage the next generation of leaders of these countries and to foster ties among leaders in key fields within each country or region. $19,500

Environment: Continued FSA funding is needed to support reactor safety upgrades and the storage of radioactive waste. In particular, the Central Asia region needs continued support on these efforts. $3,000

Humanitarian Assistance: FSA funding helps the governments in the region provide for the physical welfare of their citizens. The conflicts throughout the NIS, particularly in the Caucasus, have created refugees and internally displaced people in great need. FSA assistance plays a crucial role in responding to regional humanitarian crises. $3,000

Performance Evaluation:

- Progress toward a settlement of the Nagorno-Karabakh (N-K) conflict. Armenia and Azerbaijan remain active participants in the OSCE Minsk process, which the U.S. co-chairs to achieve a mutually acceptable negotiated settlement. A cease-fire established in 1994 remains in effect. However, progress toward resolution of the conflict stagnated throughout 1998 and remains stalled.

- Easing the humanitarian plight of refugees in the NIS. FSA funding allowed for the delivery of health and shelter assistance to victims of the Nagorno-Karabakh conflict both within the enclave and adjacent to it, despite delays instigated largely by the N-K authorities. Security issues in Abkhazia have stalled humanitarian efforts to reach internally displaced people.

- Tightening of export control regimes in the NIS. FSA funding helped the NIS to create and develop the legal, regulatory and enforcement infrastructure that is a prerequisite for implementing effective nonproliferation export. As that infrastructure has matured, the scope of USG assistance has been extended in order to secure the installation of internal control programs in key WMD-related sectors such as the aerospace industry.

- Promoting private sector restructuring and increasing U.S. exports. Important power sector restructuring was accomplished in Central Asia with use of regional FSA funds. As the power grids in this region are integrated in such a way as to keep each country dependent on the other, USG technical assistance has helped CA countries

reach multilateral cooperation and reform. FSA funded Commerce and TDA programs also facilitated U.S. business opportunities throughout the region.

Key Indicators for FY 2000 Performance:

- Progress toward a settlement of the Nagorno-Karabakh conflict.
- Increased investment in small and medium enterprises.
- Easing the humanitarian plight of refugees in the NIS.
- Tightening export control regimes in the NIS and increasing demand for US exports.
- A better understanding among regional leaders of USG policies and culture. Increased linkages between the U.S. and the NIS and among countries in the region.

NIS Regional)
Function 150 Resources
($ in thousands)

Accounts by Strategic Goal	Actual FY 1998	Estimate FY 1999	Request FY 2000
Weapons of Mass Destruction		**2,500**	**4,000**
FSA		2,500	4,000
Open Markets	**2,040**	**1,800**	**2,000**
FSA	2,040	1,800	2,000
U.S. Exports	**4,535**	**6,400**	**12,000**
FSA	4,535	6,400	12,000
Economic Development	**13,443**	**22,970**	**23,500**
FSA	13,443	22,970	23,500
International Crime	**2,970**	**2,250**	**2,500**
FSA	2,970	2,250	2,500
Democracy	**12,577**	**21,720**	**19,500**
FSA	9,760	21,720	19,500
Humanitarian Assistance	**12,791**	**48,540**	**24,000**
FSA	12,791	48,540	24,000
Environment	**24**	**4,880**	**5,500**
FSA	24	4,880	5,500
Health	**2,345**	**3,230**	**3,000**
FSA	2,345	3,230	3,000
Total FSA	**50,725**	**115,290**	**96,000**

Bureau of South Asian Affairs
Statement by Assistant Secretary Karl F. Inderfurth

I. Challenges for U.S. Policy

The U.S. cannot achieve its global policy objectives without investing more attention and resources in the eight countries of South Asia, home to almost one quarter of the world's population. The U.S. faces daunting challenges in the region: nuclear and missile proliferation; international terrorism; separatist insurgencies in Kashmir and Sri Lanka; civil war and the dehumanization of women in Afghanistan; massive poverty and human rights abuses including pervasive child labor; contagion of AIDS and illegal narcotics; and widespread environmental degradation. U.S. leadership in international efforts to resolve the problems that have generated more than two million refugees and internally displaced persons in South Asia -- primarily in Afghanistan, Pakistan, Sri Lanka, and Nepal -- will remain crucial to advancing our humanitarian and security interests in the region.

The region also offers many opportunities. With continued reforms, India could become one of the world's most important markets. U.S. business presently enjoys pride of place, but its competitive advantage is weakened by sanctions and other forces. U.S. commercial interests require even greater support in these uncertain times.

U.S. engagement in the region has had a positive impact in such vital areas as decreasing child labor, working with foreign officials to help stem the flow of drugs and trafficking in women, stimulating economic development and improving the quality of life, and strengthening democracy and human rights. Glenn Amendment sanctions, imposed on India and Pakistan as a result of their nuclear tests in May 1998, prohibit U.S. export of controlled technology to both countries as well as assistance for other than basic human needs. While sanctions now restrain our policy options, it is crucial that we remain engaged.

II. Key Issues

Nuclear Nonproliferation and Regional Stability

Since India's and Pakistan's nuclear tests, we have launched a major diplomatic effort to limit the global impact of these dangerous actions and prevent them from igniting a nuclear and missile arms race in the region or encouraging further proliferation elsewhere. Working with key nations and international bodies, we have sought reaffirmation of strong support for the Nonproliferation Treaty, Comprehensive Test Ban Treaty, export controls, and other elements of the nuclear nonproliferation regime. In concert with others and unilaterally, the U.S. has urged India and Pakistan to adopt those

steps identified by the P-5 and G-8 communiqués, and by U.N. Security Council Resolution 1172, with particular emphasis on critical near-term priorities.

The Administration has encouraged India and Pakistan to adhere to international nonproliferation norms and engage in serious dialogue with each other. These efforts will continue as well as efforts to ensure that as long as sanctions are required they will be implemented in a manner that supports U.S. policy in the region without unnecessarily threatening U.S. business and humanitarian interests. While President Clinton has lifted sanctions partially in recognition of commitments by India and Pakistan to adhere to the Comprehensive Test Ban Treaty by September 1999, concrete steps by both countries to redress the proliferation threat are necessary before sanctions can be lifted completely.

Also adding to the region's instability is the continued military advances by the Taliban in Afghanistan which could lead to a new and highly volatile mix involving Iran, Pakistan and the Central Asian states. The deck is clearly being reshuffled. Preventing conflict from spilling outside Afghanistan's borders will require active U.S. diplomatic leadership in the region, at the United Nations, and with U.S. allies.

Terrorism and Security

The organization headed by Usama bin Ladin, which has been harbored by the Taliban, is probably the preeminent source of financing and planning for international terrorism in the world today. Diplomatic initiatives and the U.S. bombing of Khost in Afghanistan in August 1998 reduced bin Ladin's ability to strike U.S. interests world-wide, but they may also have increased the risk of violence against U.S. posts and American citizens in South Asia. Security has been a daily concern for our posts across the region for years, particularly in Pakistan, where the U.S. Embassy and a USIS center were burned in 1979, and another USIS center was attacked in 1988. Six U.S. citizens have been murdered for political reasons in the past four years in Pakistan. In Sri Lanka, U.S. facilities have been damaged by terrorist bombings.

Democracy and Human Rights

In the past decade, 250 million more South Asians have come under democratic rule. Nevertheless, South Asian democracies are threatened by crushing population growth, poverty, illiteracy, factionalism, fundamentalism, and corruption. Even India's resilient parliamentary democracy is grappling with serious problems of instability, weak governance, and human rights violations. Religious minorities have become increasingly the target of violence in India and Pakistan.

In Afghanistan, the Taliban continues to commit gross human rights violations, including banning women and girls from school and work outside the home and drastically reducing women's access to medical services and hospitals. Afghan women have died from lack of medical attention. The Taliban's repressive policies will continue to call

upon U.S. resolve -- as Secretary Albright has stressed -- in making the protection of women's and girls' rights a policy priority.

The Bureau of South Asian Affairs established a South Asia Regional Democracy Fund (RDF) in FY 1998, a new, if modest, tool to strengthen our support for democracy and human rights in the region. Projects funded by the RDF are assisting the creation of a human rights commission in Bangladesh, countering the trafficking in women and children, promoting responsible journalism, increasing the participation of women and other disadvantaged groups in the political process, and promoting free and fair elections. One of our priorities is to facilitate the work of women's NGOs in the region, including in Afghanistan.

Strengthening democratic institutions, the rule of law and mechanisms to promote adherence to human rights is central to our efforts to consolidate stability in the region. The RDF is one of our strongest tools to facilitate these efforts. The FY 2000 budget includes $8.825 million in ESF funds for democracy and human rights. These funds will serve as an important catalyst for developing, through NGOs and governmental and international institutions, independent and impartial judicial systems, human rights commissions, and a diverse and thriving NGO community, as well as for promoting religious tolerance throughout the region. In addition, FY 2000 funding will help "arm" the police with the skills needed to address such sensitive matters as violence against women, forced prostitution, and human rights abuses.

Child labor persists despite U.S. and international efforts to help alleviate it. While activities to eliminate child labor in the garment industry have enjoyed some success, Bangladesh reportedly still has 6.3 million working children between the ages of 5 and 14. Half a million Indian children live on the streets. Nepal is suffering from a growing traffic in child prostitutes to other countries. U.S. Embassies in the region continue to work with the International Labor Organization (ILO) and the United Nations Children's Fund (UNICEF) to monitor child labor, encourage governments to enforce anti-child labor laws and with the private sector to stop the use of child labor, particularly in export industries. They will also work more intensively with the South Asian Association for Regional Cooperation (SAARC) to combat child prostitution and child labor.

The U.S. is also working hard to stem the trafficking of women throughout the region with a three part strategy of prevention, protection, and assistance with prosecution and enforcement against traffickers. We are assisting governments in South Asia to strengthen and implement their laws addressing this problem and helping to train women in literacy and occupational skills. We have had an active dialogue with NGOs concerned about this issue in the region especially with regard to protection for trafficking victims. Results are positive. For example, Nepal is more strictly enforcing laws against trafficking and pursuing bilateral agreements with India to increase enforcement on both sides of the border. Funding in FY 2000 will be allocated for police training, education, and services to the victims of trafficking, including medical treatment and shelters.

Economic Growth, Trade, and Assistance

More than 600 million South Asians live in poverty -- the largest concentration anywhere in the world and more than in all of sub-Saharan Africa. By 2015, per capita GDP in India is projected to be only 40 percent that of China and half that of Indonesia. Notwithstanding sanctions imposed on India and Pakistan, the United States continues to provide more than $240 million to South Asia, especially to India and Bangladesh, to meet the region's basic human needs. U.S. assistance seeks to improve and expand the production and consumption of certain foods and strengthen infra-structure to safeguard against natural disasters. US assistance also goes toward management advice and the development and expansion of private enterprises in rural areas. The U.S. can be proud to have helped Bangladesh achieve self-sufficiency in rice and develop a thriving garments industry. In fact, broad-based growth not only reduces reliance on assistance from the U.S. and other donors, but can positively affect a multitude of other U.S. goals, including promoting regional stability, reducing migration pressures, averting humanitarian crises, protecting human rights, improving health care, and stabilizing regional populations.

Toward this end, $10.825 million in ESF funding for FY 2000 will be used to promote the economic empowerment of women in the region, to assist poor communities with infrastructure development, and to develop clean energy sources as well as to promote better energy management.

U.S. involvement in South Asia is critical to advancing our trade and investment goals. The U.S. is India's largest trading partner and principal source of foreign investment and technology. Two-way U.S.-India trade nearly doubled between 1992 and 1996 and continues to expand. Similarly, the U.S. is Pakistan's largest market and second largest source of imports. The full impact on these trade relationships of Glenn Amendment sanctions is still unclear but is likely to be substantially negative. We will endeavor to prevent undue harm to American commercial interests -- indeed, we hope to continue expanding our economic interaction -- while pursuing nonproliferation goals.

The U.S. will continue to press the governments of South Asia to accelerate the pace of market-oriented reforms, introduce transparency into decision-making, and implement privatization. If the investment climate can be improved, the opportunities for U.S. business are enormous. The market for environmental technologies and services in India alone is expected to reach $4 billion in the next 15 years. Some 80 percent of India's industrial base will be rebuilt anew between now and 2010, generating massive demand for manufacturing technology, transportation infrastructure, power generation and distribution, and communications. Nepal and Bangladesh offer opportunities for billions of dollars of technology exports and investment in connection with the development of rich hydroelectric potential and natural gas reserves. U.S. investment in Bangladesh alone has grown tenfold over the past year.

Global Issues

Population. Population growth is the most serious social issue confronting South Asia. By 2001, 40 percent of the Indian population will live in cities, half in slums. In less than 30 years, India could surpass China as the most populous nation and contain the majority of the world's poor. In addition, at the current rate of growth, Pakistan's population of 130 million will equal that of the United States by 2050. We are working to develop effective programs promoting improved reproductive health as well as improve women's and children's health and increasing the literacy rate for women and girls. Research shows that when women are educated, they are more inclined to practice responsible family planning. Nowhere else in the world can U.S. money and expertise improve the lives of so many people.

Environmental Pollution. India already has three of the world's ten most polluted cities, and is the second fastest growing emitter of greenhouse gases of developing countries after China. Some 70 percent of all electricity generated in India is produced from dirty, high ash-content coal. U.S. global environmental goals and efforts to secure adoption of the Kyoto Protocol cannot succeed without India's cooperation. The U.S. will work with India to develop projects under the auspices of the Clean Development Mechanism in an effort to provide India with the clean energy it needs, while at the same time increasing the export of U.S. environmental technologies to India.

The establishment of an Environmental Hub in Kathmandu in 1997 was aimed at enhancing dialogue with and between countries of the region on environmental issues. The Hub works on projects to support sustainable management of the productive resource base in Nepal and to promote biodiversity and conservation. It also works with the South Asia Association for Regional Cooperation (SAARC), national governments, NGOs and the private sector to undertake such environmental projects as developing a regional oil spill response capability and expanding regional cooperation in water use management.

Infectious Diseases. Over four million Indians are infected with HIV, more than in any other country. By 2005, India is expected to have more HIV cases than all of Africa. Unless the Indian government does a better job controlling the disease, the AIDS epidemic will follow the African pattern and become the leading cause of death among Indians 15-39 years of age. The Indo-U.S. Vaccine Action Program promotes preventative measures to improve infectious disease surveillance. The National Institute of Health and other U.S. agencies support AIDS research in India. However, the problem demands additional resources and attention if South Asia is not to become the largest incubator of infectious diseases in the next century.

Illicit Drugs. South Asia lies at the crossroads of two areas that produce most of the world's illicit opium and heroin: the Golden Triangle (Burma, Thailand, and Laos) and Golden Crescent (Afghanistan, Pakistan and Iran). India, the world's only producer of licit opium gum for pharmaceutical use, is becoming a narcotics consuming country, and

increasingly a player in international drug trafficking. Pakistan decreased its opium cultivation last year by 26 percent, but drug addiction continued to grow. We will work with the GOP to increase arrests of major drug traffickers and urge the GOP to use the Special Vetted Unit, established with U.S. assistance, to break up major trafficking rings. Afghanistan vies with Burma to be the largest opium producer in the world. While India and Pakistan are making inroads in combating this trade, instability, involvement of all Afghan factions in drug production and trade, and lack of central controls in Afghanistan, have allowed the drug trade to flourish. Counter-narcotics is an important issue in the U.S. relationship with India, Pakistan and Afghanistan, and it is crucial to step up cooperative efforts in law enforcement, demand reduction, and crop eradication.

Conclusion

The South Asian nuclear tests, the imposition of sanctions, heightened security threats and the Administration's high-level non-proliferation dialogues with India and Pakistan have put U.S interests in South Asia into even sharper relief. It is crucial that the U.S. remain engaged in the region to address all of these national interests and strategic goals. The Administration is hopeful that Congress will continue to provide the President with authorization to waive sanctions against India and Pakistan in the event that U.S. diplomatic efforts succeed in persuading them to undertake important nonproliferation commitments.

SOUTH ASIA
FUNCTION 150 RESOURCES
($ in thousands)

Appropriations Accounts by Strategic Goal	Actual FY 1998	Estimate FY 1999	Request FY 2000
Regional Stability	**810**	**1,390**	**1,460**
IMET	810	1,390	1,460
Economic Development	**18,564**	**13,014**	**27,939**
DA	18,050	13,000	17,100
ESF	500	-	10,825
CIO	14	14	14
Illegal Drugs	**1,500**	**2,200**	**2,500**
INC	1,500	2,200	2,500
Counter-Terrorism	**-**	**-**	**800**
NADR-ATA	-	-	800
Democracy	**6,914**	**5,910**	**14,490**
DA	3,200	2,900	5,350
ESF	3,500	2,750	8,825
IMET	214	260	315
Humanitarian Assistance	**168,729**	**164,332**	**136,042**
NADR-Demining	2,200	2,000	2,000
Title II	139,713	131,832	106,642
IO&P	500	500	500
MRA	26,316	30,000	26,900
Environment	**17,500**	**14,050**	**26,700**
DA	17,500	14,050	26,700
Population	**49,481**	**48,074**	**52,300**
DA	48,481	48,074	52,300
ESF	1,000	-	-
Health	**54,452**	**43,250**	**47,864**
DA	53,452	43,250	47,864
ESF	1,000	-	-
Total	***317,950***	***292,220***	***310,095***

Appropriations Accounts	Actual FY 1998	Estimate FY 1999	Request FY 2000
CIO	14	14	14
DA	140,683	121,274	149,314
ESF	6,000	2,750	19,650
IMET	1,024	1,650	1,775
INC	1,500	2,200	2,500
IO&P	500	500	500
MRA	26,316	30,000	26,900
NADR	2,200	2,000	2,800
Title II	139,713	131,832	106,642
Total	***317,950***	***292,220***	***310,095***
Other Accounts			
D&CP	29,842	31,823	46,135
ECE	6,435	6,853	6,947
IIP	11,588	11,936	-
Peace Corps	3,516	3,438	3,730
Total	***51,381***	***54,050***	***56,812***
SOUTH ASIA FUNCTION 150 RESOURCES GRAND TOTAL	***369,331***	***346,270***	***366,907***

SA: FY 2000 REGIONAL PLAN

STRATEGIC GOAL: Regional Stability (RS) -- Ensure that local and regional instabilities do not threaten the security and well-being of the United States or its allies.

REGIONAL GOAL: Enhanced regional stability in South Asia.

NATIONAL INTEREST: National Security: Resolution of the ongoing dispute between India and Pakistan, which has led to three wars in the last 50 years, frequent exchanges of fire across the Line of Control in Kashmir, and the recent testing of nuclear devices by India and Pakistan, remains a focus of U.S. efforts to strengthen regional stability. Better relations between the two long-time adversaries could help reduce both countries' reliance on weapons of mass destruction and enable them to redirect their limited resources to social and economic development. The United States will support efforts to resolve conflicts in Afghanistan and Sri Lanka and the dispute between Nepal and Bhutan. The war in Afghanistan has exacerbated differences among ethnic groups and opened the door for interference by outside actors, heightening the danger that antagonisms will spill into neighboring states. The Sri Lankan conflict, involving a terrorist organization with ties to India, also threatens stability in South Asia.

STRATEGY:

The United States will continue to urge India and Pakistan to engage in serious, high-level dialogue to diminish tensions between these two nuclear-capable nations. U.S. diplomatic efforts will focus on encouraging India and Pakistan to seek bold and creative initiatives to improve bilateral relations and escape an arms race. We will also encourage India and Pakistan to take other steps identified by the international community to reduce tensions, including refraining from threatening military movements or any other provocative actions or statements. We stand ready to assist these countries in developing Confidence Building Measures (CBMs), including the establishment of an Indo-Pakistan trade dialogue and resumption of counter-narcotics cooperation. The United States will continue to support increased non-formal contacts between non-official Indians and Pakistanis through the Department's public diplomacy.

The United States will work closely with the UN Special Representative for Afghanistan, the regional support group (Six plus Two), and with Pakistan on stimulating an Afghan peace process. The aim is to encourage the formation of a broad-based government that can bring stability and the rule of law to Afghanistan and which would adhere to internationally recognized human rights norms, especially with regard to women. As one of the few countries that can contribute to a resolution of the separatist conflict in Sri Lanka, the United States will urge all political parties to support the enactment and implementation of devolutionary arrangements in the embattled northeast. The U.S. can help to muster international cooperation in bringing pressure to bear on the Liberation Tigers of Tamil Eelam (LTTE) to accept a peaceful resolution of ethnic grievances. The

United States also will continue to monitor developments and encourage progress in on-going efforts to resolve the Bhutanese refugee issue between Nepal and Bhutan. The military and military-civilian relations remain critical factors determining the strength of the fledgling democracies of South Asia. The United States will undertake joint military exercises and IMET programs with South Asian militaries in order to heighten the professionalism of these forces and reinforce their apolitical character. Military-to-military relations with India and Pakistan in the wake of their nuclear tests had been constrained by Glenn Amendment sanctions, which terminated foreign military sales and financing and the export of U.S. munitions list items. IMET and other training programs, high-level visits and joint exercises had also been halted. However, due to recent progress in the India-Pakistan high-level dialogue and progress on adherence to internationally recognized nonproliferation norms, President Clinton partially lifted these sanctions pursuant to authority granted him under the Brownback Amendment. This partial waiver of sanctions allows for a resumption of IMET funding for both Pakistan and India.

Several South Asian nations are among the leading contributors to international peacekeeping operations. The United States will seek to enhance the capacity of South Asian militaries to participate in these missions. Bangladesh and Nepal will take part in the Enhanced International Peacekeeping Capabilities (EIPC) initiative, a joint State-Defense program to increase the pool of qualified peacekeeping forces by strengthening the effectiveness and professionalism of foreign military forces.

South Asian nations share many potentially destabilizing domestic, political, and social concerns. Several of these issues (economic reform, environmental degradation, population growth) could be effectively addressed by South Asian countries through sub-regional, regional and multi-regional fora. The United States will seek to facilitate cooperation by strengthening regional organizations, particularly the South Asian Association for Regional Cooperation (SAARC). The United States will work with SAARC to construct a framework for increased interaction and assistance whose centerpiece will be a Memorandum of Understanding (MOU), now under discussion by SAARC member states. A particularly promising area for U.S.-SAARC cooperation is the sharing of U.S. experiences with the North American Free Trade Agreement with secretariat staff and member state representatives as SAARC moves to establish the South Asia Free Trade Area by the year 2001. Other possible targets for U.S. assistance include SAARC initiatives on trafficking in women and children, child labor, environmental and narcotics issues.

OBJECTIVES:

1. To support resolution of the dispute between India and Pakistan:
- India and Pakistan hold increasingly substantive high-level talks.
- India and Pakistan avoid provocative actions, including refraining from threatening military movements or violations across borders, particularly the Kashmir Line of Control.

- South Asian governments take decisive steps to prevent cross-border terrorists from operating from their soil.
- Contacts between non-official Indians and Pakistanis are further developed.
  FY 2000 TARGET: India and Pakistan continue to engage in high-level negotiations to resolve tensions between them and begin to activate CBMs toward a negotiated settlement on the Kashmir region.

2. To support efforts to resolve other disputes in the region:
- The United States assists the UN effort to negotiate a cease-fire and stimulate a peace process leading toward the formation of a multi-ethnic, broad-based government in Afghanistan.
- Parties to the conflict in Sri Lanka begin negotiations to reach a settlement.
- Nepal and Bhutan take steps to resolve the status of 90,000 Bhutanese refugees now living in camps in Nepal.
  FY 2000 TARGET: The Taliban engage in sustained negotiations with opposition factions to bring about peace and a broad-based government in Afghanistan. Increasing numbers of Bhutanese refugees return to their homes.

3. To build stable security relations with the countries of South Asia that can help prevent, manage and defuse tensions:
- The professionalism of South Asian military forces is heightened through defense cooperation, including joint exercises, training and high-level visits.
- The capacity of Bangladeshi and Nepalese military forces to participate in international peacekeeping operations is improved through EIPC activities.
- South Asian states cooperate on transnational problems through sub-regional and multi-regional groupings, e.g. APEC, ESCAP, and the fledgling Indian Ocean Rim Association for Regional Cooperation.
  FY 2000 TARGET: The U.S. will continue its efforts both bilaterally and multilaterally to encourage progress on regional stability issues and contributions from the region for international peacekeeping.

ASSUMPTIONS:

- The Indian and Pakistani nuclear tests and the imposition of sanctions will continue to affect the tenor of U.S. relations with these two countries.
- Progress on the issues dividing India and Pakistan will be slow, particularly on Kashmir, and India will continue to resist outside, third-party mediation in resolving these issues.
- The Afghan conflict continues and remains the root cause for most of the problems stirring U.S. concerns about Afghanistan.
- Under its present leadership, the Liberation Tigers of Tamil Eelam (LTTE) is unlikely to engage in a "parliamentary" solution to the conflict in Sri Lanka and will continue to resort to terrorist activities.

- The Government of Nepal will continue to support U.S. advocacy in the Bhutanese refugee situation and will remain open to international interest in the welfare of refugee populations.
- South Asian governments remain interested in pursuing military-to-military cooperation with the United States, including military training and education.

INDICATORS:

- Substantive, high-level talks between India and Pakistan followed by initiation of Confidence Building Measures.
- Pakistani and Indian progress toward a solution to the Kashmir issue.
- Meetings are held among the Afghan factions leading to a cease-fire and creation of a multi-ethnic, broad-based government.
- The level and intensity of violence in Sri Lanka.
- Degree of participation by South Asian militaries in UN peacekeeping operations.

SA: FY 2000 REGIONAL PLAN

STRATEGIC GOAL: Weapons of Mass Destruction (WMD) -- Eliminate the threat to the United States and its allies from weapons of mass destruction or destabilizing conventional arms races.

REGIONAL GOAL: An end to further development of weapons of mass destruction and to a destabilizing conventional arms race in South Asia.

NATIONAL INTEREST: National Security: The nuclear tests conducted by India and Pakistan in May, 1998 have not only shaken regional stability but threatened international global nonproliferation goals. The tests, which triggered the immediate imposition of Glenn Amendment sanctions, have also hampered U.S. efforts to foster a broader and deeper relationship with India and Pakistan and derailed a nascent strategic dialogue with India. Sanctions include: termination of some U.S. foreign assistance programs; termination of foreign military sales and financing, and export of U.S. munitions list items; and prohibition of specific dual-use export items. U.S. ability to advance regional stability, economic/trade and development goals is therefore contingent upon further progress toward our nonproliferation objectives.

STRATEGY:

The United States will continue to work with its principal allies and partners to build support in the international community to discourage further developments that would undercut the global nonproliferation regime and jeopardize the security and stability of the South Asian subcontinent. Key international meetings on securing the global nonproliferation regime have taken place, including the June 4 gathering of the Permanent Five Members of the UN Security Council and the June 12 meeting of the G-8. In addition, ongoing high-level discussions between the U.S., India and Pakistan aim to identify a number of steps that India and Pakistan can take in the near term. While progress has been made, concrete steps from both India and Pakistan are necessary to make it possible to lift sanctions completely. We will continue to encourage other countries, especially those that have renounced the nuclear weapons option, to urge India and Pakistan to join international nonproliferation regimes. In addition, diplomatic efforts will underscore to India and Pakistan the costs and dangers of a nuclear weapons/missile race and emphasize the benefits of dialogue and cooperation.

OBJECTIVE:

To prevent the proliferation of WMD materials, weapons expertise, technologies, and delivery systems:

- India and Pakistan stop all further nuclear tests.
- India and Pakistan sign and ratify the Comprehensive Test Ban Treaty before September 1999.

- India and Pakistan refrain from the manufacture of nuclear warheads and bombs or from attaching those to ballistic missiles.
- India and Pakistan refrain from testing or deploying missiles that would be capable of delivering nuclear weapons.
- India and Pakistan halt the production of fissile material and participate constructively in negotiations on a fissile material cutoff treaty
- India and Pakistan confirm policies not to export equipment, material or technology relevant to missiles or weapons of mass destruction and enter into firm commitments in that regard.
- Pakistan complies fully with its commitments under the Chemical Weapons Convention.
- The Indian and Pakistani public, who overwhelmingly supported the nuclear tests, are made aware of the benefits of adhering to the international consensus on nonproliferation.

  FY 2000 TARGET: India and Pakistan are adhering to important requirements of internationally-defined non-proliferation benchmarks and are moving toward adherence to others. Both countries continue to participate constructively in high-level dialogue and to move toward reconciliation of their differences.

ASSUMPTIONS:

- India and Pakistan will continue to view the acquisition of nuclear weapons and ballistic missiles as both an important security measure and a symbol of national prestige.
- Indian and Pakistani nuclear tests and the imposition of sanctions will significantly restrain the broadening of relations with these two countries.
- Indian and Pakistani public attitudes towards global nonproliferation objectives in South Asia will probably remain negative although they may start to moderate.

INDICATORS:

- India and Pakistan do not conduct further tests and unconditionally sign the Comprehensive Test Ban Treaty.
- Neither Pakistan nor India deploy Missile Technology Control Regime (MTCR)-proscribed missiles.
- India and Pakistan agree to allow FMCT negotiations to begin.
- Public opinion surveys on adhering to international nonproliferation goals.
- Accurate and balanced coverage in key media of nonproliferation issues.

SA: FY 2000 REGIONAL PLAN

STRATEGIC GOAL: Open Markets (OM) -- Open foreign markets to free the flow of goods, services, and capital.

REGIONAL GOAL: Increased pace of market-oriented reform in South Asia.

NATIONAL INTEREST: Economic Prosperity: Although South Asian governments have taken steps toward economic liberalization, significant barriers to trade remain. These barriers include: corruption, lack of transparency in the tendering process, burdensome regulations for government procurement, lack of adequate infrastructure, political instability, law and order problems, constant changes in the rules of the game (taxes, price controls, import duties, incentives, procedural requirements), bureaucratic delays in obtaining approval for proposed projects, lack of protection of intellectual property rights, and smuggling that makes officially imported products less competitive in the domestic market. Opening markets and improving the business climate will be key to improving the region's economic growth rate and increasing U.S. exports to and investment in South Asia.

STRATEGY:

The United States will continue to press the governments of South Asia toward market-oriented reforms, using bilateral dialogue and U.S. influence in multilateral institutions, such as International Financial Institutions (IFIs) and the World Trade Organization (WTO) to promote participation in the global marketplace. For example, the U.S. will work with the World Bank and Asian Development Bank in their efforts to improve government tendering procedures in the region and will assist trade ministries in ensuring new intellectual property rights legislation is completed.

Throughout South Asia, the United States will urge officials to speed up the pace of reform, to introduce transparency into government decision-making, and to implement privatization on competitive terms. Important components of these efforts are International Visitor and public information programs and cooperation with U.S.-South Asian business councils. The U.S. will continue to seek more interaction with the South Asian Association for Regional Cooperation (SAARC), and offer assistance to that regional organization in its efforts to form a free trade area. Nonproliferation sanctions have forced the cancellation of U.S. market reform programs in India.

OBJECTIVES:

To open South Asian markets:

- South Asian governments reduce tariffs and non-tariff barriers and phase-in elimination of quantitative restrictions on imports.
- The foreign investment, energy, banking, broadcasting and telecommunications sectors implement market-oriented reforms.

- South Asian governments reduce market access barriers in agricultural, environment-related goods and services, financial services, medical equipment and natural resource-based products.
- The pace of privatization of state-owned enterprises in South Asia is increased.
- South Asian governments take concrete steps to protect intellectual property rights.
- South Asian governments improve transparency in governmental decision-making and address corruption problems, thereby creating commercial opportunities for U.S. firms.
- South Asian governments abide by their international trade obligations (e.g., WTO commitments) as well as their contractual obligations with U.S. firms.
- International financial institutions support market-oriented reform in South Asia.
- Independent regulatory authorities are strengthened to increase investor confidence and check anti-competitive practices by government-owned enterprises,
  FY 2000 TARGET: Meet with region's finance ministers to lower tariffs on U.S. goods and provide continued encouragement toward privatization, improved economic management and an improved investment climate. Provide U.S. advice and assistance in the development of the South Asia Free Trade Area through dialogue with the regional governments and the SAARC Secretariat.

ASSUMPTIONS:

- Governments of the region will remain committed to economic reform and open to U.S. and IFI assistance in the development of a market economy.
- Corruption and social inequalities will hinder governments' ability to make tough economic decisions.
- SAARC will continue to develop as a regional organization managing the economic dialogue among South Asian states. SAARC's proposed South Asian Free Trade Area will continue to draw support from all South Asian states and will move toward firm implementation in the next five years.

INDICATORS:

- Lowered tariff rates.
- Enforcement of Intellectual Property Rights (IPR) rules and Trade-Related Intellectual Property (TRIP) provisions.
- Number of state-owned enterprises privatized.
- Improved government tendering procedures.
- Policy-based IFI lending; meeting of IFI benchmarks for reform.

SA: FY 2000 REGIONAL PLAN

STRATEGIC GOAL: Exports (EX) -- Expand U.S. exports to $1.2 trillion by 2000.

REGIONAL GOAL: Continued growth of U.S. trade and reduction of obstacles to investment in South Asia.

NATIONAL INTEREST: Economic Prosperity: The growth of the U.S. economy and the expansion of high wage domestic employment are becoming increasingly dependent on our competitiveness both in the U.S. and overseas markets. Increasing U.S. trade with South Asia is inextricably linked with U.S. efforts to open markets. Export of U.S. clean energy technology can also contribute to the goal of promoting environmentally sustainable development in South Asia. The United States is currently India's largest trading and investment partner and Pakistan's largest market and second largest source of imports. Nonproliferation sanctions, however, impose export controls on U.S. trade with India and Pakistan. The United States has made an effort, however, to prevent avoidable or undue harm to American commercial and business interests while pursuing our overall nonproliferation policy.

STRATEGY:

The United States will work with U.S. private sector corporate representatives to help them obtain access to South Asian markets, resolve commercial disputes, and protect existing investment. Missions in South Asia will continue to improve information gathering and dissemination, and provide up-to-date commercial, market and business information through reports on government policy and on events of interest to the business community. In cooperation with the American Business Council and other trade organizations, the United States will also assist individual American companies to overcome discriminatory trade practices, interceding on behalf of U.S. firms when they encounter problems, and in general to become more competitive. We will press South Asian governments and businesses to abide by their contracts with U.S. firms. The United States will also support MDB lending -- to the extent possible under sanctions legislation -- to promote reform and help U.S. companies pursue government projects.

The U.S. will promote American information technologies, civilian aviation, telecommunications, environmental and energy technologies. Important tools will continue to be TDA, EXIM and OPIC programs. The USG will build on recent high-level visits by these entities to attract additional U. S. exports and financing resources to the South Asian market. Other efforts will include increasing the awareness of these programs in U.S. firms and promoting programs now available to local importers so American firms may compete effectively for major projects and export opportunities.

OBJECTIVES:

To expand opportunities for U.S. business in South Asia:

- U.S. firms, particularly in the civil aviation, infrastructure, environmental technology, energy and telecommunications sectors, are more active in South Asia; U.S. market share of agricultural and processed food imports is increased.
- South Asian governments and firms abide by their contracts with U.S. firms and resolve existing trade disputes.
- The number of U.S.-South Asian joint ventures, particularly in agribusiness, energy, population, health and environment sectors, increases.
- Embassies' commercial outreach is extended, by making commercial guides more up-to-date and accessible and by opening or securing approval for new branch offices of the U.S. Foreign Commercial Service in Pune and Hyderabad, India.
- South Asian governments make policy changes that will strengthen the investment climate for U.S. investors and reduce obstacles to U.S. imports.
  FY 2000 TARGET: Continue to assist U.S. companies in obtaining access to South Asian markets, in protecting existing investments, advancing new investments, and pressing for privatization. The U.S. will showcase existing and new-to-market U.S. products through annual U.S. Trade Shows.

ASSUMPTIONS:

- Economic growth will continue in South Asia as a whole although at a slower pace than in previous years in some countries.
- The 1997-98 Asian financial crisis will have an effect on South Asian foreign exchange reserves, investor confidence, and export growth in the near term even if these countries are not viewed as in crisis or as contagion countries.
- If still in force, nonproliferation sanctions will restrain U.S. trade with India and Pakistan.

INDICATORS:

- Level of U.S. exports to South Asia.
- Share of import market and of all foreign investment.
- Levels of EXIM/TDA/OPIC activity.
- Number of commercial disputes resolved.

SA: FY 2000 REGIONAL PLAN

STRATEGIC GOAL: Global Economic Growth (EG) -- Increase global economic growth.

REGIONAL GOAL: Strengthened capabilities of South Asian governments in promoting sustainable economic growth.

NATIONAL INTEREST: Economic Prosperity: U.S. prosperity is increasingly linked to the rate of growth of the global economy and the stability of the international financial system. With the growing integration of the global economy, particularly of capital markets, even developing countries can trigger destabilizing consequences for the global economy, as demonstrated by the current Asian economic crisis. International nonproliferation sanctions had weakened Pakistan's ability to meet its obligations to the IMF on economic reform. However, the easing of these sanctions will allow Pakistan to work with the IMF to formulate an effective economic reform package designed to stabilize its economy.

STRATEGY:

The United States will encourage South Asian governments to increase economic growth by studying appropriate economic development models for such programs as tax reform and tax equity, human resource development, and broadening of regional economic and financial cooperation agreements. Posts in India and Pakistan will continue to monitor the effects of the Asian economic crisis, which is predicted to have a limited impact on foreign exchange reserves, investor confidence and export growth in the near term. U. S. programs will provide technical assistance and training to business associations and governments to promote and implement policy reforms that will strengthen their financial markets and help liberalize their trade and investment policies and practices. Such reforms are necessary to attract the investment required for sustained growth and competitiveness of its private sector. The USG will continue to promote opportunities for private sector entry into or expansion of activity in the global market. The United States will support the South Asian Association for Regional Cooperation's efforts to expand intra-regional trade through the development of a free trade association.

OBJECTIVES:

To foster sustainable economic growth in South Asia:

- New ways are developed to increase employment and improve productivity of small and micro-entrepreneurs through increased financial services, technical assistance, business skills development training and technology transfer.
- South Asian governments undertake tax reform to increase government revenue collection and make taxation more equitable.
- Financial markets in South Asia are further developed.

- South Asian Association for Regional Cooperation (SAARC) takes steps to establish a free trade area.
- The Government of Pakistan fulfills its commitments to the IMF to achieve stabilization of the economy and takes actions on structural reform and sustainable development under the ESAF and other programs.

FY 2000 TARGET: U.S. provides assistance to SAARC countries to take steps to form a South Asia Free Trade Area and continues to encourage and work with the region's governments at developing sound financial systems through tax reform, human resource development and broadening regional economic cooperation.

ASSUMPTIONS:

- Governments acknowledge the need for sustainable development, but face internal pressures from interest groups to maintain the status quo.
- Pakistan will avoid both internal political crisis and international payments crisis over the coming year.

INDICATORS:

- Progress toward a South Asian free trade area.
- Implementation in South Asian countries of financial sector reforms that improve access to capital.
- Levels of economic growth.

SA: FY 2000 REGIONAL PLAN

STRATEGIC GOAL: Economic Development (ED) -- Promote economic development in developing and transitional economies.

REGIONAL GOAL: Governments in South Asia can meet the needs of their own people on a sustainable basis with their own resources.

NATIONAL INTEREST: Economic Prosperity: South Asia is the world's poorest, most illiterate and malnourished region. With an annual per capita income that lags behind sub-Saharan Africa's, South Asia is home to nearly half of the world's poor. Social sector development, particularly education, has suffered throughout South Asia as governments have chosen to direct scarce resources elsewhere. Literacy rates are already lower than those in Africa; Pakistan's already low literacy rates (25-35%) are declining and Taliban restrictions on women's and girls' education will soon cause Afghanistan's female literacy rate to drop below 14%. Broad-based economic growth not only reduces reliance on assistance from the United States and other donors, but can positively affect a multitude of other U.S. goals, including promoting regional stability, expanding U.S. exports, reducing migration pressure, averting humanitarian crises, protecting human rights, reducing harmful environmental practices, improving health care, and stabilizing regional population growth.

STRATEGY:

U.S. bilateral development assistance to South Asia aims to strengthen markets, expand individual access and opportunity, empower women economically, and invest in peoples' education and health to achieve sustainable economic growth. U.S. assistance will continue to give priority to ensuring women's participation as full partners in development through literacy, legal rights, reproductive health and economic opportunity programs. The United States will also promote a wide variety of social action objectives in South Asia through direct diplomacy, indirectly through speakers, press conferences, Worldnets and Information Resource Centers, and through continued coordination with other donors.

Regional programs are aimed at expanding the base of those productively employed to include more women and to assist in harnessing the region's resources to increase economic growth. These initiatives will include innovative micro-finance programs to empower women economically, thereby integrating them more fully into the economic life of the country and improving their status. This program would enhance U.S. efforts to maintain a stable region since, as research shows, women in developing countries contribute significantly to sustaining family and community.

Regional funds will also be used to further economic growth by promoting infrastructure development and improvements in service delivery as well as promoting private sector participation and investment in environmentally and socially sound water and gas

resource management. Programs would also focus on strengthening the skills of city managers and NGOs, and on research and advocacy needed to change antiquated urban policies.

OBJECTIVES:

To alleviate poverty and improve quality of life:

- Basic health and education programs are implemented by international organizations and non-governmental organizations, particularly those that are targeted at women and children in order to reduce fertility and income inequality and mitigate the effects of gender discrimination.
- Food security is improved for the poorest and most vulnerable populations, e.g., through support for economic policy reforms and World Food Program projects.
- Poverty is alleviated by supporting training and income-generation programs targeted at the poorest and most vulnerable populations, including women, refugees and displaced persons.
- Governments of the region make primary education available to all children and expand opportunities for secondary and post-secondary education.
- MDBs and other bilateral assistance efforts support economic policy reform in the region.
- South Asian women are empowered through literacy, legal rights, business skills training and small business credit availability.
  FY 2000 TARGET: Encourage economic growth by introducing higher value crops to farmers and helping market them, and providing women with training in basic literacy, business skills as well as with loans from micro-finance institutions. Reduce the incidence of stunting among children (6-59 months) in the areas where production and consumption of fish, fruit and vegetables is being assisted.

ASSUMPTIONS:

- Governments of the region will continue to lack the political will to devote the necessary resources to make much-needed social sector improvements.
- The region will avoid major natural disasters that seriously lessen agricultural productivity.

INDICATORS:

- Total and per capita GDP growth rates.
- Number of women earning income.
- Number of jobs in rural enterprises.
- Government performance on social action program objectives.

SA: FY 2000 REGIONAL PLAN

STRATEGIC GOAL: American Citizens (AC) -- Enhance the ability of American citizens to live and travel abroad securely.

REGIONAL GOAL: Efficient and effective service to American citizens traveling through or resident in South Asia.

NATIONAL INTEREST: American Citizens and U.S. Borders: Market-oriented reforms and enhanced efforts to promote tourism increasingly make South Asian countries a destination for American business and pleasure travelers. Embassies and constituent posts in South Asia must replace normal support mechanisms in providing protection and assistance to U.S. citizens. Moreover, the region's vulnerability to natural disasters and to rapidly changing security conditions accentuates the need for a responsive and wide-reaching warden network to provide emergency information.

STRATEGY:

Posts in the region will seek to balance the goals of efficient and effective service to American citizens with enhanced anti-fraud efforts as U.S. passport and citizenship fraud become increasingly prevalent. Americans resident in or traveling to Afghanistan, Bhutan or Maldives are assisted through U.S. Embassies in Islamabad, New Delhi and Colombo, respectively. Posts in the region will maintain close consultation with constituent posts and local law enforcement authorities to ensure that information on threats to Americans is disseminated as widely and quickly as possible. Embassy New Delhi will establish a new missing person consultation group with other diplomatic missions to enhance its ability to track missing Americans and will work with the Federal Aviation Administration (FAA) and Government of India to improve airport security and safety. Posts will regularly review warden lists to include the names of new arrivals and delete the names of those who have left.

OBJECTIVES:

1. To provide American citizen services:

- Missions continue to advocate non-discriminatory treatment of U.S. citizens in South Asia in human rights, visa, legal and other matters.
- Efficient provision of American citizen services is improved through staff training, improved software and increased use of automated equipment as the need for such services steadily grows.
- The integrity of the U.S. passport and the passport issuance process is increased through enhanced training of consular personnel.
- Consular documentation assistance to Americans is improved through host government accession to the Hague Legalization Convention.
  FY 2000 TARGET: Installation of ALMA (A Logical Migration Approach) computer systems for American Citizen Services.

2. To improve American citizen protection and security:

- Warden systems and consular registration programs are improved.
- American citizens traveling in disputed and otherwise unsettled areas of security concerns are informed through regular updates of consular information sheets and postings on the internet.
- Posts' ability to respond to disasters is improved, e.g., through disaster response drills.

  FY 2000 TARGET: Use improved database and fax software to improve the missions' ability to quickly and reliably broadcast health and safety announcements to registered Americans. Enhance disaster readiness.

ASSUMPTIONS:

- Americans residing or traveling in many parts of South Asia will have to remain attentive to their personal security.
- Demand for American services will increase as more Americans come to South Asia for business, either temporarily or as long-term residents.
- With 1.5 million South Asian residents in the United States, increasing numbers of South Asian-origin American citizens will be retiring or permanently relocating back to the region.
- Fraudulent attempts to obtain American citizenship will continue.

INDICATORS:

- Number of days required for the issuance of renewal passports and reports of birth and death.
- Customer satisfaction surveys.
- Number of resident and traveling American citizens registered at posts.
- Timeliness of warnings and information available to Americans.

SA: FY 2000 REGIONAL PLAN

STRATEGIC GOAL: Travel and Immigration (TI) -- Control how immigrants and non-immigrants enter and remain in the United States.

REGIONAL GOAL: Maximize anti-fraud efforts to reduce illegal immigration to the United States and improve efficiency of non-immigrant and immigrant visa operations for legitimate travelers.

NATIONAL INTEREST: American Citizens and U.S. Borders: Legal entry of visiting foreign nationals increases trade and investment in the United States and promotes American values internationally. U.S. missions are the first line of defense against illegal entry and immigration into the United States and protect the integrity of the immigration system against threats posed by terrorists, organized crime, and narcotics traffickers.

STRATEGY:

Economic growth and expanding networks of friends and relatives have given an increasing number of South Asians the means to travel to the United States for business and tourism. Missions in South Asia will strive to provide efficient and courteous service to visa applicants as well as quick, complete and understandable communication with applicants and other interested parties (e.g. family, lawyers and Congress). However, a continued lack of economic opportunities for many South Asians in their own countries has ensured ongoing pressure to attempt illegal entry into the United States and growth in the incidence and sophistication of fraud. Posts in the region will step up efforts to halt visa fraud by training local and airline officials to spot fraudulent documents and improving coordination with other diplomatic missions.

OBJECTIVES:

1. To facilitate legal travel:

- Posts establish methods (including country-wide programs for drop-box applications, travel agent referrals and business express visa issuance, as appropriate) to quickly screen qualified visa applicants.
- The South Asian public is adequately informed of U.S. immigration law through placement of press releases and distribution of information sheets with accurate information on U.S. immigration policies and visa issuance, including the diversity visa program.
- If security conditions allow, nonimmigrant visa processing is returned from Islamabad to Karachi, where 50% of NIV workload originates.

2. To inhibit illegal immigration:

- Posts' ability to combat visa fraud is improved.

- Fraudulent document and visa recognition training is conducted and regularly enforced with airline employees and local immigration law enforcement officers.
- South Asian governments criminalize alien smuggling and visa, passport, and document fraud, and aggressively prosecute fraudulent document vendors and alien smugglers.
- South Asian governments improve the security of their travel documents.
- Foreign officials who engage in or facilitate alien smuggling are entered into appropriate U.S. Government lookout systems.
  FY 2000 TARGET: NIV processing begins in Karachi. Missions work with local airport personnel and police on anti-fraud measures.

ASSUMPTIONS:

- Increasing numbers of South Asians will seek to obtain visas to visit the United States for legal purposes.
- Increasingly sophisticated and pervasive fraud will require that more time and resources be spent on anti-fraud activities.
- Continued population growth and lack of opportunity in much of South Asia will increase the pressure to immigrate to the United States.

INDICATORS:

- Processing time for visa applications by bona fide applicants.
- Customer service surveys.
- Number of airline employees and local officials exposed to fraudulent document and visa training.
- Improvements in the integrity and security of South Asian governments' documents and issuance procedures.

SA: FY 2000 REGIONAL PLAN

STRATEGIC GOAL: International Crime (IC) -- Minimize the impact of international crime on the United States and its citizens.

REGIONAL GOAL: Enhanced cooperation between the United States and South Asian governments on international crime issues.

NATIONAL INTEREST: Law Enforcement: The expansion and increasing sophistication of transnational crime represents a growing threat to American citizens. Improved control of crime in South Asia will help mitigate the impact of crime on the United States.

STRATEGY:

The United States will seek to improve cooperation with South Asian governments on law enforcement issues by encouraging respect for the rule of law and adherence to international commitments, and by strengthening legal and law enforcement systems through regular consultations, training and exchange programs. Of particular concern is the trafficking of women and children in the region, from Bangladesh and Nepal to India, Pakistan and the Middle East. International Narcotics Control (INC) and Economic Support Fund (ESF) programs will raise awareness of the problem among local officials and potential victims, train police officers throughout the region, and improve enforcement of existing laws.

OBJECTIVES:

To improve coordination on international crime issues:

- Cooperation between the United States and South Asian governments on law enforcement issues, e.g. law enforcement exchange programs, regular consultations and the establishment of such legal instruments as mutual legal assistance treaties, is stepped up.
- Criminal justice systems in South Asia are strengthened, e.g., by encouraging governments to speed up the administration of justice and take steps to reduce corruption in the legal system.
- South Asian governments adhere to their own laws and international commitments on law enforcement issues.
- Awareness of the problem of trafficking in women and children is increased, laws are enforced, and increased numbers of police officers are trained to combat this trade. FY 2000 TARGET: U.S. assists region's law enforcement agencies enhance their fight against internal corruption and achieve greater regional cooperation in addressing the transnational nature of crime in the region.

ASSUMPTIONS:

- International criminal operations will become increasingly sophisticated.

INDICATORS:

- Cooperation on extradition of international criminals.
- Swifter administration of justice.
- Improvement in region's law enforcement practices against trafficking in women and children.

SA: FY 2000 REGIONAL PLAN

STRATEGIC GOAL: Illegal Drugs (ID) -- Reduce significantly the entry of illegal drugs into the United States.

REGIONAL GOAL: Strengthen ability of South Asian governments to reduce the production of illegal narcotics and interdict exports of illicit substances.

NATIONAL INTEREST: Law Enforcement: Substantially reducing the quantity of opiates produced in Pakistan and Afghanistan and the amount trafficked from and through South Asia is an essential element of the global effort to protect U.S. citizens from the scourge of hard drugs. Destruction of trafficking organizations removes a well-funded corrupting influence and strengthens governmental structures and promotes economic growth by improving the productivity of younger generations and decreasing the drain on family and state resources required to sustain or to treat drug addiction. Reducing the availability and demand for heroin will also have a positive impact on the global problem of the spread of AIDS through subcutaneous injection.

STRATEGY:

Three of the South Asia Bureau's eight countries are on the narcotics "majors" list: Afghanistan, Pakistan and India. The United States will use the annual drug certification process to encourage these governments to adopt policies or laws that demonstrate strong political commitment to eliminating illicit opium poppy cultivation and morphine base and heroin laboratories. This process will also be used to encourage these countries to enhance the effectiveness of drug law enforcement targeted against the destruction of major heroin trafficking organizations and the successful prosecution of key figures within such organizations. Posts will heighten public awareness of the serious threat posed by drugs in order to bolster public support for political measures that further counter-narcotics objectives in their countries. Public diplomacy efforts will encourage public understanding of the need for international cooperation in order to more effectively attack the problems created by the illicit drug trade. The United States will continue to press the South Asian governments to draft and pass comprehensive money laundering legislation. Regional narcotics cooperation, particularly between India and Pakistan, will be encouraged.

Embassy Islamabad will work closely with the UN Drug Control Program (UNDCP) and the local Dublin Group to foster support for coordinated counter-narcotics efforts in Afghanistan and Pakistan. Particular attention will be paid to UNDCP's initiative to develop and implement a 10-year program to eliminate opium poppy cultivation in Afghanistan. Embassy Islamabad will significantly strengthen Pakistan's Anti-Narcotics Force (ANF) by directing U.S. International Narcotics Control (INC) assistance to equipment and training for small, specialized units that focus principally on targeting, investigating and prosecuting major heroin offenders. DEA will build a strong working relationship with the ANF with the goal of improving the operational effectiveness of

both agencies. As part of a new judicial assistance program aimed at special narcotics courts, INC plans to fund special attorneys for ANF to concentrate on moving cases through the courts more swiftly. The Department's IV program will send Pakistani judges who deal with narcotics cases to the United States to examine the manner in which drug offenders are prosecuted in Federal and state courts. INC will also continue to fund alternative development schemes which, coupled with Pakistani enforcement of the poppy ban, have as their goal the eradication of the remaining large-scale poppy cultivation in Bajaur, Mohmand and Dir by the year 2000.

In India, the United States will coordinate and conduct operational counter-narcotics activities with law enforcement organizations, provide training to these organizations, and assist in the development of drug demand reduction and rehabilitation programs. Embassy.New Delhi will press India to ratify the U.S.-India extradition treaty. The Embassy will help coordinate a comprehensive joint opium yield survey that would provide a firmer scientific basis for the GOI to determine minimum qualifying yields for farmers. This will enable the GOI to better control diversion from the licit opium fields and will help the GOI to adjust its production goals to ensure a licit opium supply that meets world demand. It will also work with Indian officials on joint essential and precursor chemical investigations, encouraging the government to place more of the 22 essential and precursor chemicals listed on the 1988 UN list under regulation and/or control.

OBJECTIVES:

1. To reduce production of and demand for illegal narcotics and ensure the continued supply of licit narcotics:

- Cultivation of illicit drugs, particularly in Pakistan and Afghanistan, is significantly decreased through crop substitution/alternative development and other counter-narcotics programs.
- Official and private demand reduction and public awareness programs are expanded and improved.
- Afghan authorities take concrete action to implement their 1997 announced policies of banning narcotics trafficking and use, and support any eradication efforts.
- India continues to meet certification goals which require that its stockpile be no larger than required to meet international demand and India's licit opium crop meets U.S. and worldwide licit opium needs.

  FY 2000 TARGET: Significant steps are taken to limit drug production in the region. UNDCP 10-year program to eliminate opium poppy cultivation in Afghanistan is under way.

2. To improve interdiction of illegal narcotics:

- National narcotics control efforts are strengthened by supporting the passage of comprehensive drug and money laundering legislation and promoting increased professionalism in anti-narcotics units.

- Narcotics trafficking organizations and chemical manufacturers are identified and disrupted.
- Cooperation with South Asian governments on the extradition of narcotics traffickers to the United States is improved.
- Pakistan agrees to strengthen the institutional structure of the ANF by improving drug enforcement training by making more effective use of civilian employees and by ensuring that performance by military personnel detailed to agencies with narcotics enforcement responsibilities receive appropriate career recognition.
- The Taliban make commitment to UNDCP to: 1) eliminate poppy cultivation in geographic areas where UNDCP alternative development projects are being implemented; 2) prevent cultivation of poppy in areas where it was not grown in 1997; and 3) destroy heroin and morphine base processing laboratories when the Taliban have been advised of the locations of the labs. This effort would be implemented by the Taliban and monitored by UNDCP.
  FY 2000 TARGET: The USG will continue to support the UNDCP's program to decrease drug production and distribution in Afghanistan, contingent upon UNDCP's ability to function in that country.

ASSUMPTIONS:

- Poverty and lack of effective governmental control will continue to hinder efforts to halt cultivation of narcotics, particularly in Pakistan and Afghanistan.
- The Government of Pakistan will continue to demonstrate high-level resolve to improve Pakistan's counter-narcotics efforts and to enhance the level of cooperation on this issue with the United States.
- UNDCP will be able to continue to implement its drug control projects in Afghanistan.

INDICATORS:

- Full narcotics certification for Pakistan and India.
- Effective implementation of national drug control policies and counter-narcotics efforts.
- Number of hectares under poppy cultivation in Pakistan and Afghanistan.
- Number of arrests and successful prosecutions or extradition of key figures.

SA: FY 2000 REGIONAL PLAN

STRATEGIC GOAL: International Terrorism (TE) -- Reduce international terrorist attacks, especially against the United States and its citizens.

REGIONAL GOAL: Improved counter-terrorism cooperation with South Asian governments.

NATIONAL INTEREST: Law Enforcement: The United States has a direct national interest in preventing terrorist attacks on U.S. citizens and interests. Terrorism in South Asia, particularly in Pakistan and Sri Lanka, has impacted heavily on the foreign community. There has been a marked increase in the number of foreigners killed, including Americans. The August 7, 1998 terrorist attacks on U.S. Embassies in East Africa demonstrated the severe threats to U.S. missions throughout the world and to our posts in South Asia in particular. Terrorism also affects U.S. interests in promoting regional stability; eliminating acts of terrorism will advance resolution of the conflicts between India and Pakistan and in Sri Lanka. In addition, removing terrorist threats will improve the business climate, thereby promoting economic growth in the region and making it more likely the United States can meet its export targets. Improving the professionalism of counter-terrorism forces is also key to curbing human rights abuses in areas of unrest.

STRATEGY:

The United States must rely on local law enforcement agencies in South Asia to counter and ultimately reduce terrorist activity. South Asian police and security officials are the first line of defense against terrorism. However, police throughout South Asia are poorly trained, poorly equipped and do not possess the necessary investigative skills. Corruption is endemic throughout the law enforcement structure and the concept of rule of law is lacking. Counter-terrorism activities in the region will focus on improving the capabilities and professionalism of these officials, eliminating potential safe havens for terrorists, enhancing border controls, increasing bilateral cooperation against terrorism and gaining adherence to international conventions. Frequent high-level consultations and INC, DS, FBI, and ATA training programs are important components of U.S. efforts.

In Sri Lanka, Embassy Colombo's public information programs will continue to raise awareness in the American citizen and business communities of security threats through a public outreach program. Regarding the Kashmir hostage situation, the United States will continue to work with the Governments of Pakistan, India and other concerned countries to determine the fate of the hostages and bring those responsible to justice. U.S. senior officials will persist in urging Afghanistan's Taliban authorities to cease allowing territory under their control to be used as a safe haven for the exiled Saudi dissident Usama bin Laden. Bin Laden is under indictment by U.S. Federal District Court of Manhattan for orchestrating the terrorist attacks on U.S. Embassies in East

Africa. Public diplomacy programs will also help counteract regional perceptions (particularly those in Pakistan and Afghanistan) that the U.S. is prejudiced against Muslims. These misperceptions could agitate further terrorist actions against U.S. targets.

OBJECTIVES:

1. To improve counter-terrorism cooperation:

- Regular consultation, training and exchange programs and, where possible, increased intelligence sharing are conducted with South Asian governments.
- Regional governments are more responsive to U.S. requests for extradition, rendition, and law enforcement and intelligence cooperation against terrorism.
- Regional governments accede to and adopt implementing legislation for international counter-terrorism conventions.
- Regional governments support accession to, and implementation of, a new convention on terrorist bombings.
- South Asian governments are aware of new terrorist threats, including electronic, biological, chemical and radiological weapons.

2. To reduce the threat of terrorist incidents:

- Governments of the region halt support for terrorist groups and cross-border terrorist attacks.
- The Kashmir hostage issue is resolved by identifying those responsible and bringing them to justice.
- Taliban authorities agree to close militant camps in Afghanistan.
- Taliban authorities agree to cease all assistance to Usama bin Laden, including provision of safe haven, and assist U.S. authorities in bringing him to justice so that he may stand trial in the U.S. for terrorist acts.
  FY 2000 TARGET: Increase regional participation in the Anti-Terrorist Assistance Program to more effectively train counter-terrorism personnel and increase host governments cooperation on terrorist issues. Continue to encourage governments to intercept activities of terrorist groups.

ASSUMPTIONS:

- Terrorism will continue to be a serious problem for the foreseeable future and U.S. citizens will remain at risk.

- Terrorist groups will acquire more sophisticated weapons and become more skillful.

INDICATORS:

- Number and severity of terrorist-related incidents.
- Governments of India and Pakistan take specific actions to determine the fate of the Kashmir hostages and secure their release or identification.
- Accession to counter-terrorism conventions by South Asian countries.

SA: FY 2000 REGIONAL PLAN

STRATEGIC GOAL: Democracy and Human Rights (DE) -- Increase foreign government adherence to democratic practices.

REGIONAL GOAL 1: Growth of stable democracies and professional, apolitical militaries in South Asia.

NATIONAL INTEREST: Democracy: A world of democratic nations provides a more stable and secure global arena in which to advance U.S. objectives. Promotion of democracy reflects the fundamental values of the American people. In addition, the promotion of democracy can minimize regional conflict and instability, provide political incentives for reducing poverty and socio-economic inequality, and may give South Asians fewer incentives for illegal migration to the United States.

STRATEGY:

Encouraging the growth of stable democracies is a major focus of U.S. efforts in South Asia. The South Asia Regional Democracy Fund (RDF), begun in FY 1998, is an important tool in this effort. Regional programs will address judicial reform and rule of law, including funding of training and exchange programs to introduce jurists to modern methods of case management and alternative dispute resolution. Other programs will encourage political parties to work together constructively, strengthen NGOs in the region, promote a democratic political culture, discourage corruption, assist national election commissions and increase political participation by women. Regional programs will foster the development of an independent and responsible media through speaker programs, academic exchanges, Worldnet interactives and International Visitor grants. Democratic values will be promoted in South Asian militaries through International Military Education and Training (IMET) and joint exercises.

OBJECTIVES:

To foster stable democracies in South Asia:

- An environment, particularly in Sri Lanka and Bangladesh, is created in which reconciliation between ethnic communities and between political factions can be advanced.
- The participation of citizens, particularly women and other disadvantaged groups, in the political process increases.
- Community-level organizations and NGOs are developed and strengthened.
- Confidence in the electoral system is improved through independent monitoring of elections, training programs for election officials, and party polling agents and support education programs for voters.
- The capacity, effectiveness and probity of South Asian parliaments and other elected bodies is improved.
- South Asian militaries are professional and apolitical.

- Rule of law returns to Afghanistan and steps are taken toward the establishment of a broadly based government that recognizes the rights of women.
- Governmental power continues to be decentralized, with local governments taking a more active role.

  FY 2000 TARGET: U.S. rule-of-law programs continue to develop the region's democratic institutions and assist in ensuring that free and fair elections are held. U.S. assistance supports NGOs that promote women's participation in political decision-making. Public diplomacy programs, USAID and the Asia Foundation continue to promote democratic institutions on a regional basis.

ASSUMPTIONS:

- Corruption, weak institutions and domestic politics marked by confrontation will continue to threaten the consolidation of democracy in much of South Asia.
- Direct military intervention in politics is unlikely.
- NGOs will continue to serve as an important link between the people and government, as well as a source of ideas and skills in democracies in the region.

INDICATORS:

- Free and fair elections are held.
- Number of women in the democratic process as candidates and voters.
- Number of free trade unions and non-governmental organizations.
- Degree of objectivity and sensitivity to democratic values by journalists in the region.

REGIONAL GOAL 2: Greater respect for human rights in South Asia.

NATIONAL INTEREST: Democracy: Promoting human rights, including the rights of women and minorities, reflects the fundamental values of the American people. Fostering increased respect for human rights will also strengthen the rule of law and promote internal stability in South Asian countries.

STRATEGY:

The United States maintains a robust dialogue on human rights with governments and NGOs in South Asia. Disappearances, extra-judicial killings and other human rights abuses remain all too prevalent despite the existence of national human rights commissions in several South Asian countries. Discrimination against women and religious minorities, problems of religious intolerance, trafficking in women and children, the continued use of bonded labor and the employment of children in hazardous working conditions are of particular concern. Throughout the region, the United States is working with NGOs, including trade unions and the South Asian Coalition on Child Servitude, to foster greater respect for human and worker rights. The Regional Democracy Fund (RDF), will provide assistance through U.S. and local non-governmental organizations working in the region and to governmental programs which contribute to U.S. objectives.

Missions in the region will be establishing programs, in cooperation with host governments, the International Labor Organization and local NGOs, to help eliminate child labor in various industries, such as the carpet industry. Programs will include efforts to remove children from illegal work places, provide younger children with schooling designed to quickly introduce them to mainstream learning, provide older children with literacy and vocational training, and sustain and strengthen a labeling program to provide consumers with a choice of "child-labor-free" products.

In addition, the U.S. will support programs that address the significant patterns of abuse encountered in police procedures and identify a local or international NGO to conduct training programs in human rights norms for police in locations throughout the region. Programs would include gender sensitivity training for law enforcement officers and judicial personnel, since violence against women is widespread in the region; support for new special police units created to deal with crimes against women and children, including trafficking; and training of entry-level police officers on the treatment of prisoners in custody.

To address the obstacles and difficulties women face in Afghanistan, the USG will assist women's NGOs and U.N. programs working within that country and in refugee camps in Pakistan to assist in improving the status of women and enhancing their quality of life. This activity would be contingent upon the ability of NGOs, either international or domestic, to function in Afghanistan.

Trafficking in women is a major regional problem. Many governments have ranked trafficking in humans as the third most serious illegal trade after drugs and armaments. Approximately 19,000 Pakistani children have been trafficked into the United Arab Emirates, and approximately 160,000 Nepalese women are working in Indian brothels. The circumstances predominantly responsible for generating trafficked victims, the abysmal poverty, illiteracy, lack of economic development, gender inequalities, and exploitation are common to the South Asian region. These communal problems, along with the fact that more than one national jurisdiction is involved in the practice, make collective effort an imperative.

Unfortunately, the problem is not solved by rescuing victims of trafficking. Countries of origin often refuse to recognize, accept or rehabilitate the victims. Often the receiving countries refuse to naturalize them, rendering them stateless. Many women, therefore, remain vulnerable to exploitation after they escape by not being accepted back to their families and communities. Regional Democracy Funds will support women's shelters throughout the region, provide legal services for victims and HIV/AIDS preventative education, and other essential services aimed at addressing the needs of victims.

Religious intolerance has also taken a toll in the region. Incidents of violence against minorities, such as Shia in Pakistan and Christians in India, are on the increase. To improve relations among the many religious groups in the region, including Hindus, Christians and Muslims, U.S. assistance will support various NGOs and government programs dedicated to promote religious tolerance.

OBJECTIVES:

To foster greater respect for human rights:

- The United States continues a dialogue with South Asian governments to raise awareness of human rights issues, including discrimination against women and religious minorities.
- Governments of the region reduce human rights abuses by police, military and other officials.
- South Asian governments provide a wide mandate and adequate resources to ensure the effectiveness of national human rights commissions.
- National legal and human rights awareness programs in South Asia are expanded.
- South Asian governments observe international humanitarian norms regarding internal conflicts.
- Bangladesh establishes a human rights commission.
- Governments and manufacturers in South Asia take steps to eliminate child labor in hazardous workplaces and reduce child labor overall; public and private efforts to institute and monitor child labor-free labeling schemes and rehabilitate former child laborers are increased.

  FY 2000 TARGET: Governmental bodies are better able to address human rights violations, particularly in trafficking in women. South Asian Association for Regional Cooperation (SAARC) members sign protocol on trafficking in women and

girls and take steps to implement it. There is an overall increase in the promotion of human rights in the region, including efforts to reduce child labor, through governmental and non-governmental organizations.

ASSUMPTIONS:

- Corruption will remain a barrier to improvements in police practices and sensitivity to human rights abuses in the region.
- Women will continue to experience discrimination and abuse as well as poorer chances at literacy and employment outside the home.

INDICATORS:

- Number of manufacturers participating in a child labor-free labeling programs with credible monitoring systems.
- Degree of freedom of religion.
- Media coverage of human rights issues.
- Degree of trafficking in women and girls.

SA: FY 2000 REGIONAL PLAN

STRATEGIC GOAL: Humanitarian Assistance (HA) -- Prevent or minimize the human costs of conflict and natural disasters.

REGIONAL GOAL: Prevention/alleviation of the human costs of conflict and natural disasters in South Asia.

NATIONAL INTEREST: Humanitarian Response: American values mandate offering assistance and international leadership to help alleviate human suffering from crises, man-made or natural, even when there may be no direct or indirect threat to U.S. security interests. Resolution of ongoing refugee disputes can improve regional stability. Swift and effective response to disasters can also promote regional stability by stemming cross-border flows of refugees. Humanitarian assistance has been determined to be outside nonproliferation sanctions against India and Pakistan.

STRATEGY:

South Asia's high frequency of natural and man-made disasters, the large population affected by such events and limited ability to prepare before or intervene after disasters strike, increase the importance of U.S. humanitarian assistance efforts. The United States will provide food to address acute hunger when local food stocks and crops are affected by natural disasters. In India, USAID will develop a model-training program for search and rescue operations, including canine training, training for first responders in basic first aid, and report preparation. Humanitarian assistance efforts will continue in Bangladesh with the government and with local NGOs to develop disaster preparedness plans, provide training, strengthen institutions, and coordinate response activities.

Another continuing focus of U.S. relief efforts will be to provide assistance to the most vulnerable victims of the civil conflicts in Afghanistan and Sri Lanka: women, children, and the disabled. The United States will work with other donor members of the Afghan Support Group and other ad hoc donor groups to increase support for relief programs, including those operated by the International Committee of the Red Cross (ICRC). The ICRC runs hospitals and orthopedic workshops, provides prosthetic services, reunites families through its tracing service, and conducts regular visits to prisoners of war. Supporting, as conditions permit, the safe return and reintegration of refugees in Pakistan to their homes in Afghanistan will continue to be a primary goal of refugee assistance programs in Pakistan and Afghanistan. The United States will promote the settlement of lingering disputes between Nepal and Bhutan and between Bangladesh and Burma that have stranded thousands of refugees in camps along the border and urge fair treatment and proper care of all refugee populations.

Migration and Refugee Assistance (MRA) funds will support ICRC and UN High Commissioner for Refugees assistance programs throughout the region.

Department of Defense (DOD) funds will continue to support local demining programs in Sri Lanka. USAID's War Victims Funds will assist NGOs increase the number of amputees fitted with prosthetic devices; USAID Displaced Children and Orphan funds will help NGOs extend the reach of psychological and social support services.

OBJECTIVES:

To prevent or minimize human costs of conflicts and disasters:

- Incidence of death and property loss related to disasters is minimized through preparedness activities.
- The International Committee of the Red Cross, UN High Commissioner for Refugees, World Food Program and other organizations have adequate resources to provide basic humanitarian assistance to refugees, conflict victims and displaced persons in South Asia.
- Assistance is directed to the most vulnerable populations in Afghanistan, including women, children and the disabled via the UN Office for Coordination of Humanitarian Assistance to Afghanistan (UNOCHA) and the Afghan Support Group; the Taliban allow the resumption of assistance programs targeted at women and girls.
- Refugees in Pakistan continue to return to Afghanistan as conditions allow.
- There is increased cooperation between the UN Special Mission to Afghanistan (UNSMA) and UNOCHA; UNSMA has adequate resources to maintain a steady, broad-ranging dialogue with all Afghan political players and ability to support a cease-fire/political settlement if parties agree on terms.
- Nepal and Bhutan take steps toward a negotiated settlement of their refugee problem.
- The Government of Bangladesh and international organizations ensure the protection of Rohingya refugees and implement a durable solution for them which includes resettlement in Bangladesh for those unwilling or unable to return to Burma and closure of the refugee camps on the Bangladesh-Burma border.
- The Government of Nepal continues its policy of allowing safe transit for Tibetan asylum seekers.

  FY 2000 TARGET: Expand Common Program to encompass all UN-NGO humanitarian assistance programs in Afghanistan. Make progress towards finding durable solutions for Nepalese refugees in Bhutan. In cooperation with other donors, ensure that assistance is adequate to meet minimum international standards for nutrition and health for remaining refugee and internally displaced populations in South Asia.

ASSUMPTIONS

- Continued access to refugees and displaced persons in Afghanistan and Sri Lanka.
- Political/military conditions allow assistance operations to continue.

INDICATORS

- Adequate access to disaster relief supplies.
- Number of acres of demined land returned to civilian use.
- Assistance programs targeted at women and girls are resumed in Taliban-controlled areas of Afghanistan.
- Steps taken to resolve the Nepal/Bhutan and Bangladesh/Burma refugee problem.

SA: FY 2000 REGIONAL PLAN

STRATEGIC GOAL: Environment (EN) -- Secure a sustainable global environment in order to protect the United States and its citizens from the effects of international environmental degradation.

REGIONAL GOAL: Increased efforts by and with South Asian countries to address national, regional and global environmental problems and support for international environmental agreements of importance to the United States.

NATIONAL INTEREST: Global Issues: Convincing India -- the world's sixth largest and second fastest growing developing country producer of greenhouse gases -- to take steps to reduce its emissions will be key to the success of global warming efforts. Degradation of the environment in South Asia poses substantial, direct challenges to the region's political stability and socioeconomic development. As pollution costs India alone approximately 4.5% of GDP each year, environmental efforts also contribute to U.S. economic objectives by promoting broad-based, sustainable growth and increasing the opportunity for U.S. environmental goods and services.

STRATEGY:

The region, home to almost a quarter of the world's population, faces a host of serious environmental problems. The United States will enhance the bilateral dialogue with South Asian countries on national and global environmental issues. Active public diplomacy programs will increase environmental awareness and advocacy. Through the U.S.-Asia Environmental Partnership (USAEP), the U.S. will support efforts by U.S. companies to introduce new environmental technologies and systems of management. The United States will continue to encourage schools in South Asia to participate in the Global Learning and Observations to Benefit the Environment (GLOBE) program. The international financial institutions, especially the Global Environment Facility, are vital sources of both financial and technical assistance to combat environmental degradation; the United States will support the efforts of these institutions.

An important tool in promoting environmental protection in the region is the Regional Environmental Hub in Kathmandu, established in FY 1997. Hub efforts will focus on climate change, flood prevention, sustainable forest practices, biosafety and water use. The Hub will also continue to encourage the South Asian Association for Regional Cooperation (SAARC) to make the environment a more central issue. Conclusion of a Memorandum of Understanding between the United States and SAARC will facilitate environmental cooperation with the organization.

Working with India to address climate change will continue to be a focus of U.S. environmental policy in the region. The USG will also encourage the development of clean renewable energy through increased private sector investment in hydropower and participation in USAEP and Clean Development Mechanism programs. In addition, the

United States will support efforts to address groundwater arsenic pollution in the region, NGOs involved in environmental advocacy and education, and sustained private-sector support for the GLOBE program.

OBJECTIVES:

To assist South Asia address national, regional and global environmental problems:

- Use of environmentally sustainable production and management practices is increased in South Asia.
- Exports of environmental and environment-friendly technology increase.
- The dialogue with and between South Asian governments, international organizations, non-governmental organizations and industry on national, regional and global environmental issues is strengthened, promoting broad-based support for environmental policies, programs and activities.
- South Asian governments support the U.S. view in international negotiations on biodiversity, climate change, forests and toxic chemicals.
- Additional financial flows from MDBs and other donors support environmental cleanup efforts.
- India takes steps to reduce the growth of its greenhouse gas emissions and cooperates with global climate change efforts.
  FY 2000 TARGET: India is engaged in serious discussions, domestically and externally, to develop cleaner energy technologies and reduce greenhouse gases. U.S. concludes Memorandum of Understanding with SAARC to facilitate environmental cooperation.

ASSUMPTIONS:

- Domestic political competition, bureaucratic inertia, population pressures and a reluctance to challenge vested interests will limit progress on environmental issues.

INDICATORS:

- Level of support for U.S. global environmental goals such as participation in climate change strategies including the Clean Development Mechanism.
- Accurate and balanced media coverage of environmental issues.

SA: FY 2000 REGIONAL PLAN

STRATEGIC GOAL: Population (PO) -- Stabilize world population growth.

REGIONAL GOAL: Coordinated diplomatic and programmatic efforts to stabilize population growth rates and improve reproductive and maternal and child health in South Asia.

NATIONAL INTEREST: Global Issues: South Asia counts 1.3 billion people in 1996. At current rates of population growth, India will bypass China and become the world's most populous country within 30 years. Pakistan is the third largest contributor to world population growth, adding about 4 million people each year. The region's existing population of young girls (age below 15) will have over 800 million babies during their child-bearing years unless fertility is lowered. Reducing population growth in South Asia will contribute significantly to stabilizing global population growth. Lower population growth rates and reduced pressure to provide new jobs, social services, food and other basic needs will also further U.S. environmental, health and broad-based economic growth objectives in the region. Associated efforts to improve education and economic opportunity for women and girls will also enhance democracy.

STRATEGY:

The United States will continue efforts to encourage governments in the region to adopt effective policies and strategies for strong population stabilization efforts, including expanding voluntary family planning and other reproductive health services for under-served populations. The U.S. also will seek to increase national capacities to advocate for the provision of quality voluntary family planning and other reproductive health services. Programs will include a child health component as parental concerns about child survival can be a deciding factor influencing demand for voluntary family planning services in South Asia. They will also involve treatment and prevention efforts against sexually transmitted diseases including HIV/AIDS. The U.S. will encourage national policies and programs consistent with the 1994 International Conference on Population and Development (ICPD) Program of Action, and will support population and reproductive health activities by the UN Population Fund, UNAIDS and other multilateral and bilateral donors.

OBJECTIVES:

To stabilize population growth and improve maternal and child health:

- Access to quality reproductive health care, including voluntary family planning services, and maternal and child health care, is expanded.
- South Asian governments support policies and programs consistent with the ICPD Program of Action to achieve universal access to voluntary family planning, maternal health, and other reproductive health services by 2015.

- The policy environment in which population programs are developed and implemented is improved; policies and programs to enhance the socio-economic status of women and expand opportunities for youth are supported.
- Civil society and the private commercial sector are more involved in population and development activities.
- Activities related to stabilizing population growth are supported by other multilateral and bilateral donors and multilateral development banks.

FY 2000 TARGET: U.S. population program in India continues successfully. South Asian governments open up more to programs that provide universal access to voluntary family planning, maternal health and other reproductive health services.

ASSUMPTIONS:

- Existing broad international support for stabilizing population growth is maintained.
- Successful national voluntary family planning efforts in South Asia are sustained; new efforts to reach under-served populations are supported by national governments.
- National and international commitments to basic education and economic opportunity programs for women and girls continue to increase.
- Other donors (multilateral, national, and private) expand investments in population-related activities.

INDICATORS:

- Modern contraceptive prevalence rates.
- Maternal and infant mortality rates.
- Total fertility rate.

SA: FY 2000 REGIONAL PLAN

STRATEGIC GOAL: Health (HE) -- Reduce disease worldwide.

REGIONAL GOAL: Reduction in the prevalence and transmission of disease in South Asia and enhanced capacity to control infectious diseases through surveillance and response and research.

NATIONAL INTEREST: Global Issues: Improving health in South Asia reduces the threat and spread of infectious diseases, including HIV/AIDS, tuberculosis and polio, to the United States. Collaborative research, particularly with India, is producing new vaccines and biomedical products that contribute directly to American research efforts. Addressing the major preventable health problems that account for the high maternal and child morbidity and mortality will strengthen our complementary efforts on population and humanitarian assistance. As a sick individual is not a productive individual, improving health will also foster economic growth.

STRATEGY:

UN experts predict India will have more HIV positive cases by the year 2005 than all of Africa. The rate of infection is among the highest reported anywhere in the world. A recent Indo-U.S. Vaccine Action Program (VAP) consultation on HIV/AIDS vaccine development and testing concluded that India should be an important partner in the global effort to develop, evaluate, produce, and introduce effective and appropriate vaccines to prevent the spread of HIV and reduce the number of AIDS-related deaths worldwide. USAID, the Centers for Disease Control and the National Institutes of Health (NIH) will launch an action plan to improve infectious disease surveillance, support efforts to improve Indian HIV/AIDS surveillance and diagnostic capability and facilitate joint research on an AIDS vaccine. Under the Indo-U.S. Vaccine Action Program, NIH will initiate rotavirus candidate vaccine trials.

Throughout the region, the United States will support national, regional and global efforts to expand HIV/AIDS prevention activities. The United States will continue ongoing maternal and child health programs as well as continue reproductive health programs that include components to treat and prevent sexually transmitted diseases including HIV/AIDs. In Nepal, the Walter Reed/AFRIMS Research Unit will investigate populations at risk for Hepatitis E, determine the impact of the disease and develop vaccine efficacy trials. Throughout the region, the United States will participate in polio immunization programs and national, regional and global efforts to eradicate the disease.

OBJECTIVES:

To reduce the prevalence of infectious diseases:

- Government and public awareness of HIV/AIDS is increased.
- Cooperation on vaccine research and infectious disease surveillance and control is enhanced with India and Bangladesh.
- South Asian capacity in surveillance, response and research related to infectious diseases is enhanced.
- Agreement is reached with India on a new framework for S&T cooperation that includes provisions on infectious disease research.
- Complementary efforts of other bilateral donors and MDBs are supported.
  FY 2000 TARGET: Encourage regional cooperation through SAARC for combating the spread of infectious diseases in the region, especially HIV/AIDS. Conduct training programs in the region for disease surveillance and facilitate ongoing and expanded joint research endeavors on vaccine and other health-related problems.

ASSUMPTIONS:

- International collaboration and cooperation in meeting the challenges of disease will continue.
- International commitments to combat infectious diseases and to develop a global early warning and response network will be fulfilled.

INDICATORS:

- Number of new HIV/AIDS cases.
- Prevalence of vaccine-preventable diseases.

SA: FY 2000 REGIONAL PLAN

STRATEGIC GOAL: Diplomatic Activities (DA)

REGIONAL GOAL: Support U.S. strategic goals through the development and promotion of U.S. contacts with host country through official and private visits, including business delegations.

NATIONAL INTEREST: Support Goals

STRATEGY:

The missions in the region will support a growing number of visits from U.S. delegations, including Congressional delegations and other high-level visits. The missions will also host many private business delegations, delegations from the Trade and Development Agency, Overseas Private Investment Corporation and the Export-Import Bank.

OBJECTIVES:

- Use visits and representational functions as a forum to explain U.S. policies and enhance support for U.S. policies and programs.

- Support U.S. Congressional and private-sector travel and development of contacts to reinforce U.S. national interests in the region.
  FY 2000 TARGET: Continue to support USG and private visits to the region as well as increase the development of contacts to reinforce U.S. interests in the region. Accommodate an increasing number of persons in the region seeking student counseling services and an increase in the percentage of student visa applicants.

ASSUMPTIONS:

- Increased need to promote diplomatic contact in the region.

INDICATORS:

- Continued development of contacts at all levels and in all sectors of the region, as measured by Posts' reporting and success in advocacy.
- Achievements in Missions' reporting goals.
- Washington's assessments of relevance and timeliness of reporting.

SA: FY 2000 REGIONAL PLAN

STRATEGIC GOAL: Public Diplomacy (PD) -- Develop and sustain a network for accurate communication of U.S. society, culture, and values as the foundation for promoting current and future U.S. interests.

REGIONAL GOAL: To build a foundation of trust in the United States which leads to understanding of and support for U.S. policies in South Asia.

NATIONAL INTEREST: Public diplomacy activities are designed to build support among South Asian public and opinion leaders for U.S. policies. These activities are of particular importance in advancing U.S. goals in the areas of regional stability and nonproliferation, democracy and human rights, and the promotion of economic reform and an open market system. Public diplomacy strategies and objectives for these goals are integrated throughout the South Asia Regional Performance Pan.

However, our ability to advance these goals is often hindered by cultural differences and mistrust of U.S. motives. For that reason, public diplomacy in South Asia also involves programs that promote better understanding of U.S. government, society, and culture. Through these programs, U.S. missions in South Asia can strengthen their relationships with primary opinion leaders and organizations, increase accurate understanding of the United States in South Asian publics, and establish a positive basis for promoting U.S. policies in the region.

STRATEGY:

Posts in the region will develop and implement a range of exchange and information activities to improve understanding of the U.S. among current and future political leaders, journalists, academics, and others who influence public opinion and government policies affecting U.S. goals in South Asia. U.S. missions will support the study of the United States in South Asian universities, provide academic advising activities to promote post-secondary study in the U.S., and cooperate with private sector institutions to promote U.S. cultural presentations. Posts will also develop and maintain Information Resource services and programs to provide timely, focused, and accurate information on the U.S. government, society, and culture to opinion leaders in South Asia.

OBJECTIVES:

1. To promote accurate and balanced treatment of the United States in the media and the education system.

- South Asian media report accurately and objectively about the U.S. government and society.

- The curriculum in South Asian educational institutions includes up-to-date and accurate portrayals of the United States, its history, government, culture, and values.
  FY 2000 TARGET: Continued public diplomacy work reduces media distortions and leads to use of more American Studies materials in university programs.

2. Build understanding of the United States among South Asian government and opinion leaders.

- Cabinet members and other senior government and private sector leaders are alumni of USG exchange programs.
- South Asian government and opinion leaders make public statements which demonstrate an understanding of the United States and support for its policies.
- South Asian participants in USG exchange programs implement new initiatives within their professional fields, drawing on their U.S. experience.
  FY 2000 TARGET: Public statements by South Asian governments, media and cultural leaders contain accurate portrayals of the United States and are supportive of the overall bilateral relationship with the United States.

ASSUMPTIONS:

- There is widespread misunderstanding and mistrust of the motives behind U.S. policies.
- There is inadequate appreciation of the ways in which U.S. democratic institutions, culture and society contribute to the formulation of U.S. policy.
- Most people in the region have little exposure to the richness and depth of U.S. society, values and culture.
- The climate for educational and cultural exchanges with the U.S. will remain positive.

INDICATORS:

- Accurate and balanced media coverage about the United States, its institutions, culture and values.
- Up-to-date and accurate teaching about the United States in universities and other educational institutions.
- Alumni of USG exchange programs in positions of influence.
- Actions by USG exchange alumni in support of U.S. policies.

Public Diplomacy
Educational And Cultural Exchanges

National Interests:

All international exchange programs organized and administered by the Public Diplomacy arm of the Department of State directly support U.S. national interests by creating a foundation of mutual understanding between current and future foreign leaders and their U.S. counterparts and by promoting linkages between U.S. and foreign institutions and citizens. Professional and academic exchange programs develop and maintain informed, cooperative, and productive relations between the U.S. and other countries by fostering constructive dialogue on individual strategic goals. As a complement to the policy advocacy of information programs, exchange programs build a community of shared interests and values that support traditional U.S. diplomacy.

Strategic Goals and Supporting Programs for FY 2000:

Exchange programs in South Asia are designed to promote understanding of U.S. government, society and values and to lay the groundwork for a broader acceptance of U.S. policies. Exchange programs have, and will continue to bring together Indian, Pakistani and other South Asian opinion leaders for a dialogue about regional stability and nonproliferation. These programs have taken on a new urgency since the May 1998 nuclear tests in South Asia.

Programs about democracy, civil society and human rights encourage participants to work to strengthen their own democratic institutions and to address human rights issues such as child labor and trafficking in women. These program increasingly target non-governmental organizations, which are assuming more influential roles in South Asia. Other programs are designed to build support for economic reform and an open market system by allowing participant to view first hand the U.S. economic system. Some programs give participants a general overview of the U.S. market economy while others center on specific issues such as intellectual property rights or environmental standards.

The ability to advance U.S. goals is often hindered by cultural differences and mistrust of U.S. motives. Successful exchange programs build an appreciation of the ways by which U.S. democratic institutions, culture and society contribute to the formulation of both U.S. values and U.S. policies. These programs strengthen mutual understanding between Americans and South Asians and establish a positive basis for communication.

Performance Evaluation:

When India conducted nuclear tests in May 1998, most editorials in the Indian press vigorously supported the government's decision to test. Among the few commentaries

presenting a more moderate perspective were two by alumni of USIA exchange programs. The consulting editor of the Economic Times, who was a 1977 International Visitor, warned the ruling Hindu nationalist party (BJP) in an op-ed to avoid turning the nuclear issue into a partisan political party exercise. The associate editor of the Indian Express, who was an International Visitor in 1998, published a balanced discussion on the tests and their impact on India's place in the world and on the consequences of sanctions.

USIS Pakistan organized a conference on "Trafficking in Women and Children" in December 1998. Among the speakers at the conference were three former USIA International Visitor participants who are women's/human rights activists. One of the speakers, the President of the Human Rights League of Pakistan, called on her government to draft, pass and implement sound laws on this issue.

The Indian Chamber of Commerce opened an Environmental Management Center (EMC), in Calcutta in December 1998. The EMC is the idea of the Chamber's Secretary General, a USIA exchange alumnus. He credited a 1996 International Visitor program with helping him create the EMC because the program demonstrated how U.S. businesses were dealing with international and domestic environmental regulations. The U.S. Agency for International Development and the United States-Asia Environmental Partnership have signed a Memorandum of Understanding with the Indian Chamber of Commerce to strengthen the EMC's technical and institutional capacities.

An Indian alumnus of two USIA exchange programs helped to establish India's recently formed National Security Council. The scholar, who took part in Voluntary Visitor Programs in FY85 and FY89, has been publishing and lecturing about the U.S. National Security Council for a for a decade. In May 1998 he was invited to appear before the Indian task force convened to assess the need for an Indian National Security Council. He has credited his U.S. experiences, which included meetings at the National Security Council in Washington, with helping his campaign to establish such a council in India.

Key Indicators for FY 2000 Performance:

- Exchange alumni are in positions of influence in the public or private sectors.
- Exchange alumni make public statements that support with U.S. goals in the region.
- Exchange alumni act in ways that are consonant with U.S. goals in the region.
- Host country and U.S. institutions cooperate in ways that promote understanding of U.S. policies and American society and values.

Educational and Cultural Exchange Programs
Bureau of South Asian Affairs

	FY 1998 Actual	FY 1999 Estimate	FY 2000 Request
Afghanistan	$46	$48	$50
Bangladesh	845	890	897
Bhutan	67	72	77
India	2,160	2,369	2,399
Nepal	814	863	888
Pakistan	1,459	1,527	1,538
Sri Lanka	782	820	834
Regional Programs	250	250	250
Total, Exchanges	6,423	6,839	6,933

Public Diplomacy
International Information Programs

National Interests:

Substantial changes have occurred in the way that governments make decisions or develop and implement policies. The broad range of actors engaged in this process now includes the media, think tanks, non-governmental organizations, religious institutions, and issue-specific voluntary associations. Especially in robust, developed democracies, the process of making policy is more open, consultative, and responsive to public opinion. Increasingly, even less democratic governments tend to operate with an eye to domestic and international public reaction to their decisions. International Information Programs are designed to influence these new audiences as well as foreign government officials through products and services produced by Washington public diplomacy elements and overseas posts. Using tools such as American speakers, the Internet, and interactive television, they inform foreign publics about U.S. policies and influence the policy debate throughout South Asia.

Strategic Goals and Supporting Programs for FY 2000:

Public diplomacy relies on personal contact and the full range of information programs to build support among South Asian policy makers and publics for Administration efforts to lessen India-Pakistan tensions and to promote nonproliferation. Programs aim to strengthen ties between Pakistani and Indian opinion leaders and to promote objective debate about the consequences of nuclear proliferation in South Asia. Public affairs officers also conduct activities in South Asia to foster public recognition of the need to confront the problems of terrorism and drug trafficking.

Information programs about democracy, civil society and human rights encourage participants to work to strengthen their own democratic institutions and to address human rights issues such as child labor and trafficking in women. These programs increasingly target non-governmental organizations, which are assuming more influential roles in South Asia. Other information programs are designed to create an environment for economic growth and to build support for an open market system.

The ability of the USG to advance its goals is sometimes hindered by cultural differences and mistrust of U.S. motives. Public diplomacy uses information programs to build an understanding among foreign audiences of U.S. political institutions, culture, society and values. Part of this endeavor is an effort to counter perceptions that the United States is anti-Islam.

Performance Evaluation:

Indian and Pakistani participants were brought together for a two-part conference on peace and security in South Asia during December 1998. USIA funded the travel of five U.S.-based experts to attend the conference, the first part of which was held in Islamabad and the second in New Delhi. Indians and Pakistanis also participated together in a WORLDNET interactive with the Deputy Secretary of State in December during which he discussed security issues, including nonproliferation, with Indian and Pakistan policy makers, parliamentarians and retired military officers. Excerpts were carried on television and radio in Pakistan and in all major print media in both India and Pakistan.

USIS Islamabad organized a film festival in November 1998 to screen five classic American films about the dangers of nuclear war. One of the events at the film festival was a panel discussion which attracted an audience of journalists, educators, students, activists and diplomats. Prior to this program, Pakistani media had given little attention to what the aftermath of nuclear war would be. However, the films and panel discussion influenced some media to consider the consequences of nuclear conflict. One Pakistani newspaper covered the program under the headline, "Have Nuclear Explosions Made South Asia More Secure or Insecure?"

USIS Dhaka arranged for the performance of an American classical musician to be the centerpiece of an evening devoted to concerns about child labor. A pianist whose South Asian tour was produced by USIS Dhaka, was the featured artist for a December 1997 concert. The American Chamber of Commerce paid all concert expenses. UNICEF organized a lobby display on child labor. The U.S. Ambassador and a Bangladeshi activist addressed the audience. Sixteen U.S. companies publicly donated money at the concert to a non-governmental organization working to promote educational opportunities for child laborers.

Nepal's Ministry of Education will introduce civic education into the compulsory curriculum for twelfth graders, beginning in 1999. The Ministry's decision was made following a USIA-sponsored workshop on civic education, held in Kathmandu in June 1998. The Director of the Maryland Center for the Study of History and Civic Education, conducted the workshop. Two weeks later, the Director of the Higher Secondary Division of Nepal's Ministry of Education proposed the change in the national curriculum. The Ministry has accepted his proposal, which it will implement during the next academic year.

Pakistan's leading business weekly used material provided by USIS Karachi's Information Resource Center in a cover story about the causes of declining foreign investment in Pakistan. Popular opinion has tended to blame U.S. sanctions, rather than systematic problems, for Pakistan's economic woes. The December 14, 1998 cover story in "Pakistan and the Gulf Economist" set the record straight and advocated structural reforms needed to promote economic growth in Pakistan.

USIS posts throughout South Asia arranged print and broadcast placement of President Clinton's end-of-Ramadan (Eid-al-Fitr) messages in January 1998 and January 1999. Many also placed stories about White House receptions that Mrs. Clinton held both years to celebrate the end of Ramadan. There was editorial praise for the "respect for Islam" shown by the President and First Lady. South Asian posts have also placed articles about the role of Islam in America in their host country newspapers.

In January 1998, a Pakistani college inaugurated an M.A. program that grew from a USIA exchange project on journalism education. The Department Chair of the new program at Pakistan's Kinnaird College had participated during 1997 in a Citizens Exchange project, "Strengthening Journalism Education in South Asia," administered by Southern Illinois University in Carbondale. The curriculum and methodology for the new degree course at Kinnaird are based on the Southern Illinois University journalism program.

Key Indicators for FY 2000 Performance:

- Accurate and balanced coverage in foreign media about the U.S., its institutions, culture and values.
- Accurate and balanced coverage in foreign media about U.S. policies.
- Editorials in key media supporting U.S. policies.
- Positive public statements by opinion leaders about the United States and about U.S. policies.
- Results of public opinion surveys.
- Reference queries about priority issues to Embassy Information Resource Centers or web-sites.

Afghanistan

($ in thousands)

National Interests: The continuing civil war in Afghanistan has resulted in severe hardships for the population; the cross-border flight of millions of Afghan refugees into Iran and Pakistan; regional instability; safe haven for terrorist organizations, including that of Usama Bin Ladin; as well as an increase in narcotics and arms trafficking. The Taliban, who now occupy about 85 percent of the country, engage in human rights abuses, particularly against women, girls and minorities, and have issued harsh decrees that have severely limited basic civil liberties. The United States is working with the international community to end the fighting among Afghan factions and bring a political settlement to the conflict and an end to terrorist activities, human rights abuses and narcotics production and trafficking. The U.S. will urge continued international support for Afghan humanitarian needs and eventual reconstruction, including demining programs.

Strategic Goals and Supporting Programs for FY 2000:

Humanitarian Assistance: Deliver assistance to Afghans suffering from the continuing civil war, including demining projects through the Nonproliferation, Antiterrorism, Demining, and Related Programs (NADR) fund, emergency feeding programs and health services. Further develop a common programming framework among U.N. agencies, donors and non-governmental organizations (NGOs) to maximize the effectiveness of humanitarian assistance efforts. The U.S. also supports efforts to assist the Afghan people through the Afghanistan Emergency Trust Fund (AETF) which is the funding mechanism for the UN Office for the Coordination of Humanitarian Assistance to Afghanistan. The U.S. is also working with the international community to overcome security obstacles hindering relief workers, ensure relief programs contribute to peace efforts, protect the human rights of women and girls, and work against narcotics production and trafficking. $2,000

Democracy/Human Rights: Through Regional Democracy Fund activities, the U.S. will improve the capacity of Afghans, especially women, and Afghan NGOs to advocate for the protection of human rights and to foster a healthy civil society. The South Asian Regional Democracy Fund, which will include program assistance for these goals, is a regional fund and is not allocated by country.

Performance Evaluation

- An end to fighting throughout Afghanistan and the establishment of a neutral security force. Fighting continues in Afghanistan between Taliban and anti-Taliban forces grouped in the Northern Alliance. The United States participates actively in the new Six-plus-Two grouping of Afghanistan's neighbors plus Russia and the U.S. The

Six-plus-Two is working to minimize outside interference in the conflict and foster a negotiated settlement.

- Progress toward establishing an interim government and planning for a permanent form of democratically elected government. Continued fighting has blocked progress on establishing a broad-based government representative of all Afghan groups and respecting international norms of behavior. The U.S. has endorsed efforts of neutral Afghans to pursue an intra-Afghan dialogue along with encouraging direct negotiations between the combatants.

- Observance of international human rights norms, including the rights of women. The international community has made some progress in including human rights objectives in all international assistance programs. However, the human rights situation has deteriorated on the ground, with reports of mass killings, some of which appear to be ethnically based, and continuing restrictions on access by women and girls to education, health care and employment.

- Reduction in the amount of opium being produced or processed. Opium production and processing increased approximately 25% in 1998. The USG continues to fund projects through Mercy Corps International to combat poppy production and provide alternative livelihoods.

- Reduction in the number of terrorist training camps. Afghanistan-based international terrorism constitutes a major international threat. The Taliban's record on preventing terrorist groups from operating from within Afghanistan has worsened as demonstrated by their provision of safe haven for Usama Bin Laden, the Saudi dissident charged by U.S. Federal Court for the tragic bombing of U.S. embassies in East Africa.

Key Indicators for FY 2000 Performance:

- Taliban expels Usama bin Ladin from Afghanistan, closes terrorist training camps, and takes active steps to prevent Afghan territory from being used by terrorists;
- Steps are taken by the U.S. under the auspices of the Six-plus-Two group, to facilitate a cease fire and a negotiated settlement in Afghanistan among the warring factions;
- The Six-plus-Two group, working with the international community as well as with the Afghan factions and with responsible neutral Afghans, improve prospects for peace and the establishment of a multi-ethnic, broad-based and representative government which respects international norms of behavior;

- Return of U.N. and NGO expatriate community to Afghanistan in a more secure environment; the Taliban take steps to remove obstacles to the delivery of humanitarian assistance in Afghanistan;
- Better access for women and girls to health, education and employment opportunities;
- Taliban take steps to stem opium production and narcotics trafficking, including implementing programs designed to provide alternative livelihoods to opium farmers.

AFGHANISTAN
FUNCTION 150 RESOURCES
($ in thousands)

Appropriations Accounts by Strategic Goal	Actual FY 1998	Estimate FY 1999	Request FY 2000
Humanitarian Assistance	**2,200**	**2,000**	**2,000**
NADR-Demining	2,200	2,000	2,000
Total	***2,200***	***2,000***	***2,000***

Appropriations Accounts	Actual FY 1998	Estimate FY 1999	Request FY 2000
NADR	2,200	2,000	2,000
Total	***2,200***	***2,000***	***2,000***
Other Accounts			
D&CP	335	345	355
ECE	46	48	50
IIP	57	48	-
Total	***438***	***441***	***405***
AFGHANISTAN (CLOSED) FUNCTION 150 RESOURCES GRAND TOTAL	***2,638***	***2,441***	***2,405***

Bangladesh

($ in thousands)

National Interests: Primary U.S. interests in Bangladesh are economic prosperity and democracy. Sustainable economic growth and poverty reduction, driven by agricultural and manufacturing diversification, and the development of hydrocarbon natural resources, will maximize benefits for U.S. companies and decrease reliance on external assistance. Greater respect for human rights and the rule of law and the strengthening of democratic institutions are essential to ensuring political stability, and are basic foundations of economic growth. Efficient distribution and utilization of U.S. humanitarian assistance for flood relief and rehabilitation efforts will be vital for recovery of the rural economy. Global issues are also important U.S. interests in Bangladesh.

Strategic Goals and Supporting Programs for FY 2000:

Regional Stability: International Military Education and Training (IMET) funds will be used to facilitate U.S. military-to-military professional contacts and assist in training exercises. Development of an apolitical, professional military will contribute to political stability and allow for increased participation in international peacekeeping activities. $250

Open Markets: Influence the Bangladesh government to meet World Trade Organization (WTO) commitments, pursue market-oriented reform, ensure protection for intellectual property rights, and encourage greater transparency in trade procedures through Education and Cultural Exchange (ECE)-funded public diplomacy activities. Faster implementation of market-oriented reforms will facilitate increased U.S. investment. Technical assistance can help improve the legal and regulatory framework for foreign investment.

Expand U.S. Exports: U.S. advocacy will be crucial for ensuring the success of major infrastructure projects under development. Public diplomacy ECE-funded activities will be used to support U.S. businesses and showcase U.S. products at trade shows. Support from the Trade and Development Agency, the Export-Import Bank (EXIM), the Overseas Private Investment Corporation (OPIC), and the private-sector U.S.-Bangladesh Business Council and American Chamber of Commerce in Bangladesh are also vital for expanding economic and commercial ties.

Economic Development: With post-flood recovery on-track, focus shifts to implementation of long-delayed structural reforms, particularly in the financial and state-owned sectors. Foreign and domestic private sectors can supplement assistance provided by multilateral and bilateral donors. USAID Development Assistance aimed at reducing poverty will increase the chances of Bangladesh's growing into a stable democracy. ECE-funded activities will include professional exchanges, U.S. speakers,

advocacy, distribution of press releases and academic research, and Fulbright fellowships. $6,800

Democracy/Human Rights: Significant progress has been made in electoral democracy, but institutions and commitment to the rule of law remain weak. Although military leaders support civilian political rule, a crisis in civil-military relations cannot be ruled out, since safeguards to ensure civilian control of the military are still in their infancy. Potential for violent political confrontation between government and opposition remains high, threatening political stability and limiting economic development. Serious systemic human rights problems remain. The U.S., through Development Assistance (DA) and Economic Support Funds (ESF), will emphasize support for decentralized governance, parliamentary reform, and strengthening of rights of women and children. ECE-funded support for these goals will go toward a broad range of activities, including exchanges, media programs, and advocacy. Democratic values and respect for human rights will be promoted in the military through IMET programs and joint exercises. $2,150

Humanitarian Assistance: Bangladesh Government and non-governmental organizations demonstrated improved disaster preparedness and response during the 1998 flood. Recovery from the devastating floods of 1998 is progressing well, but major challenges remain. The U.S. plays a leading role in providing assistance, particularly PL 480 Title II food aid. The Peace Corps is also actively supporting U.S. humanitarian efforts here. In addition, Bangladesh will be eligible in FY 2000 to receive grant Excess Defense Articles (EDA) under Section 516 of the Foreign Assistance Act. EDA will support the protection of sea resources, control smuggling and drug trafficking, enhance fishery protection, port security, search and rescue, and disaster relief operations, and facilitate Bangladeshi participation in peacekeeping operations. $24,992

Environment: Global climate change will have serious effects on Bangladesh. DA will be used to develop clean-energy technologies that can serve as a model for the region. Public diplomacy through ECE-funded programs, will support public awareness campaigns on climate change, professional and scientific exchanges, research and small grants. $4,500

Population: Development Assistance (DA)-funded voluntary family planning activities have been a major success. Assisting Bangladesh to reach replacement level fertility through improved access to clinical contraceptive methods will contribute to U.S. global efforts to stabilize population growth. Lower fertility will also help reduce poverty. $24,500

Health: Improving the health of Bangladeshi citizens, particularly women and children, contributes to U.S. global interest in reducing the spread of disease and improving productivity. Efforts in Bangladesh to improve family health also support the strategic goal of reducing poverty. Assistance (DA funded) programs will increase

access, quality and use of high impact child and maternal health services and provide training to service delivery staff as well as implement effective quality assurance procedures.

$18,100

Performance Evaluation:

- Free and fair parliamentary by-elections and open processes for selection of local government bodies. By-elections held during the past year have generally reflected voter preferences, despite widespread intimidation and other irregularities during the campaigns and balloting. Processes for selecting local government bodies remain under discussion, with agreement stymied by continuing lack of trust between government and opposition parties.

- Implementation of an education and monitoring program to end child labor in the garment industry. Regular checks by the International Labor Organization (ILO) inspectors confirm that child labor has been virtually eliminated from the export garment manufacturing sector. Garment industry representatives have agreed to support a long-term monitoring program and to expand the education component of the 1995 Memorandum of Understanding (MOU) to cover those students graduating from primary schools. Efforts are underway to expand this initiative to other export sectors, including leather goods and seafood.

- Implementation of legal reforms to facilitate greater private sector participation in the economy. Foreign direct investment in the gas and power sectors continues to grow. The Bangladesh government has made policy changes that make possible greater private sector investment, but formulation and implementation of regulations to effect these policy changes have been slow and uneven. Progress in reforming the financial sector and in privatizing state-owned industries has been disappointing and remains a focus of the dialogue between the government and donors.

- Participation in multilateral peacekeeping and support to regional conflict prevention mechanisms. Bangladeshi troops continue to participate in peacekeeping operations and look for opportunities to expand their involvement. The U.S. is working with the Bangladesh government in implementing its plans to utilize Enhanced International Peacekeeping Capabilities (EIPC) funds to improve its peacekeeping capabilities.

Key Indicators for FY 2000 Performance:

- U.S. foreign direct investment in gas, power, and other sectors;
- Development of institutional framework for bilateral energy sector cooperation;
- Improved functioning of parliament and successful local elections;
- Establishment of an independent human rights commission;
- Media autonomy, including independent radio and television stations.

BANGLADESH
FUNCTION 150 RESOURCES
($ in thousands)

Appropriations Accounts by Strategic Goal	Actual FY 1998	Estimate FY 1999	Request FY 2000
Regional Stability	**225**	**225**	**250**
IMET	225	225	250
Economic Development	**8,500**	**2,800**	**6,800**
DA	8,500	2,800	6,800
Democracy	**2,100**	**2,225**	**2,150**
DA	2,000	2,100	2,000
IMET	100	125	150
Humanitarian Assistance	**37,650**	**18,595**	**24,992**
Title II	37,650	18,595	24,992
Environment	**1,500**	**-**	**4,500**
DA	1,500	-	4,500
Population	**23,200**	**23,250**	**24,500**
DA	23,200	23,250	24,500
Health	**19,650**	**15,600**	**18,100**
DA	19,650	15,600	18,100
Total	***92,825***	***62,695***	***81,292***

Appropriations Accounts	Actual FY 1998	Estimate FY 1999	Request FY 2000
DA	54,850	43,750	55,900
IMET	325	350	400
Title II	37,650	18,595	24,992
Total	***92,825***	***62,695***	***81,292***
Other Accounts			
D&CP	2,845	3,035	3,995
ECE	845	890	897
IIP	758	725	-
Peace Corps	662	1,060	1,280
Total	***5,110***	***5,710***	***6,172***
BANGLADESH FUNCTION 150 RESOURCES GRAND TOTAL	***97,935***	***68,405***	***87,464***

India

($ in thousands)

National Interests: With almost a billion people, India is by far the largest country in South Asia and, after testing nuclear devices in May, a focus of global nonproliferation concern. The overwhelming U.S. priority there is to work with the international community to persuade India to adhere to global nonproliferation norms and stem a South Asian nuclear arms race. The Indo-U.S. commercial relationship has been growing steadily and, despite sanctions imposed in the wake of nuclear tests, the U.S. is India's leading trading partner and source of foreign investment. Although economic liberalization has been slow and growth has slackened in the past year, India could play a growing role in the world's economic, military and environmental scenes. On the one hand, India is likely to become a major producer of computer software and a major provider of satellite launch services. On the other hand, it is becoming a leading global source of greenhouse gases and HIV/AIDS.

Strategic Goals and Supporting Programs for FY 2000:

Regional Stability: Resolution of the ongoing dispute between India and Pakistan, which has led to three wars in the last 50 years and which were heightened when each country tested nuclear devices last year, remains a focus of U.S. efforts to strengthen regional stability. The decision by President Clinton to waive the post-test prohibition on the International Military Education and Training (IMET) program should assist the mission in another aspect of regional stability, namely by the restoration of military-to-military professional contacts. $400

Weapons of Mass Destruction: A primary goal of U.S. policy toward India is to persuade its government to reduce tensions with Pakistan and to adhere to international nonproliferation norms. These efforts will include the calibrated application of Congressionally-mandated sanctions and public diplomacy through Education and Cultural Exchange (ECE)-funded activities that emphasize the costs and dangers of a nuclear arms race and the benefits of dialogue and cooperation. The U.S. will also continue to work with the international community, including the United Nations, G-8 and South Asia Task Force, to underscore the strength of the consensus against proliferation.

Open Markets: The U.S. will seek to facilitate regional cooperation, particularly with the South Asian Association for Regional Cooperation (SAARC), and will work with SAARC to construct a framework for increased interaction and assistance whose centerpiece will be a Memorandum of Understanding (MOU), now under discussion by SAARC member states. A particularly promising area for U.S.-SAARC cooperation is the sharing of U.S. experiences with the North American Free Trade Agreement (NAFTA) with secretariat staff and member state representatives as SAARC moves to establish the South Asia Free Trade Area by the year 2001. In addition, the U.S.,

through ECE programs, will organize activities, including speakers and exchanges that promote open markets and regional cooperation.

Expand U.S. Exports: The U.S. will continue to press the government of India toward market-oriented reforms, using both bilateral dialogue and the World Trade Organization (WTO), to encourage India's responsible participation in the global marketplace. The U.S. will continue to urge India to re-invigorate its economic liberalization agenda, to introduce transparency and timeliness into government decision-making, to implement privatization on competitive terms, and to honor and expand its commitments to foreign investors.

Economic Development: The U.S. will promote a wide variety of social action objectives in South Asia through direct diplomacy, indirectly through ECE activities including speakers, press conferences, Worldnets and Information Resource Centers and through continued coordination with other donors. USAID will explore the opportunities to implement a South Asia Cities Forum -- which could also include local officials from India and Pakistan -- to exchange information and best practices and further regional cooperation. Providing channels for Indo-Pakistani cooperation and training could facilitate better relations between these two countries. $2,300

Illegal Drugs: The U.S. will use the annual drug certification process to encourage India to adopt policies and laws that demonstrate strong political commitment to eliminate illicit opium poppy cultivation and morphine base and heroin laboratories. The U.S. will also use this process to encourage India to enhance the effectiveness of drug law enforcement targeted against the destruction of major heroin trafficking organizations and the successful prosecution of key figures within such organizations. ECE activities at posts will heighten public awareness of the serious threat posed by drugs in order to bolster public support for political measures that further counter-narcotics objectives. The U.S. will also encourage public understanding of the need for international cooperation in order to more effectively attack the problems created by the illicit drug trade.

Democracy/ Human Rights: U.S. programs will address judicial reform and rule of law, including case management and alternative dispute resolution. Other programs will encourage political parties to work together constructively; strengthen non-governmental organizations (NGOs); promote a democratic political culture; foster respect for fundamental freedoms and human rights, including freedom of religion; discourage corruption; and increase political participation by women. ECE-funded activities will foster the development of an independent and responsible media through speaker programs, academic exchanges, Worldnet interactives and International Visitor grants. Democratic values will be promoted in the Indian military through the IMET program. Development Assistance (DA)-funded programs will help reduce gender bias in education and be used to prepare a database on violence against women. $450

Humanitarian Assistance: India's high frequency of natural and man-made disasters, the large population affected by such events, and its limited ability to prepare before or intervene after disasters strike, increase the importance of U.S. humanitarian assistance efforts, including U.S. food aid. USAID will develop a model-training program for search and rescue operations, including canine training, training for first responders in basic first aid, and report preparation. $81,650

Environment: The U.S. will enhance the bilateral dialogue with India on national and global environmental issues. Active public diplomacy programs will increase environmental awareness and advocacy. The U.S.-Asia Environmental Partnership (USAEP) and Embassy New Delhi will support efforts by U.S. companies to introduce new environmental technologies and systems of management. Convincing India to meaningfully participate in global climate change activities will continue to be a primary focus of U.S. efforts through ECE-funded programs. Assuming sanctions imposed on India are eased or lifted by FY 2000, DA funds will support a Global Climate Change Strategy and Action Program which will include technical exchanges, assistance with applying clean energy technologies and improving the efficiency of power plants. $10,000

Population: The U.S. will continue efforts to encourage India to adopt effective policies and strategies for strong population stabilization efforts, including expanding voluntary family planning and other reproductive health services for under-served populations. The U.S. will also seek to increase national capacities to advocate for the provision of quality voluntary family planning and other reproductive health services. USAID programs will include a child health component as parental concerns about child survival can be a deciding factor influencing demand for voluntary family planning services in India. They will also involve treatment of and prevention efforts against sexually transmitted diseases including HIV/AIDS. The U.S. will encourage national policies and programs consistent with the 1994 International Conference on Population and Development (ICPD) Program of Action, and will support population and reproductive health activities by the U.N. Population Fund, UNAIDS and other multilateral and bilateral donors. $17,000

Health: U.N. experts predict India will have more HIV positive cases by the year 2005 than all of Africa. The rate of infection is among the highest reported anywhere in the world. A recent Indo-U.S. Vaccine Action Program (VAP) consultation on HIV/AIDS vaccine development and testing concluded that India should be an important partner in the global effort to develop, evaluate, produce and introduce effective and appropriate vaccines to prevent the spread of HIV and reduce the number of AIDS-related deaths. USAID, the Centers for Disease Control and the National Institutes of Health (NIH) will launch an action plan to improve infectious disease surveillance, support efforts to improve Indian HIV/AIDS surveillance and diagnostic capability and facilitate joint research on an AIDS vaccine. Under the Indo-U.S. Vaccine Action Program, NIH will initiate rotavirus candidate vaccine trials. $15,000

Performance Evaluation:

- Resumed senior-level dialogue between India and Pakistan. India and Pakistan held a first round of talks at the Cabinet level on a variety of issues; the second in the series is scheduled for February 1999.

- Further action by India to reduce tariffs on U.S. exports, eliminate trade barriers, open markets to American investors, accept multilateral IPR obligations, and enact labor law reforms. The U.S. will continue to use both bilateral and multilateral negotiations and dispute settlement to obtain reciprocal treatment for U.S. exporters and investors in India.

- Continued restraint on deployment of ballistic missiles and testing of nuclear weapons. India tested nuclear devices in May 1998. An international consensus was achieved on sanctions and goals for India and, starting in July, the Deputy Secretary has engaged in a series of intensive talks with India to find ways to address these international concerns. India has not deployed ballistic missiles, and we continue to urge restraint in this sphere.

- Return of criminal fugitives to the United States. The U.S. and India have agreed on a new extradition treaty which has received the Advice and Consent of the Senate and which is awaiting President Clinton's signature.

Key Indicators for FY 2000 Performance:

- India meets the four nonproliferation benchmarks of the U.S. (sign and ratify Comprehensive Test Ban Treaty (CTBT), end fissile material production, adopt deployment restraints, and strengthen export controls) and maintains a constructive dialogue with Pakistan;
- India enacts legislation opening key sectors to foreign investment and protecting current investors from legislation authorizing capital misappropriation;
- India begins to take responsibility for resolving U.S. trade disputes through bilateral negotiation instead of favoring WTO dispute settlement panel resolution;
- India increases the level of engagement with the U.S. in international crime and narcotics activities;
- India increases actions to promote human rights, democracy, and religious tolerance demonstrated, in part, by a decrease in the incidence of communal violence.

INDIA
FUNCTION 150 RESOURCES
($ in thousands)

Appropriations Accounts by Strategic Goal	Actual FY 1998	Estimate FY 1999	Request FY 2000
Regional Stability	**159**	**400**	**400**
IMET	159	400	400
Economic Development	**-**	**1,500**	**2,300**
DA	-	1,500	2,300
Democracy	**18**	**250**	**450**
DA	-	200	400
IMET	18	50	50
Humanitarian Assistance	**94,948**	**110,503**	**81,650**
Title II	94,948	110,503	81,650
Environment	**6,525**	**6,500**	**10,000**
DA	6,525	6,500	10,000
Population	**17,181**	**17,000**	**17,000**
DA	17,181	17,000	17,000
Health	**18,969**	**16,650**	**15,000**
DA	18,969	16,650	15,000
Total	***137,800***	***152,803***	***126,800***

Appropriations Accounts	Actual FY 1998	Estimate FY 1999	Request FY 2000
DA	42,675	41,850	44,700
IMET	177	450	450
Title II	94,948	110,503	81,650
Total	***137,800***	***152,803***	***126,800***
Other Accounts			
D&CP	10,997	11,738	12,500
ECE	2,160	2,369	2,399
Total	***13,157***	***14,107***	***14,899***
INDIA FUNCTION 150 RESOURCES GRAND TOTAL	***150,957***	***166,910***	***141,699***

Maldives

($ in thousands)

National Interests: The Maldives provides important access for U.S. vessels and allows aircraft transit rights in Maldivian airspace (permitting U.S. access to its airport during the Gulf War, for example). It is in the U.S. national security interest to maintain stability in this small island nation by strengthening its democratic institutions. The USG is also working with the Maldivian Government to coordinate policies in international organizations, especially on such issues of shared interest as global warming, drug trafficking, nonproliferation, and international crime and terrorism. Since the U.S. has no resident Mission in Maldives, The U.S. will continue to pursue national interests there through regular diplomatic exchanges managed by the U.S. Embassy in Colombo, through the International Military Education and Training (IMET) programs, and through Regional Democracy Fund programs.

Strategic Goals and Supporting Programs for FY 2000:

Regional Security: Through IMET training, the U.S. is working with the Maldivian Government to bring more professionalism to their military as well as to promote the inclusion of human rights concerns as part of their training. $80

Democracy/Human Rights: The U.S. will promote respect of human rights by the military, greater participation of women in the political and economic life of the country, and freedom of religion and the press through public diplomacy, Regional Democracy Fund programs, the Educational and Cultural Exchange (ECE) program, and IMET training for the military. $20

Performance Evaluation:

- Police and military support for democratic institutions. These goals were successfully advanced through IMET and ECE-funded exchanges, and by regular visits by the Ambassador and other embassy officials. Efforts to further promote these goals would be enhanced with additional resources contained in proposed Regional Democracy Fund programs.

Key Indicators for FY 2000 Performance:

- Continued access to Maldivian ports and airfields for U.S. military transit;
- Continued U.S.-Maldivian cooperation on key global issues such as climate change and nonproliferation;
- Continued recognition of human rights norms on the part of the Maldivian government and military.

MALDIVES ISLANDS
FUNCTION 150 RESOURCES
($ in thousands)

Appropriations Accounts by Strategic Goal	Actual FY 1998	Estimate FY 1999	Request FY 2000
Regional Stability	**80**	**80**	**80**
IMET	80	80	80
Democracy	**21**	**20**	**20**
IMET	21	20	20
Total	***101***	***100***	***100***

Appropriations Accounts	Actual FY 1998	Estimate FY 1999	Request FY 2000
IMET	101	100	100
Total	***101***	***100***	***100***
Other Accounts			
ECE	12	14	14
Total	***12***	***14***	***14***
MALDIVES ISLANDS FUNCTION 150 RESOURCES GRAND TOTAL	***113***	***114***	***114***

Nepal

($ in thousands)

National Interests: Nepal's progress in consolidating its young democratic institutions and achieving sustainable economic development supports the U.S. national interests of fostering democracy and prosperity around the globe, and contributes significantly to the U.S. interest of promoting regional security. Nepal also presents opportunities for the pursuit of important global U.S. interests, including, preserving the environment, stabilizing population growth, providing humanitarian response, promoting market-oriented economic reform, strengthening international peacekeeping, combating international crime, and slowing the spread of infectious diseases. Protecting U.S. citizens and their interests abroad, and facilitating the legal entry of visiting foreign nationals, are also important national interests in U.S. relations with Nepal.

Strategic Goals and Supporting Programs for FY 2000:

Regional Stability: The U.S. Embassy in Kathmandu will use its contacts with the Economic Ministry of Foreign Affairs, the Royal Nepalese Army (RNA), the Secretariat of South Asian Association for Regional Cooperation (SAARC), political party leaders, and the embassies of other regional states to encourage progress on regional issues. Greater regional stability is the key to other U.S. interests in South Asia, and also ensures that states in the region are able to contribute to international peacekeeping. International Military Education and Training (IMET) and Enhanced International Peacekeeping (EIPC) funds currently available for programs in Nepal also support the U.S. national security interest in international peacekeeping. $200

Open Markets: Nepal has made impressive progress on market-oriented reform, and has applied for membership in the World Trade Organization. USG technical assistance will support policymakers in developing the legal and administrative frameworks for more liberal investment regimes and better integration into world economic organizations.

Economic Development: Poverty remains the root cause of many problems in Nepal, where the rural poor (particularly farmers and women) comprise 80% of the total population. USG assistance will continue to support programs designed to increase the income and well-being of this group by increasing the sustainable production and sale of forest and high-value agriculture products, improving youth skills, and increasing women's empowerment. Education and Cultural Exchange (ECE) funding will go toward visitor and information exchanges and the development of a business facilitation center to ensure that Nepalese businesses have ready access to U.S. companies and products. $2,500

Democracy/Human Rights: In the brief period since its transition to parliamentary democracy, Nepal has made significant progress in developing its democratic institutions and practices. With the use of Development Assistance (DA) and Economic Support Funds (ESF) regional resources, future efforts will focus on consolidating those institutions

and practices, and promoting greater respect for human rights. In addition, IMET funds will continue to be used to train the military in human rights practices. $450

Humanitarian Assistance: With more than 90,000 refugees from Bhutan living since the early 1990's in camps in eastern Nepal, and some 3,000-4,000 Tibetan refugees transiting the country on their way to India each year, migration issues remain an important concern in Nepal. Support for these groups via U.S. contributions to the UN High Commissioner for Refugees (UNHCR) and the World Food Program will be maintained, and encouragement to the governments of Nepal and Bhutan to reach a mutually acceptable agreement on the Bhutanese refugees will continue. In addition, Nepal will be eligible in FY 2000 to receive grant Excess Defense Articles (EDA) under Section 516 of the Foreign Assistance Act. EDA would enhance the effectiveness of Nepal's participation in peacekeeping operations. Funding for these efforts is indicated in the section on Regional Programs.

Environment: Given its vast water resources, deforestation, biodiversity, and extensive natural areas, Nepal has an important role to play in regional and global environmental protection. The Regional Environmental Hub office, located in Kathmandu, will promote regional approaches to water pollution, and clean, renewable energy. USG assistance will continue to support sustainable management of the productive resource base in Nepal and to promote biodiversity and conservation. ECE-funded public diplomacy will support these programs and work on increasing public awareness of global environmental issues. $1,500

Population: Increased family planning remains essential to breaking the cycle of poverty in Nepal. DA funds support programs designed to increase the use of quality voluntary family planning services and for reducing child mortality and, therefore, the demand for larger families. $10,300

Health: Improving health contributes to the U.S. interest in reducing the spread of disease and supporting development. U.S. unilateral assistance will continue to support programs to improve the delivery of maternal and child health and improve the skills of health care providers. $9,480

Performance Evaluation:

- Increased extent and quality of Nepali participation in multilateral peacekeeping and support to regional conflict prevention mechanisms. Nepali troops continue to actively participate in peacekeeping operations, and look for opportunities to expand their involvement. In cooperation with the Royal Nepalese Army (RNA), the Defense Attaché is developing projects to effectively utilize EIPC funding made available for Nepal in FY 1998, to enhance training and foreign liaison opportunities.

- Implementation of market-oriented economic reforms. Hampered by mid-term changes in the governing coalition, and slower than expected economic growth,

progress on "open markets" issues was modest. However, in July Nepal submitted an application to join the World Trade Organization, and has begun the process of in-depth review and reform necessary to integrate itself more fully with the global economy.

- Beginning of return and resettlement program for Bhutanese refugees. Though no returns were accomplished in FY 1998, the end of the year saw renewed high-level discussions between the governments of Nepal and Bhutan on the subject of the refugees from Bhutan, potentially laying the groundwork for further progress this year.

- Implementation of an effective human rights commission. At year's end, a national human rights commission had not been established.

Key Indicators for FY 2000 Performance:

- Reduction of serious human rights abuses by police forces combating Maoist insurgents;
- Support stronger efforts to combat trafficking in women and children;
- Increased foreign direct investment, especially in the hydropower sector;
- Enhancement of the Nepali military's peacekeeping training programs;
- Progress on negotiations to join the WTO.

NEPAL
FUNCTION 150 RESOURCES
($ in thousands)

Appropriations Accounts by Strategic Goal	Actual FY 1998	Estimate FY 1999	Request FY 2000
Regional Stability	**161**	**175**	**200**
IMET	161	175	200
Economic Development	**4,800**	**1,000**	**2,500**
DA	4,800	1,000	2,500
Democracy	**835**	**325**	**450**
DA	800	300	400
IMET	35	25	50
Humanitarian Assistance	**642**	**2,734**	**-**
Title II	642	2,734	-
Environment	**2,700**	**1,200**	**1,500**
DA	2,700	1,200	1,500
Population	**7,400**	**7,624**	**10,300**
DA	7,400	7,624	10,300
Health	**11,100**	**6,500**	**9,480**
DA	11,100	6,500	9,480
Total	***27,638***	***19,558***	***24,430***

Appropriations Accounts	Actual FY 1998	Estimate FY 1999	Request FY 2000
DA	26,800	16,624	24,180
IMET	196	200	250
Title II	642	2,734	-
Total	***27,638***	***19,558***	***24,430***
Other Accounts			
D&CP	2,285	2,440	3,052
ECE	814	863	888
IIP	482	439	-
Peace Corps	2,328	2,378	2,450
Total	***5,909***	***6,120***	***6,390***
NEPAL FUNCTION 150 RESOURCES GRAND TOTAL	***33,547***	***25,678***	***30,820***

Pakistan

($ in thousands)

National Interests: The overwhelming priority of U.S. foreign policy in Pakistan is to work with the international community to persuade Pakistan to adhere to the global nuclear nonproliferation regime and stem a South Asian nuclear arms race. The U.S. is also promoting a resumption of a productive India-Pakistan dialogue to address the underlying issues leading to regional tensions. The basic long-range objective of the U.S. is to lay the foundation for a new, post-Cold War relationship. This will require that Pakistan strengthen its democratic institutions and implement market-oriented economic reforms. In revitalizing U.S.-Pakistan relations, the U.S. will focus on areas where Pakistan will have an important role to play in the 21st century. These include trade and investment, population stabilization, nuclear and missile nonproliferation, counter-narcotics, counter-terrorism, and cooperation in seeking an end to the civil war in Afghanistan and forging a broad-based democratic government there. Given the imposition of sanctions against Pakistan, U.S. tools for achieving these objectives are largely public and private diplomacy.

Strategic Goals and Supporting Programs for FY 2000:

Regional Stability: The U.S. is seeking to reduce Indo-Pakistani tensions through promoting high-level discussions. The U.S. is working to increase U.S.-Pakistani military-to-military cooperation as progress on nonproliferation occurs, including through the establishment of an IMET program. The U.S. is also encouraging the Government of Pakistan (GOP) to work with the international community (especially the U.N.'s Six-plus-Two Group) to stimulate an Afghan peace process and improve delivery of humanitarian assistance there. $350

Weapons of Mass Destruction: The USG has made strong efforts, along with the international community, to secure greater GOP cooperation on nonproliferation initiatives, including adhering to the CTBT, ending fissile material production, restraints on deployment, and export controls. Public diplomacy, through ECE-funded programs remains our key tool to achieve this goal.

Economic Development: The U.S. through ECE-funded programs continues to promote open and stable markets for U.S. trade and strong advocacy for U.S. investors through direct diplomacy and support for reforms in the economy, trade policy and investment climate.

Illegal Drugs: International Narcotics and Law Enforcement funds will support programs in cooperation with the GOP to eliminate Pakistan as a source country of heroin and reduce the flow of opiates from Pakistan and Afghanistan to the U.S. In addition, U.S. public diplomacy funded through ECE will assist the GOP with public awareness projects and will use the public information media to publicize drug-related issues. $2,500

Democracy/Human Rights: A high priority of the USG is to consolidate and strengthen Pakistan's democratic institutions and practices and institutionalize respect for human rights and rule of law. Programmatic tools include the Regional Democracy Fund, which supports non-governmental organization (NGO) projects and contributes to an active civil society; ECE's International Visitor Program, which enables young Pakistani leaders in politics, women's affairs and human rights to experience American democracy firsthand. The U.S will also fund programs that combat the use of child labor, including in export industries.

Environment: Protecting the climatic system from human interference, encouraging participation in the Kyoto Protocol to avoid escalating greenhouse gas emissions, and promoting emissions trading and the clean development mechanism, remain important U.S. priorities in Pakistan. The U.S. will advocate education, regional cooperation and industry engagement in environment issues through ECE-funded activities such as speakers, exchange programs, and Worldnets.

Population: USG programs also assist Pakistan in stabilizing their population growth and improving maternal and child health.

Performance Evaluation:

- Continued restraint on deployment of ballistic missiles and testing of nuclear weapons. Pakistan tested nuclear weapons in May 1998 following similar tests in India. The U.S. has since intensified high-level multilateral and bilateral dialogues concerning the South Asian proliferation problem. Some progress has been made in moving Pakistan toward key nonproliferation benchmarks and U.S. efforts continue.

- Resumed senior-level dialogue between India and Pakistan. The dialogue was resumed in late 1998 with two Foreign Secretary-level meetings, covering both security and other bilateral issues. Unprecedented progress was achieved in the areas of cross-border travel and energy purchases. Another set of meetings is scheduled for February 1999.

- Increased narcotics-related arrests, destruction of heroin processing labs, reduction of opium poppy acreage, tightened money-laundering regulations. Opium production and heroin processing dropped dramatically (25%). U.S.-Pakistani cooperation on counter-narcotics improved dramatically following the GOP's release of a detained Pakistani national employed by DEA.

- Continued progress with the International Financial Institutions' (IFIs) efforts to strengthen Pakistan's macroeconomic stabilization efforts and structural reforms. The International Monetary Fund (IMF) initiated a three year economic reform program in October 1997 following implementation by the GOP of a series of reform measures. The program was de-railed following Pakistan's nuclear tests in May

1998 and the imposition of strict currency controls by the GOP and international sanctions. Recognizing the severe financial crisis, the IMF began negotiations to resume Pakistan's program. The renewed program (adopted January 1999) includes lending by the IMF and other IFIs as well as Paris Club debt-rescheduling. Pakistan is expected to adhere to a strict regime of economic reform and sound management.

- Resolution of Generalized System of Preference (GSP) labor case on terms consistent with international worker's rights norms. The GSP case remains on the books, but Pakistan has begun to make progress on combating child labor in key export industries. The International Labor Organization (ILO) (with U.S. funding) has implemented a program aimed at eliminating child laborers from the soccer ball industry and has negotiated another for hand-woven carpets -- two of the three industries targeted in the GSP case.

Key Indicators for FY 2000 Performance:

- Ratification by GOP of CTBT; cooperation in pursuing fissile material control regime; restraint in development and deployment of nuclear weapons and missiles; strengthened export controls;
- Engagement by GOP high-level officials in an active and productive dialogue with Indian government officials as well as engaging seriously in measures that will lower tensions with India;
- Resolution of Independent Power Project dispute and increased opportunity for U.S. exporters and investors;
- Greater role by GOP in moderating Taliban behavior;
- Progress on all counter-narcotics objectives and full certification on counter-narcotics efforts;
- Democratic institutions grow stronger in Pakistan, as evidenced by fewer incidents of religious intolerance, a more supportive environment for a free press, an independent and more efficient judiciary, an increase in the number of women and minorities in elected positions, and a reduction in child labor;
- Number of women seeking contraceptives; maternal and infant mortality rate; and female literacy rate.

PAKISTAN
FUNCTION 150 RESOURCES
($ in thousands)

Appropriations Accounts by Strategic Goal	Actual FY 1998	Estimate FY 1999	Request FY 2000
Regional Stability	-	**350**	**350**
IMET	-	350	350
Economic Development	**500**	-	-
ESF	500	-	-
Illegal Drugs	**1,500**	**2,200**	**2,500**
INC	1,500	2,200	2,500
Democracy	**500**	-	-
ESF	500	-	-
Humanitarian Assistance	**6,473**	-	-
Title II	6,473	-	-
Population	**1,000**	-	-
ESF	1,000	-	-
Health	**1,000**	-	-
ESF	1,000	-	-
Total	***10,973***	***2,550***	***2,850***

Appropriations Accounts	Actual FY 1998	Estimate FY 1999	Request FY 2000
ESF	3,000	-	-
IMET	-	350	350
INC	1,500	2,200	2,500
Title II	6,473	-	-
Total	***10,973***	***2,550***	***2,850***
Other Accounts			
D&CP	7,985	8,520	9,065
ECE	1,459	1,527	1,538
Total	***9,444***	***10,047***	***10,603***
PAKISTAN FUNCTION 150 RESOURCES GRAND TOTAL	***20,417***	***12,597***	***13,453***

Sri Lanka

($ in thousands)

National Interests: Sri Lanka has a long tradition of vigorous democracy, was the first country in the region to liberalize its economy, and has impressive social indicators. The primary U.S. national interests in Sri Lanka are strengthening democratic institutions, an increase in respect for human rights, and the enhancement of Sri Lankan and U.S. economic prosperity. These goals not only reflect a U.S. humanitarian interest, but improved human rights performance would help facilitate an end to Sri Lanka's 15-year war, thereby reducing the threat of terrorism and improving regional stability. An end to the war would also boost the economy, increasing opportunities for U.S. business. The United States maintains an International Broadcasting transmitter in Sri Lanka and is constructing an expanded site there, the completion and operation of which is a key interest. The United States and Sri Lanka also share interests in environmental protection and the suppression of international terrorism.

Strategic Goals and Supporting Programs for FY 2000:

Regional Stability: The Sri Lankan conflict, involving a terrorist organization with ethnic and cultural ties to India, threatens stability in South Asia, an area of increasing tensions. Positive relations with the countries in the region advance support for U.S. positions in international fora as well as assist with obtaining access to local ports and facilities in support of American interests. $180

Open Markets: Within the South Asian context, Sri Lanka has a relatively open economy, but significant trade and investment barriers still remain. More open Sri Lankan markets will lead to increased U.S. trade and investment opportunities and will also contribute to increased broad-based economic growth in Sri Lanka, thereby enhancing Sri Lankan political stability.

Expand U.S. Exports: The U.S. is Sri Lanka's largest trading partner, with almost $1.7 billion of bilateral trade in 1997, though there is a large trade imbalance in Sri Lanka's favor. The Sri Lankan market is, and will remain, relatively small, but there are niche opportunities for U.S. companies.

Economic Development: Promoting broad-based sustainable economic growth will enable a greater number of citizens to benefit from the development process and improve their quality of life. Being secure in their economic future would encourage a broader segment of the population to support a negotiated settlement to the ongoing conflict. $3,000

Democracy/Human Rights: A resolution of the Sri Lanka conflict would further regional stability and strengthen democracy by ending ethnic polarization. Stronger democracy will lead to improved respect for human rights and facilitate a political

solution to the war. The International Military Education and Training (IMET) program will promote respect for human rights in the military. $45

Environment: Sri Lanka's level of environmental degradation is not as high as in other South Asian countries, but biodiversity and ocean issues are of concern. Securing Sri Lankan support for sound environmental policies and programs will help to achieve a sustainable global environment.

Humanitarian Assistance: More than 500,000 persons remain internally displaced and extensive land mines in the area directly affected by the war continues to limit movement of the civilian population. Providing short-term relief and assistance to those displaced or disabled by the conflict will enhance their ability to return to normal life, thereby consolidating hope for a lasting peace and promoting democracy, regional stability, and the economic growth necessary for expansion of trade and economic prosperity. In addition, Sri Lanka will be eligible in FY 2000 to receive grant Excess Defense Articles (EDA) under Section 516 of the Foreign Assistance Act. EDA would be used to aid civic action, including potential demining programs, necessary as a result of Sri Lanka's lengthy civil war. In addition, equipment could contribute to improved professionalism and operation of the Army, a central element of U.S. policy due to past concerns about human rights.

Performance Evaluation:

- Government brings to trial those charged with human rights violations. In July 1998, six security personnel were convicted of a 1996 rape and murder; this case represents an exceptional and positive development in the prosecution of extrajudicial killings. USG assistance (DA and ESF) is geared to promoting human rights and strengthening democratic institutions. Post's modest military-to-military programs (International Military Education and Training, Joint Combined Exchanges for Training) continue to be applied to increase the professionalism and human rights sensitivity of the Sri Lankan military.

- Increased Privatization/Rising Private Sector Investment. Sri Lanka continued its economic liberalization and its economy remains buoyant, despite a slight slowdown. The Embassy has been creative in enhancing commercial opportunities and has actively engaged in advocacy on behalf of several U.S. companies. Several large new U.S. investments were launched in Sri Lanka in 1988 and the Government of Sri Lanka resolved a 16-year old commercial dispute with a U.S. company.

Key Indicators for FY 2000 Performance:

- Rate of privatization;
- Economic growth rate;
- U.S. agricultural and industrial exports;
- Progress in resolving commercial disputes involving U.S. companies;
- Participation of Tamil, Muslim and opposition party groups in deliberations on devolution reforms.
- Demining of war-affected areas and restoration of a politically acceptable civil administration;
- Rate of return of refugees;
- Level of international attention to Liberation Tigers of Tamil Eelam (LTTE) atrocities;
- Government trials and convictions, when appropriate, of those charged in human rights violations and a major reduction in disappearances, detentions, and torture.

SRI LANKA
FUNCTION 150 RESOURCES
($ in thousands)

Appropriations Accounts by Strategic Goal	Actual FY 1998	Estimate FY 1999	Request FY 2000
Regional Stability	**185**	**160**	**180**
IMET	185	160	180
Economic Development	**4,300**	**3,000**	**3,000**
DA	4,300	3,000	3,000
Democracy	**40**	**40**	**45**
IMET	40	40	45
Health	**400**	**-**	**-**
DA	400	-	-
Total	***4,925***	***3,200***	***3,225***

Appropriations Accounts	Actual FY 1998	Estimate FY 1999	Request FY 2000
DA	4,700	3,000	3,000
IMET	225	200	225
Total	***4,925***	***3,200***	***3,225***
Other Accounts			
D&CP	2,115	2,250	2,818
ECE	782	820	834
IIP	432	405	-
Peace Corps	526	-	-
Total	***3,855***	***3,475***	***3,652***
SRI LANKA FUNCTION 150 RESOURCES GRAND TOTAL	***8,780***	***6,675***	***6,877***

South Asia Regional Democracy Fund

($ in thousands)

National Interests: The United States supports the consolidation and strengthening of democratic systems, respect for human rights, and the rule of law throughout South Asia, home to the largest democracy in the world, India. Over 250 million people in the region have come under democratic rule in the last decade. However, several of these democracies are weak and face a host of threats including corruption, sectarian violence, religious intolerance, a mounting population, poor social systems and economic hardship. Maintaining and strengthening the democratic form of government in this region is one of the most challenging and important of U.S. foreign policy objectives. The U.S. has much to lose in South Asia if democratic and civilian governments give way to autocratic or military rule and instability. The U.S. has a vital interest in maintaining stability in a region where nuclear weapons have entered the stage and where political unrest accompanying an erosion of democracy would close the door to western investment and the ensuing economic development so critical to improving the quality of life in the region.

Strategic Goals and Supporting Programs for FY 2000:

Democracy/Human Rights: Regional Democracy Programs funded with Economic Security Funds (ESF) will provide assistance primarily to non-governmental organizations (NGOs) engaged in promoting human rights, democracy, and the rule of the law. In FY 2000, South Asia Regional Democracy Programs will promote free and fair elections, train police in better human rights practices, help establish human rights commissions, assist in strengthening parliaments, combat widespread corruption, encourage greater political participation of women, and promote religious tolerance. These funds also may sponsor programs that will enhance the professionalism of the press and promote greater adherence to the rule of law through judicial reform, including improving case management. The U.S. will support programs implemented by the International Labor Organization (ILO) that combat child labor in the carpet industry, and that will combat trafficking in women and children through NGO activity and law enforcement training of local police. $8,825

Performance Evaluation:

The Regional Democracy Fund projects in Bangladesh are all on track. A programming team from the National Democracy Institute visited Dhaka in November 1998 to finalize their parliamentary reform program. An inter-agency team that visited the region in January 1999 will recommend uses of the funds set aside for anti-trafficking programs. While legislation allowing for the establishment of an independent Human Rights Commission is still pending parliamentary approval, Bangladesh Government officials reiterated their commitment to seeing this established.

Programs in other countries are new and are just being implemented. Therefore, a thorough performance evaluation will be submitted with the FY 2001 presentation.

Key Indicators for FY 2000 Performance:

- Free and fair elections held in the region (Sri Lanka, Bangladesh, Nepal).
- A human rights commission established in Bangladesh;
- Increased reporting on rule of law and human rights issues by journalists in the region;
- Community level NGOs strengthened;
- USG develops cooperative program to address trafficking in women and children with the South Asian Association of Regional Cooperation (SAARC);
- Increase in number of manufacturers participating in a child labor-free labeling program with credible monitoring systems;
- Increase in efforts of communal leaders to address religious intolerance.

SOUTH ASIA REGIONAL DEMOCRACY FUND
FUNCTION 150 RESOURCES
($ in thousands)

Appropriations Accounts by Strategic Goal	Actual FY 1998	Estimate FY 1999	Request FY 2000
Democracy	**3,000**	**2,750**	**8,825**
ESF	3,000	2,750	8,825
Total	***3,000***	***2,750***	***8,825***

Appropriations Accounts	Actual FY 1998	Estimate FY 1999	Request FY 2000
ESF	3,000	2,750	8,825
Total	***3,000***	***2,750***	***8,825***
SOUTH ASIA REGIONAL DEMOCRACY FUND FUNCTION 150 RESOURCES GRAND TOTAL	***3,000***	***2,750***	***8,825***

South Asia: Regional Programs

($ in thousands)

National Interests: The maintenance of regional stability in South Asia, an important U.S. national interest, is tied to the region's steady progress in broad-based economic growth, increased literacy rates, and a greater ability of civil servants to address community needs. The U.S. will support regional programs that promote economic development -- working with South Asian governments and non-governmental organizations (NGOS) to provide greater access to educational and entrepreneurial opportunities for women, especially in Pakistan where rural women have only a 12 percent literacy rate. Poor infrastructure and service delivery in poverty-stricken areas have hampered private investment and development, resulting in a continuous cycle of poverty. Regional programs in South Asia will provide better training for civil servants to improve community services and urban infrastructure, such as water services and sanitation, and will spur broad-based economic growth in the region. These kinds of improvements will help reduce migration pressures, avert humanitarian crises, improve health care, and stabilize regional populations. A more stable region, which enjoys economic growth, will not only reduce its reliance on assistance from the U.S. and other donors but will expand markets for U.S. exports. In addition, regional programs will promote increased private sector participation and investment in environmentally and socially sound water and gas resource management.

Humanitarian Response is one of the seven U.S. national interests as well as a strategic goal outlined within the United States International Affairs Strategic Plan. For FY 2000, the Migration and Refugee Assistance (MRA) appropriation will uphold the humanitarian principles the United States shares with others in the international community by providing assistance to victims of persecution and civil strife in the region. These programs support the protection of refugees and conflict victims, the provision of basic needs to sustain life and health, and the resolution of refugee problems through voluntary repatriation, local integration, or permanent resettlement in a third country.

Strategic Goals and Supporting Programs for FY 2000:

Economic Development: Working with regional Economic Security Fund (ESF) resources, the U.S. plans to broaden the economic base of the region by enabling more women, through innovative micro-finance and literacy programs, to become participants in the economies of their countries. Research shows that when women benefit from increased literacy rates and opportunities to generate incomes, their children and communities are the direct beneficiaries. In addition, regional funds will be used to maximize equity and job creation in the energy sector of several countries through a balance of infrastructure enhancement and environmental management, including expanding smaller-scale clean energy sources. An added benefit of some of these programs will be to encourage the nations of the region to abandon historic hostilities and

work more closely together in the interests of the region as a whole. In addition, $2.5 million in Development Assistance will go toward this goal. $13,325

Democracy/Human Rights: USG Development Assistance resources will go toward implementing an anti-trafficking program which will focus on: (1) providing vulnerable communities with information on the realities of trafficking and improved economic opportunities; (2) encouraging the establishment or modification of policies, laws and regulations to combat trafficking; and (3) encouraging regional associations such as the South Asian Association for Regional Cooperation to make anti-trafficking a priority for that subregion. DA resources will also target child labor practices through educational programs. Initially this effort will consist of two small pilot projects targeted at encouraging increased school enrollment of children from vulnerable communities; promoting greater national/community support for schooling of all children; and stronger cooperation between the government, NGOs, employers, and community organizations to promote increased school attendance. $2,550

Environment: The U.S.-Asia Environmental Partnership (USAEP), supported by DA resources, is intended to strengthen incentives and policies for improving environmental quality in industrial and urban settings. USAEP also facilitates the transfer of U.S. environmental technologies to address Asia's environmental problems through partnerships which it establishes between the relevant USG agencies, U.S. public/private associations or businesses, and Asian firms with interests in such environmental concerns as cleaner fuels, more efficient energy use, and better environmental management. A regional approach is warranted in forging clean environment strategies since the problem is oblivious to national borders and laws. The USG will implement a new climate change initiative in FY 2000 called Energy Security for Economic Growth (ESEG). This program will help build analytical capacity among Asian countries to make informed policy decisions on energy and global climate change, and will promote energy efficient infrastructure and practices. $10,700

Population: Development Assistance funding for the region will go toward technical expertise and resource support to bilateral programs in population/family planning. The regional program also supports analyses that focus on regional trends or cross-border issues, such as transnational spread of infectious disease. $500

Health: Development Assistance resources will continue to support programs in HIV/AIDS prevention and providing care to AIDS victims and their families. The regional program supports efforts to tackle the growing dimensions of the disease that are transboundary in nature. The program includes expanding the number of cross-border locations with HIV/AIDS prevention programs. $5,284

Humanitarian Assistance: The MRA appropriation will support the programs of the U.N. High Commissioner for Refugees (UNHCR) and NGOs that provide humanitarian assistance to Afghan refugees in Pakistan, especially women and girls. Funds will also support the programs of the International Committee of Red Cross, which address life-

sustaining needs inside Afghanistan, while UNHCR and implementing partners will aid returned refugees. MRA funds will also be used to provide assistance to Tibetan and Bhutanese refugees, and conflict victims in Sri Lanka. $26,900

Performance Evaluation:

- FY 2000 is the first year that ESF resources will be utilized on economic broad-based growth regional programs. Therefore, a performance evaluation on such programs will be provided in the next fiscal year's budget submission.

- As for FY 1998 performance evaluation for refugee programs (MRA), the international community agreed in FY 1998 on a common programming strategy for humanitarian assistance to Afghanistan, but continued conflict and lack of cooperation from Taliban authorities prevented effective implementation of the strategy. Despite these problems, internationally assisted Afghan refugee repatriation in 1998 exceeded 1997 levels. U.S. assistance programs to Tibetan refugees were successfully expanded in response to Congressional appropriations language. Little progress was made towards resolving the situation of Bhutanese refugees in Nepal.

Key Indicators for FY 2000 Performance:

- Increase in number of women earning an income through micro-finance programs;
- Expansion of infrastructure development in poor communities;
- Improved policy, legal, and regulatory frameworks for increased energy security and increased flow/adoption of environmental and cleaner industrial and infrastructure technologies, with emphasis on U.S. practice and technologies;
- Higher participation of Afghan refugee women and children in education and health programs;
- Establishment or modification of policies, laws, and regulations intended to discourage trafficking or abusive child labor practices;
- Efforts of SAARC and other regional bodies, including NGOs, to combat trafficking in women and children;
- Sustainable reintegration of those Afghan refugees who return home;
- International humanitarian assistance is able to reach most conflict victims in Sri Lanka;
- Durable solutions for Bhutanese refugees are closer to being realized;
- New Tibetan refugees are adequately received and cared for;
- Number of beneficiaries reached by family planning services;
- Contraceptive prevalence rate;
- Number of sites with cross-border HIV/AIDs interventions implemented;
- Condom sales through social marketing programs;
- STI/HIV surveillance systems functioning.

SOUTH ASIA: REGIONAL PROGRAMS
FUNCTION 150 RESOURCES
($ in thousands)

Appropriations Accounts by Strategic Goal	Actual FY 1998	Estimate FY 1999	Request FY 2000
Economic Development	**450**	**4,700**	**13,325**
DA	450	4,700	2,500
ESF	-	-	10,825
Democracy	**400**	**300**	**2,550**
DA	400	300	2,550
Humanitarian Assistance	**26,316**	**30,000**	**26,900**
MRA	26,316	30,000	26,900
Environment	**6,775**	**6,350**	**10,700**
DA	6,775	6,350	10,700
Population	**700**	**200**	**500**
DA	700	200	500
Health	**3,333**	**4,500**	**5,284**
DA	3,333	4,500	5,284
Total	***37,974***	***46,050***	***59,259***

Appropriations Accounts	Actual FY 1998	Estimate FY 1999	Request FY 2000
DA	11,658	16,050	21,534
ESF	-	-	10,825
MRA	26,316	30,000	26,900
Total	***37,974***	***46,050***	***59,259***
SOUTH ASIA: REGIONAL PROGRAMS FUNCTION 150 RESOURCES GRAND TOTAL	***37,974***	***46,050***	***59,259***

WESTERN HEMISPHERE

Bureau of Western Hemisphere Affairs
Statement by Acting Assistant Secretary Peter F. Romero

Our own security and well-being are more closely tied to the nations of the Western Hemisphere than to any other region of the world. Geographic proximity, migration and demographics, information technology and booming trade are bringing about *de facto* integration at a rate that could strain diplomatic capacity to keep pace. Fortunately, presidential trips to Latin America and the Caribbean and the Summit experiences of Miami and Santiago have produced a historic common agenda for the region - an agenda which reflects converging values in democracy, human rights, economics and environment. To date, the United States has been the leader on this agenda, guiding the region toward democracy and market-based economies. Our intention is to maintain this leadership position, using cooperative relationships with Canada and Latin America to lock in democratic and economic reforms.

Despite past accomplishments, there are real dangers that the region's advances could be reversed. Cynicism is growing in countries where the promises of democracy and liberalized economic policies have yet to produce tangible improvements in the lives of ordinary citizens. Drugs, transnational and home-grown crime, environmental degradation, poverty and illegal immigration are just some of the threats to ours and our hemispheric partners' national well-being and security. Our policies and programs will confront these challenges by building the capacity of our neighbors to tackle them cooperatively. The Santiago Summit's Plan of Action provides us with a special policy tool to push forward in all these areas. In particular, we will support ongoing reforms at the Organization of American States (OAS) to ensure that the OAS and the Inter-American System are fully able to carry out the mandates entrusted to them by the Summit.

The United States' key goals in the Western Hemisphere include:

- expanding economic growth and prosperity.
- consolidating democratic institutions and promoting respect for human rights.
- improving judicial systems to deliver transparent, equitable justice for all citizens.
- combating transnational crime and stemming the flow of illegal narcotics to the United States.
- increasing sustainable development and sound environmental practices.
- improving child and maternal health, while reducing the incidence of communicable diseases.
- reinforcing military subordination to civilian leadership and supporting military professionalization.
- protecting U.S. citizens and borders.

Economic Prosperity

Past efforts to spur growth in the region have been successful. Last year our exports to the nations of the hemisphere reached a record $343 billion making the Americas our largest overseas customer. In the second half of 1997, our exports to Latin America and the Caribbean alone, which is the fastest growing overseas market, surpassed our exports to the EU. Foreign Direct Investment by U.S. corporations and citizens exceeds $200 billion.

U.S. policies will encourage continued economic integration via the Free Trade Area of the Americas (FTAA) process. (Note: Without Fast Track legislation, however, our ability to lead and shape the FTAA process and institutionalize first-generation economic reforms will inevitably weaken.) We must also strengthen coordination of financial policy to ensure that our hemisphere limits contagion effects from the Asia crisis. At the same time, our long-term interests are served by promoting second-generation economic reforms and focusing on education, poverty alleviation, microenterprise and other social reforms designed to improve the quality of life for all people in the region.

Strengthening Democratic Institutions

While much progress has been made in regional democratization, factors are at work that could still undermine future prospects. Among these are judicial impunity, lack of transparency in government and corruption, and the absence, in many countries, of widespread civic participation. U.S. policy will seek to address these weaknesses by focusing on both the direct and indirect problems confronting democratic governance and rule of law. Our Democracy programs will promote peace and stability, bolster weak democratic governments, and mitigate the effects of economic problems that can undermine the legitimacy of new democracies. By fortifying the institutions of justice and democracy throughout Latin America and the Caribbean we strive to protect human rights, improve public security, support trade and investment, and fight the drug trade more effectively.

Although we have Democracy programs in many countries, among our highest priorities is assisting democratic institutions in Haiti. While Haiti's governmental institutions and civil society organizations are obviously operating with difficulty, they represent the only hope for sustained democracy. Beginning in 1999, we will shift our strategic focus in Haiti from immediate restoration of democracy and economic recovery to longer-term, poverty reduction programs geared to build up municipal institutions and capabilities. The "Secondary Cities Project" will assist local government, business and civic groups to develop alternatives to migration by the poor to Port-au-Prince by attracting investing, creating jobs and developing public infrastructure throughout Haiti.

We also seek to provide resources to support the Peace Accords in Guatemala and help that nation modernize its state institutions, provide education and training to former combatants, and improve the justice sector and the state's tax administration capabilities.

Throughout our efforts in Guatemala, special emphasis will be given to indigenous populations. We will continue to assist the ongoing peace process between Peru and Ecuador and, in conjunction with the other Guarantor nations, international development institutions and the private sector, establish a source of funding to build infrastructure in the border region. Our Democracy efforts will reach out to the small island democracies of the Caribbean to support economic diversification and protect governments from the corrupting influence of drug trafficking. U.S. policy is also designed to assist the Cuban people, stimulating and supporting the beginning of an independent civil society in Cuba.

U.S. policy also recognizes the efficacy of addressing democracy building, economic growth, poverty alleviation, and transnational crime and security issues in a vigorous multilateral forum. We will seek to strengthen the post-Santiago role of the OAS in coordinating these dialogues, in particular through the establishment of a modern OAS conference facility in Washington and enhanced Secretariat services.

Administration of Justice

As more Americans travel and as commerce grows, we have a strong national interest in ensuring that Latin America's judicial systems function fairly and transparently. Administration of Justice (AOJ) programs will assist these judiciaries to better serve their own citizens, as well as facilitating increased commercial integration. In recent years, AOJ programs have received widespread support from government and opposition leaders alike, civil society organizations and other donor nations. We intend to sharpen their focus while continuing to leverage this bilateral assistance with the Inter-American Development Bank and other institutional donors to focus on improving justice sector capacity. Moreover, we intend to work to ensure that the Hemispheric Meeting of Ministers of Justice has an agenda that supports and furthers AOJ objectives.

AOJ programs will provide needed technical assistance to prosecutors, judges, legislators and other legal professionals in the process of changing from written inquisitorial legal systems to proceedings that incorporate oral adversarial trials. Our police assistance in Honduras, Guatemala, El Salvador, Bolivia, Haiti and other countries will provide the funding and training necessary for those police forces to conduct their public order and investigative missions, while observing high standards of civil and human rights protection.

Transnational Crime and Drugs

The illegal drug trade remains one of the greatest threats to our national health and well-being. However, we are making progress. Andean cultivation is down to the lowest levels in ten years; Colombian, Mexican and other trafficker networks have been successfully disrupted and their leaders jailed; and new maritime agreements that promote holistic law enforcement have been signed.

Given these trends, the likelihood of improved cooperation with the new Colombian government and a deepening counternarcotics relationship with Mexico, we are seeking to augment our counternarcotics efforts in the region to keep this momentum in our favor. Continuing efforts to modernize extradition relationships are designed to leave criminals "no place to hide."

As outlined in the National Drug Strategy, our assistance to source and transit countries will continue to focus on reducing drug production and trafficking by strengthening their law enforcement and judicial institutions, improving crop eradication, supporting alternative development programs, destroying drug trafficking organizations, promoting effective controls on money laundering, and preventing the diversion of precursor chemicals. We will also work with governments to strengthen sentencing regimes, and seize the traffickers ill-gotten assets.

Additionally, the United States will work cooperatively with the countries of the hemisphere through the Inter-American System (CICAD) to develop a multilateral mechanism to evaluate counternarcotics cooperation.

Global Issues

Anything but luxuries, environment and health programs are integral to the long-term sustainable development of the hemisphere. U.S. environmental policies seek to protect, preserve and expand the four most important renewable resources for sustainable development: forests; water resources; agricultural lands; and coastal resources. In recent years, funding cuts have forced us to shift a greater proportion of our budget to environmental policy reform, forming stronger alliances with NGO partners, and trying to coordinate with other bilateral donors, the multilateral investment banks, and the private sector. One of our highest priorities is to increase commitment to conservation at the grass-roots level.

The health of the Western Hemisphere's populations has a greater impact on the United States than other regions. Recent increases in the domestic incidence of infectious disease have been attributed, in part, to the ease of travel and migration from the hemisphere.

U.S. policies in the Western Hemisphere will seek to achieve four closely related objectives: a sustainable reduction in unintended pregnancies; a reduction in child mortality; a reduction in maternal mortality; and a reduction in the transmission of infectious diseases, especially sexually transmitted infections and HIV.

National Security

In an era of increasing sub-regional and ethnic conflicts, Latin America and the Caribbean remain among the most peaceful and demilitarized regions of the world. Most significantly, the region's militaries have left presidential palaces to accept their legitimate role as instruments of national policy, subordinate to elected civilian leaders. Through both traditional bilateral and aggressive multilateral efforts, U.S. leadership has been indispensable in securing regional military cooperation to fight terrorism, combat drug trafficking and transnational crime organizations, and strengthen international non-proliferation regimes.

With peace the norm within the region, the governments and militaries of the Western Hemisphere are responding to U.S. injunctions that they assume shared responsibility for peacekeeping around the globe. The region's militaries currently participate in 13 of 15 ongoing UN peacekeeping operations (PKO); six countries have staffed the Military Observer Mission to Ecuador and Peru; and 10 countries, including Canada, participated in the multilateral force in Haiti to help re-establish democracy in that country.

To continue these trends, U.S. policies will seek to provide training and equipment to build the professionalism and capacity of the region's militaries as they begin to focus on specialized missions like peacekeeping and disaster assistance. Just as importantly, our policy will vigorously promote Confidence and Security Building Measures, including a hemispheric arms acquisition transparency convention under OAS auspices. We will assist in resolving regional border disputes (in particular Peru-Ecuador) and support rational and legitimate defense modernization that contributes to stability and transparency.

Recognizing that common challenges to stability and security engage both military and law enforcement agencies, the U.S. will seek to enhance cooperation and information sharing among all regional security forces. Special emphasis will be placed on Caribbean and Central American states, where countries which lack military forces (e.g. Costa Rica, Haiti, St. Lucia) must respond to external and transnational threats through national police organizations.

Protection of U.S. Citizens and the Border

By 2010 the volume of travel between the United States and Latin America is expected to exceed all travel between the United States and Asia and Europe combined. Through sustained and aggressive diplomacy, the U.S. promotes the safety and well-being of American citizens living, working and traveling throughout the Western Hemisphere. In addition, the U.S. policy will work to stem the flow of illegal aliens into the U.S. and combat alien smuggling in order to preserve the benefits of orderly, legal migration. We will continue close coordination with INS and provide anti-alien smuggling law enforcement training to regional border and immigration personnel.

WESTERN HEMISPHERE
FUNCTION 150 RESOURCES
($ in thousands)

Appropriations Accounts by Strategic Goal	Actual FY 1998	Estimate FY 1999	Request FY 2000
Regional Stability	**100,236**	**89,776**	**118,370**
ESF	19,677	17,410	37,410
FMF-G	3,000	3,000	3,000
IMET	7,626	7,595	7,690
PKO	14,110	6,000	6,000
CIO	55,823	55,771	57,270
CIPA	-	-	7,000
U.S. Exports	**10,051**	**10,686**	**11,764**
TDA	10,051	10,686	11,764
Economic Development	**366,692**	**362,031**	**332,181**
DA	77,948	81,262	93,449
ESF	24,303	28,035	30,160
Title II	86,435	112,911	84,101
CIO	16,560	16,560	16,560
EAI/MIF	30,000	50,000	28,500
IADB	20,835	21,152	-
IAF	22,000	20,000	22,300
IDB-Ordinary Capital	25,611	25,611	25,611
Inter-American IC	-	-	25,000
IO&P	6,500	6,500	6,500
NADB	56,500	-	-
Illegal Drugs	**179,700**	**430,500**	**219,200**
INC	179,700	430,500	219,200
Counter-Terrorism	**1,995**	**5,403**	**2,400**
NADR-ATA	1,995	5,403	2,400
Democracy	**95,937**	**88,232**	**112,706**
DA	41,553	36,982	40,601
ESF	49,253	46,245	67,100
IMET	2,631	2,505	2,395
CIO	-	-	110
IO&P	2,500	2,500	2,500
Humanitarian Assistance	**15,600**	**15,800**	**19,800**
NADR-Demining	1,400	2,800	4,000
MRA	14,200	13,000	15,800

Appropriations Accounts, Cont.	Actual FY 1998	Estimate FY 1999	Request FY 2000
Environment	**65,792**	**67,556**	**66,608**
DA	57,022	59,581	63,388
ESF	5,770	4,975	3,220
Title III	3,000	3,000	-
Population	**63,113**	**62,001**	**65,608**
DA	57,038	55,101	58,368
ESF	6,075	6,900	7,240
Health	**165,992**	**208,063**	**170,240**
DA	60,502	88,000	53,472
ESF	11,272	14,435	15,370
Title II	37,477	48,700	51,470
Title III	7,000	7,000	-
CIO	49,741	49,928	49,928
Public Diplomacy	**1,500**	**1,750**	**2,500**
N-S Center	1,500	1,750	2,500
Total	***1,066,608***	***1,341,798***	***1,121,377***

Appropriations Accounts	Actual FY 1998	Estimate FY 1999	Request FY 2000
CIO	122,124	122,259	123,868
CIPA	-	-	7,000
DA	294,063	320,926	309,278
EAI/MIF	30,000	50,000	28,500
ESF	116,350	118,000	160,500
FMF	3,000	3,000	3,000
IADB	20,835	21,152	-
IAF	22,000	20,000	22,300
IDB-Ordinary Capital	25,611	25,611	25,611
IMET	10,257	10,100	10,085
INC	179,700	430,500	219,200
Inter-American IC	-	-	25,000
IO&P	9,000	9,000	9,000
MRA	14,200	13,000	15,800
N-S Center	1,500	1,750	2,500
NADB	56,500	-	-
NADR	3,395	8,203	6,400
PKO	14,110	6,000	6,000
TDA	10,051	10,686	11,764
Title II	123,912	161,611	135,571
Title III	10,000	10,000	-
Total	***1,066,608***	***1,341,798***	***1,121,377***

Other Accounts			
D&CP	168,338	173,204	223,944
ECE	28,257	30,362	30,578
IIP	38,428	39,160	-
Peace Corps	31,309	32,008	32,926
Total	***266,332***	***274,734***	***287,448***
WESTERN HEMISPHERE FUNCTION 150 RESOURCES GRAND TOTAL	***1,332,940***	***1,616,532***	***1,408,825***

WHA: FY 2000 REGIONAL PLAN

STRATEGIC GOAL: Regional Stability (RS) -- Ensure that local and regional instabilities do not threaten the security and well-being of the U.S. or its allies.

REGIONAL GOAL: Deepen Western Hemispheric military relations, as well as improve relations between civil society and armed forces to promote regional stability, integration and the consolidation of democracy.

NATIONAL INTEREST: National Security: Following the peaceful resolution of Central America's Cold War-era conflicts, the Western Hemisphere has emerged as a democratic region that shares many core values with the United States. Increasing commercial, cultural and civil society linkages, necessary for the expansion of prosperity in the U.S. and throughout the hemisphere, is dependent upon the maintenance of peace and regional stability. Cooperation with Canada on North American defense, including through NORAD, and more broadly NATO, is paramount.

STRATEGY:

The primary U.S. national security interest in Canada, Latin America and the Caribbean is to build a vibrant community of democratic nations committed to free markets and peace. The U.S. will use its diplomatic resources to build mutual confidence, security and transparency throughout the region, and to support the development of appropriate civil/military relationships through bilateral and multilateral dialogue, and the provision of appropriate security assistance. As a Guarantor of the 1942 Rio Protocol, we will continue to assist Ecuador and Peru in the implementation of their peace accord. Our partnership with Latin American democracies has matured to the point where we will consider requests from appropriate civilian authorities to assist in the modernization of obsolete defense systems, taking into account our primary security goals for the region. To the extent defense modernization proposals from the region enhance democracy, foster regional stability, transparency and confidence-building, and deal with legitimate defense needs within reasonable economic parameters, the U.S. will support appropriate arms transfers.

OBJECTIVES:

1. In conjunction with other Guarantors, resolve the border conflict between Peru and Ecuador.
   FY 2000 TARGET: Ecuador and Peru implement the terms of the various elements of the peace settlement, as well as programs and projects under the border integration agreement to which the USG is seeking to commit $10 million in ESF. These funds will finance development projects on both sides of the border for sustainable development.

2. Implement appropriate, multilateral confidence and security-building measures as agreed in the Santiago Summit Action Plan (1998) and the OAS Declarations of Santiago (1995) and El Salvador (1998).
   FY 2000 TARGET: OAS convenes Third Special Regional CSBM Conference.

3. Strengthen dialogue on the role of the military in a democratic society, improve civil-military relations and civilian control of the military through the Defense Ministerial of the Americas, the OAS Committee on Hemispheric Security, and other appropriate fora.
   FY 2000 TARGET: OAS committee on hemispheric security conducts Summit mandated Hemispheric Security Review Conference.

4. Ensure Canada's continued willingness and ability to share with the U.S. the responsibilities of maintaining North American Security (NORAD) and European stability (NATO).
   FY 2000 TARGET: Continue to integrate Canada in hemispheric security fora and seek ways for Canada to take a more active leadership role.

5. Improve and professionalize regional military capabilities, by providing training opportunities to uniform and civilian defense professionals that reinforce the principle military sub to democratically elected civilian leadership.
   FY 2000 TARGET: $7,840,000 in IMET is requested to support the above objective.

6. Enable key friends and allies in the region to improve their defense capabilities by financing acquisition of U.S. military articles, services, and training; cement cooperative bilateral foreign military relationships, and enhance interoperability with US forces.
   FY 2000 TARGET: Seeking $3 million in FMF for the Caribbean region to help sustain defense and maritime forces, enabling these nations to sustain basic coast guard operations and maintain small professional forces essential to regional peace and security.

ASSUMPTIONS:

- Defense spending in the region will continue to be among the lowest in the world.
- When defense modernization occurs in Latin America, it will take place in a context of transparency, restraint and regional confidence.
- Continued respect for regional agreements such as the Rio Protocol of 1942, which permitted the Guarantor countries to influence Peru and Ecuador in agreeing to negotiate their border dispute.

INDICATORS:

- Status of the Peru/Ecuador border dispute.
- Implementation and institutionalization of confidence, security-building and transparency measures.
- Level of understanding by regional militaries of their proper role in a democracy
- Negotiations on and peaceful resolutions of border disputes.
- Incidence of cooperation among militaries of different countries in the hemisphere.

WHA: FY 2000 REGIONAL PLAN

STRATEGIC GOAL: Weapons of Mass Destruction (WD) -- The US and its allies will not be threatened by weapons of mass destruction or destabilizing conventional arms.

REGIONAL GOAL: Secure the cooperation of Canada and Latin American and Caribbean countries in collecting, analyzing, and disseminating intelligence on terrorist organizations and criminal enterprises seeking to acquire WMD; obtain their support in international fora for international norms and regimes to strengthen arms control, transparency, and nonproliferation.

NATIONAL INTEREST: National Security: It is in the U.S. interest to promote stability and security among our neighbors in the hemisphere by engaging them and seeking their support in international fora that endeavor to strengthen arms control, transparency, and nonproliferation. In addition, it is in US interest to engage hemispheric neighbors as partners as they modernize and restructure their defense establishments.

STRATEGY:

Make appropriate use of multilateral arms control fora such as the UN First Committee and Conference on Disarmament, the OAS Committee on Hemispheric Security, IAEA, Nuclear Suppliers Group and Wassenaar Arrangement; gain support from Canada and Latin American and Caribbean countries for international norms and regimes that strengthen arms control and nonproliferation; sanction violators. Seek support for entry into force and adherence to the Comprehensive Test Ban Treaty and enforcement of the Chemical Weapons Convention, US export controls and other laws and international agreements to control trade in conventional arms and military technology. Seek support among Canada and Latin American and Caribbean countries for concluding an anti-personnel landmine transfer/export ban in the Conference on Disarmament. Continue to work with the OAS in demining activities including increased funding from IFIs and other donors. Continue case-by-case review of high-tech weapons' transfers. Secure agreement, based on principle of restraint, for hemispheric convention in OAS on advanced notification of conventional arms systems on the UN Register.

OBJECTIVES:

1. Implement a US conventional arms transfer policy to Latin America and the Caribbean that strengthens regional stability and supports US objectives.
   FY 2000 TARGET: Interagency working group continues to evaluate and refine CAT policy in light of its effectiveness toward enhancing democracy, fostering stability, transparency, and confidence-building while meeting the legitimate defense needs of the region.

2. Obtain signing and ratification of treaties, such as CTBT, by Western Hemisphere.
   FY 2000 TARGET: Increase reliance on multilateral fora to gain hemispheric support for treaties and conventions that strengthen arms control and non-proliferation.

3. Establish regional support for rational and transparent defense modernization.
   FY 2000 TARGET: Improve existing convention on transparency with a view toward strengthening regional cooperation and transparent defense modernization.

4. Negotiate in the OAS and prepare for approval of state parties a convention on advance notification of major arms acquisitions covered by the UN register of conventional arms.
   FY 2000 TARGET: State's parties comply with reporting requirements.

5. Obtain Canadian, Latin American and Caribbean support for US positions in international fora on WMD issues.
   FY 2000 TARGET: Through international fora, continue developing ways to gain support from Canada, Latin America, and the Caribbean which promotes restraint in the acquisition of WMD.

6. Strengthen the OAS Committee on Hemispheric Security to promote non-proliferation and regional arms control.
   FY 2000 TARGET: Continue to engage hemispheric neighbors on security issues through the OAS and the IADB thus strengthening credibility in these organizations and their actions.

ASSUMPTIONS:

- Canada will continue to play a lead role in international nonproliferation fora.
- The cooperation of Canada and Latin American and Caribbean countries in international fora will be crucial in achieving adoption of conventions and international norms.
- Countries will continue to show restraint in acquiring and developing WMD.
- US arms sales will continue to be guided by a policy of restraint, but will take into account the need for rational and transparent defense modernization..

INDICATORS:

- Legitimate modernization progresses in a manner consistent with US foreign policy regional objectives: no arms race, transparency, within reasonable economic parameters, and limited to appropriate levels of technology.
- Status of treaties as described above.
- Assistance from Canada and Latin American and Caribbean countries in lobbying for US positions in international fora.

WHA: FY 2000 REGIONAL PLAN

STRATEGIC GOAL: Open Markets (OM) -- Open foreign markets to expand the flow of goods, services and capital.

REGIONAL GOAL: Expand U.S. exports and investment by negotiating new trade and investment agreements, ensuring our trade partners fully comply with existing agreements including WTO commitments, and seek appropriate opportunities to enact trade legislation, such as fast track and CBI parity.

NATIONAL INTEREST: Economic Prosperity: The United States and the other nations of the Western Hemisphere comprise the world's largest and most rapidly expanding trading and investment relationship. Further strengthening these trade, investment financial and business ties, particularly from the integration perspective of NAFTA and FTAA, is vital to create economic growth, jobs and prosperity here at home.

STRATEGY:

The U.S. will reaffirm its leadership on regional trade by ensuring a strong beginning to the FTAA negotiations, working within the established policy-making structure of the Trade Negotiating Committee (TNC), as well as the nine trade negotiating groups, committees on civil society, electronic commerce and consultative group on smaller economies. We will also intensify efforts to conclude Bilateral Investment Treaties, as well as IPR and Open Skies agreements throughout the hemisphere. A key component is full incorporation of Canada into our hemispheric international economic approach, as well as fuller tripartite cooperation on NAFTA. The Administration will also seek to improve coordination with Canadian and Latin American officials to harmonize our financial policies so as to limit the contagion effects of the Asian economic crisis.

OBJECTIVES:

1. Assure the beginning of substantive FTAA negotiations of the nine FTAA negotiating groups in Miami.
   FY 2000 TARGET: Creation of strong FTAA Administrative Secretariat assures successful move to new negotiating site (Panama City).

2. Identify and adopt business facilitation measures in the FTAA to achieve concrete progress by the turn of the century.
   FY 2000 TARGET: Hemispheric adoption of business facilitation measures strengthens economic integration momentum and private sector support for the negotiations.

3. Promote consultation and coordination through sub-regional and bilateral Trade and Investment Councils (TICs) that lead to the conclusion of investment, trade and aviation agreements.
   FY 2000 TARGET: Additional sub-regional TICs are created.

4. Improve public awareness of the economic success of NAFTA.
   FY 2000 TARGET: Public opinion polls reveal rising support for NAFTA.

5. Seek full implementation of Summit of the Americas Action Plan in the telecommunications, transportation, financial, and energy sectors.
   FY 2000 TARGET: Financial, banking and securities markets more integrated and transparent. Energy networks are coming into being. National policies are more coordinated. Transportation networks and traffic flows are more integrated and efficient. Review progress in preparation for 3rd SOA in Canada. Use of electronic networks between nations, including the INTERNET, is increased, especially in the areas of commerce, education and telemedicine.

6. Increase the protection of U.S. investment and intellectual property rights and influence the region to fully adopt the TRIPs, TRIMs and other WTO standards.
   FY 2000 TARGET: Most hemispheric nations legislative regimes conform to TRIPs.

7. Conclude state-of-the art Bilateral Investment Treaties with nations in the region.
   FY 2000 TARGETS: BITs concluded with Colombia and Costa Rica.

8. Provide technical assistance to smaller economies to facilitate their full participation in the FTAA process.
   FY 2000 TARGET: Trade Negotiating Committee begins to establish basic negotiating parameters covering the treatment of smaller economies.

9. Seek opportune moment to attempt congressional enactment of Fast Track and CBI parity legislation.
   FY 2000 TARGET: U.S.-Chile FTA negotiations begin.

10. Seek hemispheric support for Administration's global electronic commerce initiative (GEC).
    FY 2000 TARGET: Consensus begins to emerge to liberalize trade on the Internet.

11. Increase coordination of labor rights issues within NAFTA and the FTAA in order to ensure that all elements of society enjoy the benefits of increased trade.
    FY 2000 TARGET: Carry out anti-child labor abuse projects, especially in Central America, through the ILO and local Labor Ministries.

ASSUMPTIONS:

- Canada's Chairmanship of FTAA process provides opportunity for more proactive hemispheric trade agenda.

- Continued regional commitment to reform and cooperation on Santiago Summit initiatives.
- Significant Administration and Congressional leadership support for fast track and other regional trade legislation.

INDICATORS:

- Status of Congressional trade legislation.
- Status of FTAA negotiations.
- Number of trade agreements.
- Public support for trade initiatives

WHA: FY 2000 REGIONAL PLAN

STRATEGIC GOAL: Exports (EX) -- Expand U.S. exports

REGIONAL GOAL: Expand U.S. goods and services exports to the Western Hemisphere.

NATIONAL INTEREST: Economic Prosperity: International trade is an increasingly vital component of U.S. economic strength at home and of our leadership abroad. U.S. export performance is one of the most important factors contributing to the stunning growth of the U.S. economy over the past five years: Since 1993, more than a third of our economic growth has come directly from exports, and the number of export-related jobs has increased by an estimated 2.2 million. A total of some 12.1 million U.S. jobs depend on exports and U.S. jobs supported by goods exports pay an average of 13% - 16% more than the overall U.S. average.

STRATEGY:

Focus U.S. Government commercial advocacy and other export promotion efforts on fast-growing, emerging markets such as Mexico, Brazil, Chile and Argentina. Maintain focus on Canada as top U.S. trade partner and key springboard for new U.S. exporters. Maintain export promotion efforts in other markets in the hemisphere as opportunities arise. Working with the Department of Commerce, Eximbank and TDA, increase domestic awareness of trade opportunities by reaching out to small and medium sized firms and matching them up with potential importers/consumers. Support U.S. foreign direct investment as a means to increasing U.S. exports. Support bilateral, regional (FTAA) and multilateral (WTO) trade initiatives as a means to open hemispheric markets further to U.S. export penetration.

OBJECTIVES:

1. Increase U.S. goods and services exports to our Hemispheric trading partners.

ASSUMPTIONS:

- U.S. GDP growth will be in the 3.0% range. Asian financial contagion does slowdown Latin America's growth, and currency values of our principal trade partners suffer significant depreciation.
- Latin American progress in deepening "first stage" economic reforms (micro- and macro-economic stabilization programs) and in implementing "second stage" institutional reforms continues.
- Canada and Mexico will continue to be, respectively, our first and second largest trading partners and trade disputes with these countries will continue to be resolved or addressed satisfactorily through existing NAFTA mechanisms.

- FTAA business facilitation measures that reduce hemispheric trade barriers will be agreed upon and implemented by the year 2000.

INDICATORS

- Level of U.S. Exports of goods and services.
- Level of U.S. Foreign investment.

WHA: FY 2000 REGIONAL PLAN

STRATEGIC GOAL: Global Economic Growth (EG) -- Promote broad-based economic growth in developing and transitional economies.

REGIONAL GOAL: Combat poverty by strengthening the region's economies, expanding economic access and opportunity for the poor, and improving educational opportunities.

NATIONAL INTEREST: Economic Prosperity: Economic and structural reforms implemented by the Hemisphere's nations over the past decade have been crucial to the region's strong growth in the 1990s. With Canada and Mexico our first and second largest trading partners and with Latin America the fastest growing market for U.S. exports, it is clear that U.S. economic prosperity is directly linked to that of our Hemispheric neighbors.

STRATEGY:

Strengthen markets by establishing an enabling environment, comprising policies, institutions, regulations and attitudes conducive to dynamic and equitable economic growth. Encourage greater investment in basic health and education to reduce income inequality and mitigate the effects of gender discrimination. Seek the full implementation of the Santiago Action Plan initiatives on education, health, women, labor, and micro-enterprise. Provide bilateral assistance for poverty alleviation. Channel assistance to the poor through international PVOs and NGOs, where this is most effective. In coordination with the IMF, encourage the Hemisphere's countries to adopt sound economic policies that facilitate the free flow of trade and investment. Encourage institutional reform to enhance foreign and domestic investor confidence in the long term economic viability of the region. Work closely with the IDB and OAS on summit of the Americas' sustainable development initiatives. Contribute to multilateral development bank lending programs that provide concessional financing to the poorest countries. Support Haiti in taking positive actions to improve food security and address basic population survival issues. Promote Haiti's transition to a private sector led market-based economy, and contribute to environmentally sustainable economic growth in less-developed countries through USAID development assistance projects. Strengthen coordination on planned development activities and programs, particularly with the Canadian International Development Agency (CIDA).

OBJECTIVES:

1. Improve economic efficiency and competitiveness through increased investment in human resources and by working with Canadian, Latin American and Caribbean governments to fully implement the Santiago Summit initiate on education.
   FY 2000 TARGET: Increased number of regional programs directed at achieving the Summit Education Initiative Plan of Action.

2. Work with hemispheric nations to remove barriers to credit, technology, land and markets for the poor, including women who are disproportionately represented among the poor in some countries, and encourage fullest possible implementation of Santiago Summit action items on micro-enterprise and land titling.
   FY 2000 TARGET: Activities on schedule to increase access to microenterprise credit and land titles by 10%.

3. Encourage governments to expand access to basic education for girls and other disadvantaged groups.
   FY 2000 TARGET: Increased number of educational programs directed toward improving the quality, efficiency and equity of basic education in the hemisphere.

4. Reform labor laws to reduce cost of formal sector employment and improve labor management relations, with special attention to the Santiago Summit action items on basic worker rights and upgrading services provided to workers by labor ministries.
   FY 2000 TARGET: Two additional countries adopt labor law reform.

5. Improve regulation, increase competition, increase public sector efficiency and provide better access to financial system for all citizens.
   FY 2000 TARGET: Financial market reform program underway in two countries.

6. Promote the creation of a private sector investment NGO foundation to stimulate export led growth, as well as generate employment opportunities for local Haitians.
   FY 2000 TARGET: Work with the NGO foundation to stimulate employment and promote private investment.

7. Through the Summit process and, where possible, assistance programs, promote worker and vocational training programs for all workers with an emphasis on adult training programs and programs to retrain workers displaced by economic and technological factors.
   FY 2000 TARGET: Reform program underway in one additional country.

8. Through AID and other donor microenterprise projects, create jobs in the informal sector for people without access to credit by encouraging countries to modernize property registries and take other measures that aid the poor in giving commercial value to their assets.
   FY 2000 TARGET: Property reform underway in one additional country.

9. Persuade countries to develop strategies for sustainable development of natural resources.
   FY 2000 TARGET: Country-level programs initiated to implement environment strategy.

10. When requirements of section 205 and section 206 of the Libertad Act have been met, provide assistance to the government of Cuba.

11. Promote small business development through Peace Corps volunteer programs. FY2000 TARGET: The USG will commit $19,660,000 for Peace Corps business related projects and volunteers that increase access to economic opportunities through small business advising and development, non-governmental organizational development, and urban and regional planning.

ASSUMPTIONS:

- Developing countries create domestic conditions conducive to economic growth.
- Enhanced global economic conditions will facilitate growth in the countries of the region.
- NGO, PVO and multilateral development institutions will play an increasingly important role in combating poverty, but U.S. government contributions will remain essential.
- Macro-economic growth is indispensable to alleviate poverty.
- Improved U.S. - Canadian coordination on economic assistance in the region.

INDICATORS:

- Economic Growth Rates
- Level of private debt and higher capital inflows to developing economies
- Investments by Latin American governments in human and physical capital.
- Educational opportunities for the poor.
- Poverty head count.
- Stable Macroeconomic Indicators
- Privatization of parastatals
- Passage of labor laws.
- Infant/child/adult mortality rates.
- Literacy rates.
- Per capita GDP.
- Level of economic activity by microenterprises and small businesses.
- Adult and technical skills training.
- A transition to democracy in Cuba, as defined under the provisions 205 and 206 of the 1996 Libertad Act.

WHA: FY 2000 REGIONAL PLAN

STRATEGIC GOAL: American Citizens (AC) -- Enhance the ability of American citizens to live and travel abroad through the provision of consular services.

REGIONAL GOAL: Ensure that American citizens overseas receive assistance and protection, through the Embassy and through local services as appropriate.

NATIONAL INTEREST: Protect American Citizens and Safeguard U.S. Borders: As the number of U.S. citizens that travel and live overseas increases, the U.S. has a paramount interest in safeguarding their well-being. When they encounter emergencies (such as political unrest, natural disasters, and crime), they turn to U.S. diplomatic and consular posts for help and protection. By providing assistance that facilitates safe travel to its citizens, the U.S. encourages international travel and offers a sense of security to its citizens abroad.

STRATEGY:

Meet rising passport demand and maintain integrity of the system through enhanced use of technology, financed through fee-for-service. Facilitate public access to information on passports, citizen services, consular information sheets, and announcements and warnings concerning foreign travel. Maintain the U.S. Government's crisis management capability, including after-hours emergency citizen services for the public in the United States and at diplomatic and consular posts abroad. Work closely with other governments to ensure consular protection for U.S. citizens in their territories. Work closely and creatively with Americans living abroad to develop effective communications, especially in locations where diplomatic or consular posts have closed.

OBJECTIVES:

1. Increase posts' ability to inform and protect U.S. citizens during natural disasters and deteriorating security conditions.
   FY 2000 TARGET: Increased agreements with foreign governments and others that enhance service, emergency response, and protection of American citizens. Positive feedback by citizens regarding quality of service.

2. Increase posts' ability to inform and protect U.S. citizens during natural disasters and deteriorating security conditions.
   FY 2000 TARGET: Increased prisoner exchanges and agreements with foreign governments and others that enhance service, emergency response, and protection of American citizens. Positive feedback by citizens regarding quality of service. Progress on Senate ratification of the OAS Prisoner Exchange Treaty.

3. Increase communication with the American public through general information on travel to Latin America and the Caribbean, such as travel advisories and handouts for embassy and consulate reception areas.
   FY 2000 TARGET: Increased availability and levels of use of consular information systems. Positive feedback from citizens regarding quality of service

4. Increase the integrity of the U.S. passport and the passport issuance process through enhanced training of consular personnel.
   FY 2000 TARGET: Increased efficiency and accuracy of passport issuance, and name-check systems. Positive feedback from citizens regarding quality of service.

5. Continue to develop new projects under the U.S.-Canada Shared Border Accord that facilitates lawful travel between the two countries.
   FY 2000 TARGET: Progress towards exemption of land borders from Section 110 of 1996 Immigration Reform and Responsibility Act. Progress towards signature of a revised U.S.-Canada agreement on information sharing on immigration issues.

ASSUMPTIONS:

- The American public will continue to demand a high level of service from U.S. passport agencies and diplomatic and consular posts.
- International crises and incidents will often involve Americans overseas.
- Americans occasionally will be singled out as targets because of their nationality.
- Continued interest in supporting new Shared Border Accord Projects.

INDICATORS:

- Efficiency and accuracy of passport issuance, and name check systems.
- Availability and levels of use of consular information systems.
- Assessment of comments made by citizens regarding quality of service.
- Agreements with foreign governments and others that enhance service, emergency response, and protection of American citizens.
- Post-crisis reviews of USG agencies' performance.
- Exemption of land borders from Section 110 of 1996 Immigration Reform and Responsibility Act.
- Signature of a revised U.S.-Canada agreement on information sharing on immigration issues.

WHA: FY 2000 REGIONAL PLAN

STRATEGIC GOAL: Travel and Immigration (TI) -- Control how immigrants and non-immigrants enter the U.S.

REGIONAL GOAL: Ensure legal, safe, and orderly entry into the United States by immigrants and non-immigrants.

NATIONAL INTEREST: Protect American Citizens and Safeguard U.S. Borders: By instituting legal, safe, and orderly systems of entry of immigrants and non-immigrants into the U.S., we protect our citizens and reduce the flow of illegal aliens migrating to the U.S. By effectively enforcing U.S. laws and regulations for the entry of aliens into the U.S., we create an organized system that can efficiently monitor the number of residents in the U.S., and more importantly, deter illegal aliens who may have links to terrorism, narcotics trafficking, and organized crime. Through the creation of safe and orderly migration, the U.S. can offer universal and fair treatment in assisting eligible foreign nationals in the pursuit of legitimate business, tourism, educational or employment opportunities.

STRATEGY:

Work with Mexico, the Central American countries, The Bahamas, Haiti and Cuba to stem the flow of illegal aliens migrating to the United States. Continue to participate in regional immigration conferences held by the International Organization on Migration (IOM) to develop effective strategies to cope with illegal migration. Encourage governments to modify and improve their legislation regarding punishment of alien smugglers. Use public diplomacy to educate potential migrants of the dangers of traveling to the U.S. illegally in accordance with Santiago Summit initiatives regarding migrants. Facilitate orderly entry of legal immigrants and non-immigrants. Continue cooperation with Canada under the Shared Border Accord on projects that balance enforcement with facilitation of travel and commerce.

OBJECTIVES:

1. Strengthen regulatory capacity of Central American governments to combat alien smuggling by continuing to share intelligence and to offer training assistance.
   FY 2000 TARGET: Enhanced ability of governments to deter and punish alien smugglers.

2. Improve communications with Central American and Caribbean nations on the deportation of criminal aliens from the U.S.
   FY 2000 TARGET: Improved information exchange on criminal returns. Progress towards an Memorandum of Understanding on criminal returns.

3. Disrupt alien smuggling rings.
   FY 2000 TARGET: Continued efforts with governments to combat alien smuggling. Enhanced ability of governments to deter and punish alien smugglers.

4. Sign Memorandum of Understanding with Caribbean and Central American nations to improve the deportation process of criminal aliens.
   FY 2000 TARGET: Progress towards signing an MOU.

5. Implement "Laser Visa" Border Crossing Card replacement program which will facilitate legal entry of millions of non-immigrants from Mexico.
   FY 2000 TARGET: Expanded issuance and monitoring of Laser Visas.

6. Inform potential migrants of dangers of traveling to the U.S. illegally through public diplomacy initiatives.
   FY 2000 TARGET: Enhanced coverage and commentary in source countries emphasizing dangers involved in illegal emigration to the U.S.

7. Sign and implement expanded agreement with Citizenship and Immigration Canada (CIC), on information exchange, including sharing of databases.
   FY 2000 TARGET: Enhanced sharing of database information.

8. Expand "Border Vision" effort with CIC to examine possibilities for sharing resources abroad, cooperation on anti-fraud, etc.
   FY 2000 TARGET: Implementation of system to increase cooperative anti-fraud programs.

ASSUMPTIONS:

- Continued cooperation from the Castro regime per the 1994 and 1995 Migration Accords. (While there is no indication to the contrary at this time, Castro will continue to use the threat of uncontrolled migration as a way to pressure the U.S.)
- Continued interest on the part of Central American governments to assist in intercepting illegal aliens transiting their countries
- Increased interest in the pursuit of MOU on criminal returns.

INDICATORS:

- Illegal aliens intercepted at US ports of entry.
- Illegal aliens arrested within the US and being held in detention centers.
- Illegal aliens who are intercepted at sea or who illegally enter the Guantanamo Naval Base in Cuba.
- Issuance of new Border Crossing Cards, known as Laser Visas.
- Quality of information exchange on criminal returns.
- Media coverage and commentary in source countries emphasizing dangers involved in illegal emigration to the U.S.

WHA: FY 2000 REGIONAL PLAN

STRATEGIC GOAL: International Crime (IC) -- Minimize the impact of international crime on the U.S. and its citizens.

REGIONAL GOAL: Promote cooperative regional law enforcement by strengthening institutions based on democratic principles and internationally recognized principles of human rights. Enhanced cooperation between the U.S. and hemispheric governments on international crime issues.

NATIONAL INTEREST: Law Enforcement: Expanding and increasingly sophisticated transnational criminal organizations in the hemisphere pose clear threats to the United States. U.S. efforts to assist regional crime fighting institutions, many of which are new and confronting unprecedented crime waves, will have a direct impact on safeguarding U.S. property and the well-being of American citizens.

STRATEGY:

Assistance to Latin American and Caribbean countries to develop strong legal, judicial and law enforcement institutions is the centerpiece of our strategy to stem the effects of transnational crime. Through USAID, DOJ and INL programs, bolster and streamline the criminal justice system in countries throughout the region, working with police, prosecutors, courts and other interested parties. Seek full implementation of the Santiago Summit initiative "Strengthening of Justice Systems and Judiciaries," including the establishment of a Summit-mandated Justice Studies Center. Seek the fulfillment of the President's pledge to Central American leaders in 1997 to found an International Law Enforcement Academy (ILEA South) in the region. Strengthen existing cooperative agreements with Latin American and Caribbean countries to combat money laundering and other financial crimes, alien smuggling, drug trafficking, trafficking in stolen vehicles and illicit firearms and other forms of transnational crime. Encourage and assist in the establishment of witness security programs. Seek additional cooperation from regional governments regarding alien smuggling, stolen cars and aircraft, and extradition of criminals. Increase the exchange of intelligence on international crime with countries that experience high incidences of crime and have shown interest in cooperation, notably the Central American countries. Continue and strengthen close law enforcement cooperation with Canada through an expansion of our cross border crime forum.

OBJECTIVES:

1. Improve the ability and coordination of police, prosecutors and judges to process criminal cases through strengthened justice systems.
   FY 2000 TARGET: Complete basic training of prosecutors and investigators in Haiti. In Colombia, provide unified police investigative training to integrated law enforcement investigative units.

2. Expand the number of updated extradition and mutual legal assistance treaties (MLATs).
   FY 2000 TARGET: New extradition treaties in force with Chile, Ecuador, Venezuela, Peru, and Paraguay; new MLAT with Brazil.

3. Strengthen legal attaché network in the region.

4. Combat and reduce regional crime in the following areas, to which the USG has requested $6 million of INC account money for FY 2000:
   a) Provide technical assistance pursuant to agreements on combating trafficking in stolen cars. Increase the number of such agreements.
   FY 2000 TARGET: Agreements in force with Costa Rica, Panama and Venezuela.
   b) Reduce the flow of illegal aliens through Latin America and the Caribbean into the U.S.
   FY 2000 TARGET: Continued efforts with governments to combat alien smuggling. Enhanced ability of governments to deter and punish alien smugglers.
   c) Encourage and assist countries to enact money laundering and banking supervision legislation.
   FY 2000 TARGET: That two-thirds of the WHA countries in the INCSR have made significant progress towards compliance with the 1988 UN Convention.

5. Strengthen existing and reach new maritime agreements, especially with countries in Central America the Caribbean.
   FY 2000 TARGET: Make significant progress toward new maritime cooperation or improvements to existing agreements with an additional three countries.

6. Expand cooperation with Canada against white collar crime, including telemarketing fraud schemes that cost U.S. citizens billions of dollars.
   FY 2000 TARGET: Passage by Canadian parliament of legislation strengthening institutional report requirements on telemarketing fraud.

7. Promote the creation of a Summit-mandated Justice Studies Center.
   FY 2000 TARGET: Justice Studies Center in operation.

8. Support the establishment of an international law enforcement academy (ILEA) in the region.
   FY 2000 TARGET: Shift venue for training to permanent ILEA site.

ASSUMPTIONS:

- Unemployment and income disparities will result in a continuing increase in domestic and international crime.
- The current atmosphere of hemispheric cooperation will continue to be helpful in getting neighboring countries to work together on these common problems.
- The easing of travel restrictions in the hemisphere will require greater resources to prevent an increase in the movement of criminals and international illegal activity.

INDICATORS:

- Cooperation between countries in the hemisphere resulting in arrests of drug traffickers, alien smugglers, and other criminals working internationally.
- Number of criminal cases that reach decision on the merits in courts.
- Number and size inter-agency coordinated legal attaché offices.
- Number of extraditions and cooperative rendering of fugitives from U.S. justice.
- New extradition and other law enforcement agreements concluded or updated.

WHA: FY 2000 REGIONAL PLAN

STRATEGIC GOAL: Illegal Drugs (ID) -- Significantly reduce the flow of illegal drugs into the U.S.

REGIONAL GOAL: Reduce the production and flow of illicit narcotics through the hemisphere to the U.S.

NATIONAL INTEREST: Law Enforcement: One aspect of international crime that has the greatest impact on the United States and its citizens is the illegal narcotics trade. Illegal drug abuse and its consequences threaten Americans of every socio-economic background, geographic region, educational level and ethnic or racial identity. Drug production and transshipment in the Western Hemisphere also threatens key national objectives in the region such as the strengthening of democracy, economic development and increased trade. In concert with the *National Drug Control Strategy* we seek to reduce the effect of illicit narcotics by reducing their production and flow into the United States.

STRATEGY:

We will continue to work with cooperating governments in the hemisphere to reduce drug production and transshipment, to dismantle trafficking organizations, improve money laundering controls and limit corruption. Our efforts will focus on strengthening the political will and capabilities of the cooperating governments to meet the challenges posed by the illicit drug trade.

Our efforts to promote international cooperation will include bilateral and regional programs and will increasingly involve multilateral efforts – such as developing a multilateral mechanism for assessing progress on key counternarcotics objectives. Our assistance to source and transit countries will focus on reducing drug production and trafficking by strengthening their law enforcement and judicial institutions, improving crop eradication, supporting alternative development programs, destroying drug trafficking organizations, promoting effective controls on money laundering, and preventing the diversion of processor chemicals. We will also work with governments to strengthen sentencing regimes, improve extradition, and seize the traffickers' ill-gotten assets.

OBJECTIVES:

1. Reduce illegal drug production: Produce a hemispheric reduction in coca, opium and marijuana cultivation and in the production of illegal drugs, especially methamphetamine.
   NOTE: *The National Drug Control Strategy, 1998* has established the following performance measure: by the year 2002, as reduce the outflow of illicit drugs from

the source zone by 15 percent from the 1996 base. By the year 2007, reduce the outflow of illicit drugs from the source zone by 30 percent from the 1996 base.
FY 2000 TARGET: Achieve a further net decline in opium and coca cultivation

2. Stanch the flow of illegal drugs from source countries to the U.S.
NOTE: *The National Drug Control Strategy, 1998* has established the following cocaine performance measures: By the year 2002, reduce the rate at which illicit drugs successfully enter the U.S. from the transit and arrival zones by 10%, compared to the 1996 base year. By the year 2007 reduce the rate at which illegal drug enter the U.S. by 20 percent.
FY 2000 TARGET: Improve regional cooperation leading to a reduction in the flow of drugs to the United States.

3. Through bilateral, regional and multilateral initiatives, enhance international cooperation leading to improved action on U.S. law enforcement abroad, and greater support for international agencies.
FY 2000 TARGET: Make demonstrable progress in improving regional cooperation.

ASSUMPTIONS:

- Poverty, the lack of effective governmental control and corruption will continue to hinder efforts to halt cultivation and distribution of illegal narcotics.
- Strong support for international cooperation on narcotics control efforts will continue in the hemisphere.

INDICATORS:

- Implementation of national drug control policies and counternarcotics efforts.
- Commitment of resources by drug producing and transit counties to combating narcotics trafficking.
- The level of coca and heroin production in the hemisphere.
- Progress toward establishing a multilateral mechanism for assessing counternarcotics performance.
- Arrest and prosecution of major drug traffickers and corrupt officials.
- Length and number of prison sentences for narcotics traffickers.
- Increase in narcotics trafficker assets seized by, and forfeited to, cooperating governments.
- Number of extraditions to the U.S.
- Signing of additional maritime cooperation agreements.
- Level of narcotics interdicted in source and transit countries and on the high seas.
- Level of public concern over illegal drugs as measured by USIA public opinion polling in Latin American countries.

WHA: FY 2000 REGIONAL PLAN

STRATEGIC GOAL: International Terrorism (TE) -- Reduce international terrorist attacks, especially on the United States and its citizens.

REGIONAL GOAL: Work with governments to increase their counterterrorism capabilities and their level of cooperation with U.S. authorities. Resist the establishment of terrorist group infrastructure in the Western Hemisphere. Sustain bilateral and multilateral political and economic pressure on state sponsors of terrorism.

NATIONAL INTEREST: Law Enforcement: Increasing globalization of the world economy and the rapid advances in data transmission and communications capabilities can be exploited by terrorist organizations, resulting in deleterious effects on the United States. Although terrorist groups in Latin America have, in general, waned in recent years, vigilance is required to keep friendly Latin American and Caribbean governments fully engaged in counter-terrorism cooperation. Deep ongoing cooperation with Canada should be maintained.

STRATEGY:

Work with Latin American and Caribbean governments, bilaterally and within the Summit process through the OAS, to deter, warn against, respond promptly to, and defeat all terrorist threats or attacks on U.S. interests and U.S. government installations. Defend against threats or the actual use of weapons of mass destruction by terrorists. Maintain the U.S. policy of no concessions to terrorists, emphasizing that no ransoms should be paid. Investigate and prosecute terrorist suspects; work with Latin American and Caribbean governments to share intelligence, facilitate investigations, and extradite terrorists; strengthen host country and international law, and combat terrorist funding. Promote targeted law enforcement operations to combat extortion, money laundering, counterfeiting, smuggling, kidnapping and other fund-raising activities carried out by terrorist groups. Intensify intelligence collection and analysis; provide training to Latin American and Caribbean governments in counterterrorism, communications security, and aviation security. Urge nations to implement the Plan of Action of the 1996 OAS Lima Conference on Terrorism and the agreements that will come from the follow-on November 1998 OAS Buenos Aires Conference on Terrorism.

OBJECTIVES:

1. Improve intelligence on groups designated by the Secretary as Foreign Terrorist organizations, such as National Liberation Army (of Colombia) (ELN), Revolutionary Armed Forces of Colombia (FARC), Shining Path (SL), Tupac Amaru Revolutionary Movement (MRTA), Manuel Rodriguez Patriotic Front Dissidents (FPMR/D), and various Middle Eastern terrorist groups.
   FY 2000 TARGET: Increase bilateral contracts related to intelligence matters.

2. Support law enforcement operations in the region that target the infrastructure of various Middle Eastern terrorist groups.
   FY 2000 TARGET: Establish hemispheric guidelines for cooperation during and after terrorist incidents.

3. Professionalize Latin American and Caribbean counterterrorism capabilities through the State Department's Anti-Terrorist Training Assistance (ATA) program; DOJ/ICITAP training of police and investigators; DOJ/OPDAT training of prosecutors; and programs such as witness relocation and protection.
   FY 2000 TARGET: Continue to provide training courses in the region.

4. Strengthen regional governments' legislation to facilitate extradition of terrorists.
   FY 2000 TARGET: Begin negotiations to revise two extradition agreements

5. Continue pressing for multilateral anti-terrorist cooperation, bilaterally and at the OAS, focusing on the practical measures agreed upon at the 1996 OAS Lima Conference and 1998 Buenos Aires Conference to prevent, combat and eliminate terrorism, with special emphasis on the eleven international conventions on terrorism.
   FY 2000 TARGET: Establish hemispheric guidelines for cooperation during and after terrorist incidents.

ASSUMPTIONS:

- Terrorist organizations such as National Liberation Army (of Colombia) (ELN), Revolutionary Armed Forces of Colombia (FARC), Shining Path (SL), Tupac Amaru Revolutionary Movement (MRTA), Manuel Rodriguez Patriotic Front Dissidents (FPMR/D), and various Middle Eastern terrorist groups will continue to pose a threat to U.S. citizens, installations and host country governments.
- The atmosphere of cooperation among countries in the hemisphere will allow the continuation of an exchange of intelligence on a bilateral basis on terrorists and their groups.

INDICATORS:

- Terrorist incidents against U.S. interests and citizens.
- The arrest, extradition and prosecution of terrorists.
- Adherence to the eleven international conventions on terrorism.

WHA: FY 2000 REGIONAL PLAN

STRATEGIC GOAL: Democracy and Human Rights (DE) -- Increase foreign government adherence to democratic practices and respect for human rights.

REGIONAL GOAL: Strengthen democratic institutions, encourage democratic values and practices, and improve respect for human rights.

NATIONAL INTEREST: Democracy: Every country in the region except Cuba now has a democratically elected government. Strengthening these young democracies -- through promoting good governance and respect for human rights -- will help ensure continued stability in the hemisphere and support reforms leading to increased trade, economic growth, and, over the course of time, decreased illegal immigration.

STRATEGY:

Promote signature and ratification of the Inter-American Convention Against Corruption and monitor implementation of its provisions, including follow-up activities under OAS auspices. Support activities of the OAS Special Rapporteur for Freedom of Expression. Promote respect for the rights of workers, indigenous people, women and children, and participation of women and minorities in the democratic political process. Press governments and the freedom of religion. Focus the utilization of E-IMET on human rights and military justice issues. Promote respect for fundamental human rights in Cuba by maintaining pressure on the Cuban government, through the U.S. embargo and working with our allies, while reaching out to the Cuban people through humanitarian assistance, increased people-to-people exchanges, increased contacts between U.S. and Cuban NGOs, and improved information flows. Continue multilateral efforts to support a peaceful transition to democracy in Cuba.

OBJECTIVES:

1. Continue implementation of the Guatemala Peace Accords.
   FY 2000 TARGET: Continued implementation of peace accords, with focus on increasing revenue collections.

2. Negotiate an Inter-American Declaration on Freedom of Expression at the OAS.
   FY 2000 TARGET: Implementation of declaration.

3. Strengthen Haiti's judicial system and professionalize its police.
   FY 2000 TARGET: Increased effectiveness of judicial process, enhanced law enforcement.

4. Assist Haiti in building credible democratic institutions and implementing market-based economic reforms.
   FY 2000 TARGET: Develop long-term poverty reduction program to build up municipal institutions and capabilities.

5. Bilaterally and through the Summit of the Americas process, increase participation of civil society in public life through the inclusion of civic education in the public and private school curricula, as well as at the OAS.
   FY 2000 TARGET: Statistics demonstrating increased participation in civil society

6. Strengthen Cuban civil society through continued support for the Cuban people's efforts to improve information flows and increase contacts between independent groups and individuals.
   FY 2000 TARGET: Increased number of independent Cuban NGOs, independent press; increased coverage and contact with international community.

7. Maintain pressure on Cuban government to encourage democratic change.
   FY 2000 TARGET: Improved GOC sensitivity to human rights, development of legal reforms.

8. Build capacity of labor ministries to implement core labor standards and encourage good labor relations.
   FY 2000 TARGET: Labor ministries will increase the number of inspectors and inspections to enforce worker rights and other labor standards.

9. Work with U.S. Labor to help strengthen unions.
   FY 2000 TARGET: AFL-CIO will begin targeting development of labor-based economic research facilities, and strengthen exchange programs focused on labor market issues.

10. Promote efforts by the GOC to engage all parties to Colombia's civil conflict in developing a viable peace process. Promote continued human rights reforms within the Colombian military.
    FY 2000 TARGET: Appropriate assistance as requested by the GOC in developing peace talks, military human rights reforms.

11. Facilitate strong relations between governments and human rights NGOs.
    FY 2000 TARGET: Enhanced dialogue between host government and human rights NGOs through conferences, training and assistance programs.

12. Increase political participation in the region, especially of women and minorities.
    FY 2000 TARGET: Statistics demonstrating higher women's voter turnout, and increased number of women candidates in elections.

13. Support new U.S. citizen Executive Director of the OAS Commission of Women (CIM) in efforts to strengthen OAS women's programs.
    FY 2000 TARGET: Continued development of OAS women's programs to promote women's issues in the region.

14. Promote greater independence of media institutions in the Hemisphere.
    FY 2000 TARGET: Increased level of press freedom as measured by IAPA and Freedom House reports.

ASSUMPTIONS:

- The international community will continue to play an important role in strengthening democracy in the hemisphere.
- The region, with the exception of Cuba, will continue to favor democracy.

INDICATORS:

- A decreased level of human rights violations, including in Cuba
- Resolution of high visibility legal cases through transparent judicial processes.
- Statistics demonstrating higher women's voter turnout, and increased number of women candidates in elections.
- Status of legislation and increasing allotment of regional governmental resources to combat violence against women and children.
- Statistics showing improved treatment of workers in the region
- Statistics demonstrating increased participation in civil society.
- Level of press freedom as measured by IAPA and Freedom House reports.

WHA: FY 2000 REGIONAL PLAN

STRATEGIC GOAL: Democracy and Human Rights (DE) -- Increase foreign government adherence to democratic practices and respect for human rights.

REGIONAL GOAL (OAS): Strengthen and modernize the Organization of American States to enable it to play a more agile and effective role in regional affairs.

NATIONAL INTEREST: Democracy: Regional institutions play a key role in bolstering democratic institutions and promoting respect for human rights. We seek to enhance the capacity of the OAS to support democracy and human rights in the hemisphere.

STRATEGY:

Support the work of the OAS Unit for the Promotion of Democracy (UPD), including its efforts to strengthen democratic institutions and monitor elections, and its conflict resolution program based in Guatemala. Coordinate with the OAS to implement the democracy and human rights goals of the Miami and Santiago Summits of the Americas. Support post-Santiago efforts to strengthen and modernize the OAS. Work closely with the IDB and USAID, coordinating USG assistance activities to avoid duplication and maximize benefits by implementing projects that are complementary or which create a cumulative effect.

OBJECTIVES:

1. Promote free and fair elections in OAS member states, including through election observation missions and UPD technical cooperation programs.
   FY 2000 TARGET: Support observation missions and UPD technical cooperation as necessary.

2. Ensure implementation of mandates assigned to the OAS by the Summit of the Americas process.
   FY 2000 TARGET: Begin implementation of Summit mandates at OAS.

3. Ratification of the Inter-American Convention Against Corruption by all signatory countries.
   FY 2000 TARGET: U.S. ratification of convention.

4. Full payment of U.S. arrears to the OAS and target them to finance a conference center intended to strengthen the OAS' capacity to serve as a political forum and meet Summit mandates.
   FY 2000 TARGET: Strengthen the OAS' capacity to serve as a political forum and meet Summit mandates.

5. Ratification of the OAS Firearms Convention by all signatory countries.
   FY 2000 TARGET: SFRC hearings on convention; U.S. ratification.

6. Broaden the donor base for the Inter-American Integral Development Council (CIDI) by encouraging the participation of IFI's, observer states, the private sector, local governments and foundations.
   FY 2000 TARGET: Implementation of OAS reform proposal.

7. Increase the role of civil society in the OAS, focusing on technical cooperation NGOs, particularly those involved in improving the daily lives of women.
   FY 2000 TARGET: Implementation of U.S. reform proposal.

8. Ratification of the Washington Protocol by additional OAS countries.
   FY 2000 TARGET: Continued ratifications of Protocol.

9. Continued OAS human rights mission in Haiti, the continuation of a scaled-down OAS technical mission in Nicaragua to replace OAS/CIAV, and OAS efforts to help reintegrate ex-combatants in Guatemala.
   FY 2000 TARGET: Maintain staffing level for MICIVIH if situation requires.

10. Strengthen the Inter-American Commission on Human Rights to improve its effectiveness.
    FY 2000 TARGET: Implement reform proposals.

11. Expand the IDB's good governance programs through lending and technical assistance.
    FY 2000 TARGET: Deepen relationship between USAID and IDB, particularly in developing strategy and the nature of training capacities.

12. Coordinate U.S. and OAS efforts to combat corruption and money laundering.
    FY 2000 TARGET: Adoption of CICAD money laundering legislation by additional OAS countries. Ensure that OAS countries commit to working with existing treaty instruments. designed to combat money laundering instead of creating new OAS convention.

13. Promote freedom of the press in OAS countries.
    FY 2000 TARGET: Increase visibility of Special Rapporteur. Ensure signature of Declaration by OAS countries.

ASSUMPTIONS:

- Member countries demonstrate the political will to combat corruption.
- The U.S. pays its arrears to the OAS.
- Momentum is sustained among OAS countries to implement the Plans of Action of the 1994 Miami Summit, the 1998 Santiago Summit and future summits.

- The Hemisphere continues to support summit meetings of heads of state and government at 3-4 year intervals.

INDICATORS:

- Assessment of freedom and fairness of elections in OAS member countries.
- Level of punishment of government agents who violate citizens' human rights.
- Level of civil society participation in OAS activities.
- Ratification of the Convention on Corruption by signatory countries.
- Ratification of the OAS Firearms Convention by signatory countries.
- Additional ratifications of the Washington Protocol by OAS signatory countries.

WHA: FY 2000 REGIONAL PLAN

STRATEGIC GOAL: Humanitarian Assistance (HA) -- Prevent or minimize the human costs of conflict and natural disasters.

REGIONAL GOAL: Prevent and alleviate the human costs of conflicts and natural disasters in Latin America and the Caribbean.

NATIONAL INTEREST: Humanitarian Response: The Administration will continue to work toward strengthening regional coordination and preparedness for improving USG response in confronting adverse weather patterns such as the El Nino weather phenomena and natural disasters such as hurricanes.

STRATEGY:

Maintain a U.S. emergency response assessment capability to ensure protection and relief for refugees and victims of natural disasters. Ensure that international organizations have adequate emergency response capabilities and strengthen partnerships with NGOs and PVOs to build their capacities to address humanitarian crises. Urge the multilateral development banks to increase the effectiveness of concessional lending to the poorest countries. Preposition food stocks and develop food security in areas of chronic shortage, such as Haiti. Reduce the impact of natural disasters such as earthquakes, hurricanes, mudslides and droughts. While private humanitarian assistance to Cuba is allowed under existing regulations, U.S. government assistance cannot be provided until the provisions of sections 205 and 206 of the 1996 Libertad Act have been met.

OBJECTIVES:

1. Decrease the need for US disaster assistance through increased host government disaster management capacity.
   FY 2000 TARGET: Continue to enhance regional and national institutional capacity in Risk Management, improve monitoring and planning for potential crises, and strengthen linkages between disasters and development.

2. Minimize the economic impact of hurricanes in the Caribbean.
   FY 2000 TARGET: As a result of CDMP activities, the economic impact of hurricanes in the Caribbean is mitigated.

3. Improve food security through targeted assistance to vulnerable populations.
   FY 2000 TARGET: Continue to support PAHO program.

4. Improve coordination and efficiency of humanitarian assistance in the UN system.
   FY 2000 TARGET: Continue to encourage international organizational support for emergency response and preparedness in Latin America and the Caribbean.

5. Enhance humanitarian assistance and disaster relief coordination in conjunction with development cooperation.
   FY 2000 TARGET: Continue to enhance institutional capacity of national governments, International Organizations, and NGOs to reduce the impact of disaster. Continue to strengthen host country and local capacities to reduce vulnerability to natural disasters.

6. Reduce the number of landmines in the region through OAS/IADB demining efforts.
   FY 2000 TARGET: Make available U.S. demining programs in Ecuador and Peru after the border conflict is resolved.

7. Support the provision of international protection to victims of conflict to refugees, and support for repatriation and reintegration of refugees.
   FY 2000 TARGET: Continue collaboration with UNHCR and their efforts to protect refugees.

8. Strengthen mechanisms to work more effectively with Canadian authorities in responding to human conflicts and natural disasters in the region.
   FY 2000 TARGET: Continue cooperative relations with Canadian authorities for timely and effective response to disasters and human conflicts throughout the region.

ASSUMPTIONS:

- U.S. leadership in response to crises will leverage the international participation and support of other donors.
- Preventive diplomacy can avoid conflict and avert humanitarian crises.
- The extent of the conflict, and the degree to which the environment is permissive or conflictive, will determine the nature of international response.
- In some cases peacekeeping operations will be necessary to stabilize a situation and permit the delivery of relief supplies.

INDICATORS:

- Conflicts and humanitarian crises averted.
- Humanitarian emergencies alleviated.
- Assessments of international organization and NGO/PVO humanitarian crisis response management.
- Number of refugees integrated into society through local integration, repatriation, and resettlement.
- Evaluations of transition assistance efforts.
- Number of landmines in the region.

WHA: FY 2000 REGIONAL PLAN

STRATEGIC GOAL: Environment (EN) -- Secure a sustainable global environment in order to protect the United States and its citizens from the effects of international environmental degradation.

REGIONAL GOAL: Increase sustainable development practices, pollution prevention, forest fire prevention, protection of biodiversity, and conservation of natural resources.

NATIONAL INTEREST: Global Issues -- Environment: Environmental degradation has become a critical global concern, as is evident through the international community's collaborative effort to heighten awareness to environmental issues through policy initiatives. Pollution knows no boundaries as it freely crosses borders and oceans, affecting the health and prosperity of Americans. A multilateral effort has been established to protect our environment and preserve its resources for future generations. Competition for natural resources can lead to instability and conflict, threatening political, economic, and other U.S. interests. In order to promote sustainable development in the region, attention must be paid to the protection of the environment. By minimizing and reversing environmental degradation, we are creating an atmosphere that will improve health conditions for U.S. citizens both at home and abroad.

STRATEGY:

Support and implement action items and follow-up to the Miami and Santiago Summits of the Americas and the Santa Cruz Sustainable Development Summit Conference. Continue consultations within the framework of the U.S.-Brazil Common Agenda on the Environment. Continue to incorporate environmental issues into foreign policy. Promote regional cooperation on transboundary environmental problems using the bilateral process to advance our multilateral agenda. Support the U.S.-Canada International Joint Commission (IJC) in the conduct of its regulatory and dispute-resolution functions. Continue to promote the work of NAFTA environmental institutions and the International Boundary and Water Commission, United States and Mexico (IBWC). Achieve environmental objectives through increased collaboration and coordination with the IDB, World Bank, and other bilateral donors. Develop regional responses to environmental threats: Support border states to promote sound management of resources and ecosystems shared with Canada and Mexico.

OBJECTIVES:

1. Increase use of environmentally sustainable production and management practices in the region. Promote exports of U.S. environmental and environment-friendly technology.
   FY 2000 TARGET: Increased number of sustainable development projects, growth in exports of U.S. clean technology.

2. Continue to offer, as appropriate, technical and human assistance to prevent and combat forest fires in the region.
   FY 2000 TARGET: Effective prevention of fires where feasible.

3. Strengthen Western Hemispheric countries' support for the Kyoto protocols and the proposed "Clean Development Mechanism" including the possibility of CDM projects.
   FY 2000 TARGET: Increased number of countries participating in CDM Projects.

4. Support the IJC in its mission to settle and prevent disputes involving water resource and other environmental issues along the U.S.-Canada border.
   FY 2000 TARGET: Support for IJC programs, reduced number of disputes.

5. Promote improvement in operations and funding for the Border Environment Cooperation Commission (BECC) and North American Development Bank (NADBank) for needed environmental infrastructure projects on the U.S.-Mexico border.
   FY 2000 TARGET: Faster certification of new projects by the BECC and funding by the NADBank.

6. Continue policy guidance to the IBWC to fulfill its mission to monitor and resolve water supply and water quality problems along the U.S.-Mexico border.
   FY 2000 TARGET: Increase in waste water treatment projects on the U.S.-Mexico border.

7. Strengthen bilateral dialogue through the U.S.-Brazil Common Agenda.
   FY 2000 TARGET: Use of US-Brazil Common Agenda to increase support and actions on the full range of environmental issues, esp. climate change

8. Increase emphasis on regional and bilateral reporting and coordination on environmental issues.
   FY 2000 TARGET: Continued development of hubs in Sao Paolo and San Jose. Regional conferences to promote environmental reporting and outreach.

9. Continue to support the activities of the environmental hub in San Jose, Costa Rica.
   FY 2000 TARGET: Continued funding for San Jose hub. Increased emphasis on Caribbean issues, program activities.

10. Promote regional cooperation in support of protecting marine ecosystems, especially in the Caribbean and on Canada's Atlantic and Pacific coasts.
    FY 2000 TARGET: Expanded San Jose hub efforts in Caribbean. Increased regional support for protecting marine ecosystems.

11. Complete Inter-American Biodiversity Network (Summit of the Americas).
    FY 2000 TARGET: Implement and continue to develop Inter-American Biodiversity Network

12. Continue support of Peace Corps volunteer programs throughout Latin America and the Caribbean.
    FY 2000 TARGET: Protect and preserve the environment through such projects as forest conservation planning, and development of alternative, renewable fuel resources. Promote environmental education through recycling, wildlife protection, and park management programs. The USG will commit $5,716,000 in support of these Peace Corps programs and its volunteers.

ASSUMPTIONS:

- Continued cooperation on Miami, Santiago, and Santa Cruz Summit initiatives.
- Maintain or increase the level of funding of the BECC, NADBank and IBWC.
- Funding (out years inclusive) of 1 Hub position in San Jose to include necessary travel funds.
- Funding for Joint Implementation and "Clean Development Mechanism," projects.

INDICATORS:

- Number of countries participating in Joint Implementation/Clean Development Mechanism Projects.
- Growth in exports of U.S. clean technology.
- Faster certification of new projects by the BECC and funding by the NADBank.
- Increase in waste water treatment projects on the U.S.-Mexico border.

WHA: FY 2000 REGIONAL PLAN

STRATEGIC GOAL: Population (PO) -- Stabilize world population growth by 2020.

REGIONAL GOAL: Foster coordination of USG efforts with those of other donors and national governments to stabilize population rates, consistent with the goals and objectives of the 1996 Latin American and Caribbean Regional Plan of Action on Population and Development adopted by the UN Economic Commission for Latin America and the Caribbean (ECLAC).

NATIONAL INTEREST: Global Issues -- Population: The world's population rate is of significant concern to the countries of the Western Hemisphere. Economic and social progress in these countries can be undermined by rapid population growth, which overburdens the quality and availability of public services, limits employment opportunities, contributes to environmental degradation, and can contribute to disruptive migration flows. By stabilizing population growth, we not only encourage environmentally sustainable development, we also improve opportunities for U.S. trade and for mitigating future crises. Also through the implementation of family planning programs, we address the need for protecting the reproductive health of women. By improving women's socio-economic and educational status in society, we reduce social barriers that impede growth of sustainable development, and therefore increase the economic potential of families throughout the region.

STRATEGY:

Encourage an understanding among national governments of population issues and the need to adopt sustainable population policies; harmonize national population growth rates and distribution with national economic and social development strategies; stimulate political, technical and financial support for national efforts.

OBJECTIVES:

1. Improve voluntary family planning and reproductive health services. and/or family planning that are effective in responding to client needs.
   FY 2000 TARGET: Reduction in fertility rate in the region by 5% from 1997 level.

2. Promote gender equality and empowerment of women by supporting the establishment of national mechanisms, government organs, and regional and subregional networks in charge of promoting legal equality and equality of opportunities between women and men as agreed upon in the initiatives at the Santiago Summit.
   FY 2000 TARGET: Continue progress of gender equality in compliance with Summit initiatives.

3. Increase access to and quality of education for girls to primary and secondary schools through the promotion of adherence to the commitments made by the region's leaders on equity in education during the Santiago and Miami Summits.
   FY 2000 TARGET: Narrowing of gender gaps in gross primary enrollment ratios. Increased support for girls' and women's education programs in selected countries in the hemisphere.

4. Apply universally recognized human rights standards to all aspects of national family planning programs.
   FY 2000 TARGET: Continued promotion of universal application of human rights standards.

5. Encourage participation of NGOs and civil society in family planning promotion and services supported by national governments.
   FY 2000 TARGET: Continue to provide support to a broad spectrum of family planning CSOs.

ASSUMPTIONS:

- Existing international and regional support for population stabilization efforts are maintained.
- Complementary population stabilization activities (e.g., enhanced girls education, microcredit programs for women) are concurrent national government priorities.
- Adequate mobilization of resources from all sources at the national and international level.

INDICATORS:

- Total fertility rates.
- Voluntary contraceptive use.
- Democratized national population policy development and implementation process.
- National population strategic planning and resource allocation.
- Capacity for public, private, NGO and community-based organizations to design, implement, and evaluate sustainable family planning programs.
- Level of demand for, access to, and quality of family planning and other reproductive health information and services.
- Education opportunities for girls and women.

WHA: FY 2000 REGIONAL PLAN

STRATEGIC GOAL: Health (HE) -- Reduce disease worldwide.

REGIONAL GOAL: Foster coordination between the U.S. and other donors and national governments to combat endemic and communicable diseases throughout the hemisphere as agreed by hemispheric heads of state at the Miami and Santiago Summits of the Americas.

NATIONAL INTEREST: Global Issues -- Health: In order to provide an environment suitable for the advancement of sustainable development, we have to reduce the spread of endemic and communicable diseases that weaken the potential for growth and stability, as well as provide people access to preventive and curative health care services. Unhealthy conditions in the region increase the incidence of disease, increase human suffering, and impede development. Infectious diseases such as tuberculosis, cholera, measles and HIV/AIDS as well as the increase in antimicrobial resistance present problems not only for the people of the region, but also pose special concerns for the United States due to the proximity and travel between the two regions.

STRATEGY:

U.S. foreign policy officials at posts will intervene with host country officials to reaffirm the commitment to reduce child and maternal mortality, and to stimulate the awareness of the implications of infectious diseases and HIV/AIDS on economic growth, productivity, trade, and security in an effort to raise the priority and political commitment for these issues. USAID programs will continue to stress prevention of the primary causes of illness and death, especially among infants and children under five years, and women of childbearing age. In non-USAID presence countries, coordination of USG efforts will be more involved with the Department of Health and Human Services (HHS), especially the Office of International Health and Refugee and the Centers for Disease Control and Prevention (CDC). Of particular interest in working with these organizations will be the focus on infectious diseases which have relevance for the health of U.S. citizens.

OBJECTIVES:

1. Strengthen existing programs and systems and develop new and improved cost-effective interventions to address infectious diseases. Assist countries to develop and/or strengthen policies and increase global, local and national resources to support appropriate infectious disease interventions. Increase knowledge and practices related to effective prevention and management of infectious diseases. Improve quality and availability of key infectious services and systems. Increase public and governmental awareness of Emerging Infectious Disease, and their impact on economic growth and national security. Control epidemics by strengthening and improving existing national and regional networks of health information and

surveillance systems. Reduce the incidence of diseases as outlined in the health-technologies initiatives of the Santiago Action Plan.
FY 2000 TARGET: DA funds will provide: technical assistance to developing country partners; applied and other relevant research in strategically critical areas; and, helping to build indigenous capacity to address these issues on a continuing basis.

2. Increase the quality, availability, and demand for STI prevention and management services. Improve knowledge about and capacity to address the key policy, cultural, financial and other contextual constraints to preventing and mitigating the impacts of HIV/AIDS. Strengthen and expand private, commercial and NGO sector organizations' responses to delivering HIV/AIDS information and services. Improve availability of and capacity to generate and use data to monitor and evaluate HIV/AIDS/STI prevalence trends, and program impacts.
FY 2000 TARGET: In addition to the PAHO program, DA funds of will continue to build local capacity, strengthen NGO involvement, and provide technical assistance in: HIV/STD prevention programs using proven strategies to prevent transmissions; policy reform addressing social, cultural, regulatory and economic issues related to HIV/AIDS and other STDs; development and testing of new strategies and methods to prevent transmission, and continue to address Miami Summit initiatives on health issues.

3. Improve equity of access to basic packages of health care, through improved health care systems and sustainability, in accordance with the initiatives on equitable access to basic health care set out in the Miami Summit's plan of action. Institutionalization of a regional monitoring system for comparative monitoring of health sector reform in the areas of efficiency, equity, quality, financial sustainability and community participation. Improve NGO/PVO and public sector capacity to improve health care.
FY 2000 TARGET: Continue to support PAHO program.

4. Expand environmental health programs to strengthen local capacity to combat emerging and reemerging diseases.
FY 2000 TARGET: Continue environmental health emphasis on proper sanitation and clean water, as well as implementing programs for cleaner air quality.

5. Improve policies and increase national and local resources for appropriate child health interventions. Improve preventive and care-giving practices and behaviors related to child health and nutrition. Improve quality and availability of key child health and nutrition services, through integrated case management.
FY 2000 TARGET: PL 480 II funds will reduce malnutrition in at-risk populations. DA and ESF (allocated to Haiti only), will: increase the use of existing child survival interventions, especially in high-risk populations; develop, evaluate and introduce new technologies and approaches that will further reduce infant and child mortality; develop more effective behavior approaches to increasing the use of key preventive practices; strengthen the performance of health systems in delivering child health

services; and, increase private sector involvement in the delivery of child health interventions and related information and commodities.

6. Identify, develop, evaluate, and disseminate effective and appropriate maternal health and nutrition interventions and approaches. Improve the policy environment for maternal health and nutrition programs. Improve the capabilities of individuals, families, and communities to protect and enhance maternal health and nutrition. Increase access to, and availability of, quality maternal health and nutrition programs.
   FY 2000 TARGET: DA funds for $3.6 million will provide for: micronutrition interventions, including increasing overall nutritional stores and weight gain during pregnancy; provide appropriate prenatal care and care during delivery, including training of family members and health personnel to recognize complications; and, clean delivery and elimination of harmful medical intervention practices.

7. Continue support of Peace Corps volunteer programs throughout Latin America and the Caribbean.
   FY 2000 TARGET: Protect human health and reduce diseases throughout Latin America and the Caribbean by continuing to promote Peace Corps health projects. Volunteers work in fields such as health extension in order to raise the consciousness in communities about the need for health education, as well as promoting water sanitation and hygiene education activities. The USG will commit $5,346,000 in support of these Peace Corps programs and its volunteers.

ASSUMPTIONS:

- NGOs, PVOs and multilateral development institutions will play increasingly important roles in disease prevention and control, but U.S. government contributions will remain essential in most USAID presence countries.
- Absent U.S. leadership, global disease surveillance and response capacity will not effectively expand.

INDICATORS:

- HIV/AIDS adult prevalence rates.
- Infant mortality rates.
- Under five years of age mortality rates.
- Crude death rates.
- Mortality rates for selected infectious diseases
- Percent of health expenditures for primary care
- Health spending as share of GDP, share public, share private.

Public Diplomacy
Educational and Cultural Exchanges

National Interests:

All international exchange programs of the Department of State directly support U.S. national interests by creating a foundation of mutual understanding between current and future foreign leaders and their U.S. counterparts and by promoting linkages between U.S. and foreign institutions and citizens. Professional and academic exchanges develop and maintain informed, cooperative, and productive relations between the U.S. and other countries by fostering constructive dialogue on individual strategic goals. Complementing the policy advocacy of information programs, exchange programs build a community of shared interests and values that supports traditional U.S. diplomacy.

Strategic Goals and Supporting Programs for FY 2000:

Exchange programs support the United States' major foreign policy goals in the Western Hemisphere by exposing opinion leaders directly to U.S. aims within an American social, cultural and political context. Examples of areas in which exchanges contribute to regional stability include civil-military relations and the military's role in a democratic society, peaceful resolution of conflicts in Colombia or elsewhere, strengthening Cuban civil society to help prepare for an orderly transition to democracy, or maintaining public support for Canada's continuing role in regional and international security. Participation in exchanges help government or business leaders understand the importance of keeping their markets open to U.S. exports and protecting intellectual property rights, as well as helping to correct misunderstandings of U.S. trade and environmental policy. Exchanges are also effective at promoting long-term, systemic economic reform or advocating market-based mechanisms for achieving environmental goals in fora such as the U.N. Climate Change Conference in Argentina.

Professional and academic exchange programs can contribute to the professionalization of the media. They also train public and private sector leaders to promote civil society's participation in public life and deepen public understanding of democracy. Similarly, exchanges expose participants to methods for reforming government, combating corruption, improving the administration of justice, consolidating the rule of law and establishing good governance. Exchanges are effective vehicles to inform key audiences about U.S. efforts to combat demand for illegal drugs and other types of international crime, as well as to explain U.S. immigration policy.

Performance Evaluation:

Upon taking office in 1998, the President of Ecuador quickly moved to resolve the long-standing boundary dispute with Peru and establish peace between the two countries. The new Ecuadorian president is a former International Visitor and Fulbright scholar at Harvard's Kennedy School of Government. He credits his exchange experiences as playing a key formative role in his views on governance.

Several former USIA International Visitor grantees were appointed by President Carlos Menem to the newly-created advisory council for Argentina's Office of Public Ethics, including the director of the Argentine Center for U.S. Studies, and the president and founder of the NGO Conciencia that hosted the hemisphere-wide conference CIVITAS Panamericano. The Argentine watchdog agency, modeled after the U.S. Office of Government Ethics (USOGE), was created in 1997 with the assistance of USIA-sponsored American speakers.

The new president of Mexico's National Academy of Economists credits his 1992 USIA International Visitor trip for giving him the basis to completely reform the economics faculty at the National Autonomous University of Mexico (UNAM), and other leading universities throughout Mexico. The president, who was initially critical of the U.S. and its market-based economics, used the insights and contacts he made in his visits to 25 U.S. universities to restructure the program at UNAM. Prior to the academic reform, 52% of the courses taught espoused Marxist economic principles; today less than 8% teach Marxist thought.

USIA conducted an International Visitor program for government officials, NGO leaders and journalists from key Latin American countries in preparation for the Fourth U.N. Conference of Parties on Climate Change (COP-4) held in Argentina in late 1998. This program provided the participants with information on U.S. climate change policy and the complex process by which consensus is reached. USIS Buenos Aires reported that the Argentine participants came to view emissions trading and carbon sink usage as necessary to solve global warming. Upon their return, they briefed the chief Argentine negotiator for COP-4 thereby contributing to the cooperation between the Argentine government and the U.S. during the conference.

A Bolivian participant in the American Library Fellowship Program has published a book about his experiences during his USIA-sponsored program, as well as a guide to Bolivian holdings in U.S. libraries. The former fellow now directs the Ministry of Justice's library where he has initiated an outreach campaign that supports the Bolivian government's legal and procedural reform efforts.

Indicators for FY 2000 Performance:

- Former exchange participants in positions of authority in the public or private sectors.
- Former exchange participants speaking or acting in ways that are consonant with U.S. interests.
- Host country and U.S. institutions cooperate in ways that promote understanding of U.S. policies and American society and values.

Educational and Cultural Exchange Programs
Bureau of Western Hemispheric Affairs

	FY 1998 Actual	FY 1999 Estimate	FY 2000 Request
Argentina	$3,116	$3,316	$3,413
Bahamas	75	77	80
Barbados	118	124	129
Belize	25	28	29
Bolivia	834	886	904
Brazil	3,352	3,641	3,641
Canada	1,187	1,266	1,267
Chile	1,297	1,387	1,398
Colombia	950	1,010	1,030
Costa Rica	903	965	991
Dominican Republic	486	499	506
Ecuador	1,206	1,285	1,323
El Salvador;	797	855	855
Guatemala	751	798	825
Guyana	36	38	39
Haiti	496	548	555
Honduras	293	314	319
Jamaica	536	570	590
Mexico	5,977	6,335	6,350
Nicaragua	950	1,003	1,005
Panama	760	815	817
Paraguay	426	454	464
Peru	1,640	1,752	1,773
Suriname	31	35	36
Trinidad	568	607	623
Uruguay	386	410	421
Venezuela	728	781	782
Regional Programs	333	563	413
Total Exchanges	28,257	30,362	30,578

Public Diplomacy
International Information Programs

National Interests:

Substantial changes have occurred in the way that governments make decisions or develop and implement policies. The broad range of actors engaged in this process now includes the media, think tanks, non-governmental organizations, religious institutions, and issue-specific voluntary associations, among others. Especially in robust, developed democracies, the process of making policy is more open, consultative, and responsive to public opinion. Increasingly, even less democratic governments tend to operate with an eye to domestic and international public reaction to their decisions. International Information Programs are designed to influence these new audiences as well as foreign government officials through products and services produced by Washington public diplomacy elements and USIS posts. Using tools such as American speakers, the Internet, and interactive television, they inform foreign publics about U.S. policies and influence the policy debate throughout the Western Hemisphere.

Strategic Goals and Supporting Programs for FY 2000:

In the global information age--more democratic, more interconnected, more open to mass communication--the U.S. articulates its leadership through a vigorous program of policy advocacy. Policy advocacy programs engage influential individuals and organizations from both inside and outside the orbit of government whose opinions and decisions affect the policy-making process. When brought into the process of policy formulation, public advocacy can substantially increase support for U.S. policy goals. Programs designed to reach specific audiences inform and influence a diverse range of people who in turn affect policy formulation in their own countries and help shape public opinion.

Information programs contribute to regional stability by addressing issues such as civil-military relations and the military's role in a democratic society, encouraging peaceful resolution of conflicts in Colombia or elsewhere, strengthening Cuban civil society to help prepare for an orderly transition to democracy, or maintaining public support for Canada's continuing role in regional and international security.

Policy advocacy programs help government or business leaders understand the importance of keeping their markets open to U.S. exports and protecting intellectual property rights, as well as helping to correct misunderstandings of U.S. trade and environmental policy. They are also effective in influencing key audiences to favor long-term, systemic economic reform to permit broad-based growth, or to advocate market-based mechanisms for achieving environmental goals in fora such as the U.N. Climate Change Conference in Argentina. Information programs contribute to the professionalization of the media, support efforts to promote civil society's participation in public life and deepen public understanding of democracy. Similarly, these programs

and materials expose participants to ideas to enable the reform of government, the amelioration of corruption, the improvement of justice administration, the consolidation of the rule of law and the establishment of good governance.

Many public diplomacy programs in WHA countries inform key audiences about U.S. efforts to combat demand for illegal drugs and other types of international crime or explain U.S. immigration policy. Policy advocacy programs help to develop and maintain informed, cooperative, and productive relations between the U.S. and other countries.

Performance Evaluation:

USIS Bogota gathered a group of influential Colombian journalists, academics, politicians, and military officers in Houston, Texas, and Cartagena, Colombia, to further dialogue towards a Colombian peace process. The post brought in ex-combatants from El Salvador and Guatemala, along with representatives of international organizations involved in those countries' peace accords, to address the practical realities of a Colombian peace process. Colombian President Andres Pastrana has named five Houston Project participants to his committee for peace.

The chief academic officer of one of Guatemala's largest private universities described a recent series of USIS Guatemala-sponsored programs on civil-military relations as "a major breakthrough for our professors and students" and noted that his institution has signed agreements with the Guatemalan armed forces which, among other activities, will include courses for military officers on democratic principles, indigenous languages, and cultural sensitivity. USIS coordinated the involvement of university faculty and students in the civil-military seminars, in cooperation with the U.S. Naval Postgraduate School.

USIS posts throughout the region have used Worldnet interactives, digital video conferencing (DVC), and the media to raise awareness of the Year 2000 computer technology problem (Y2K) among public and private sector audiences. USIS Lima invited Peruvian government officials to a DVC with a Riggs Bank systems expert, while posts in Barbados and Jamaica conducted a Worldnet for government ministries, universities, banks, the stock exchange, the military, hospitals and the media. In Bolivia, the La Paz daily of record published two full pages of USIA materials on Y2K that featured Deputy Treasury Secretary Lawrence Summers' statement before the Senate Special Committee on the Year 2000 Technology Problem.

1998 saw Intellectual Property disputes come to a head in Ecuador, Paraguay and Nicaragua. Our posts used a variety of USIA products, including Washington File materials, Worldnet televised interactives and speakers to drive home the essential link between economic prosperity and IPR protection. In Managua, CODEL Lott witnessed the signing of an IPR agreement, which the government developed after USIS speakers gave forceful presentations. In August 1998, the Dominican Republic's alien smuggling legislation was signed into law, having been heavily influenced by a USIS public diplomacy campaign that illustrated the dangers of travel by sea to Puerto Rico for

would-be immigrants. Research for the bill was conducted through the USIS Information Resource Center, which relies heavily on the Internet.

Drug trafficking is the major law enforcement focus for many WHA posts, but terrorism, illegal immigration, and other forms of international crime are also topics for programming. A USIS Rio de Janeiro speaker program on community mobilization for demand reduction prompted the Rio State Police to announce in August 1998 that their local version of the U.S. Drug Abuse Resistance Education (DARE) program would be restarted. Since its suspension in 1995, when it was reaching 60,000 students, USIS Rio has campaigned for revival of the DARE program, and pressure from those sectors involved in USIS programming is responsible for the reinstatement decision.

Indicators for FY 2000 Performance:

- Media coverage and commentary are balanced and accurately reflect U.S. policy.
- Key opinion leaders and policymakers speak or act in ways that coincide with U.S. interests.
- Media and opinion leaders support U.S. policy positions.
- Public and private sector institutions act in ways that are consonant with U.S. interests.

Argentina

($ in thousands)

National Interests: Democratic stability and economic prosperity with its resulting commercial opportunities are the leading U.S. interests in Argentina. Since the dismantling of the state-oriented economic system and the creation of the Southern Cone Common Market (MERCOSUR), U.S. exports to Argentina have increased six-fold. The Government of Argentina (GOA) is a strong ally of the U.S. and has become helpful in furthering U.S. security interests, assuming a proactive role in helping to resolve international crises, especially in international peacekeeping efforts, counter-terrorism and Illegal Drugs activities.

Strategic Goals and Supporting Programs For FY 2000:

Regional Stability: Argentina will be eligible in FY 2000 to receive Excess Defense Articles (EDA) on a grant basis under section 516 of the Foreign Assistance Act (FAA). EDA combined with Enhanced International Peacekeeping Capabilities (EIPC) initiative and International Military Education and Training (IMET) courses to Argentina would increase its inter-operability with U.S. and NATO forces, and continue to allow Argentina to participate in global peacekeeping activities. $600

Weapons of Mass Destruction: Argentina's adherence to, and involvement in, international arms control regimes advances U.S. global non-proliferation goals and reduces regional tensions. Active nuclear cooperation with Argentina enables the U.S. to better monitor and influence the development of Argentine nuclear programs.

Open Markets: The U.S. will encourage Argentina to promote liberal markets, hemispheric integration and increase opportunities for U.S. goods and services. and expand exports to Argentina by identifying opportunities for small and medium-sized U.S. firms.

International Crime: To assist Argentine efforts to reduce international criminal activity, the U.S. will continue to promote training and exchange programs with Argentine law enforcement and judicial authorities.

Illegal Drugs: To reduce the transshipment of illegal drugs through Argentina to the U.S., International Narcotics and Crime (INC) funds will encourage Argentina to continue drug interdiction activities along the northern borders with Bolivia, Brazil and Paraguay.

Terrorism: The U.S. can enhance Argentina's capability to combat terrorism with anti-terrorist assistance programs (ATA) and providing support visits by Argentine officials to the U.S. for counter-terrorism briefings and training.

Democracy: The U.S. will assist Argentina to consolidate its democratic institutions by supporting judicial reform, freedom of the press, and conventions against corruption and bribery.

Environment: Argentine leadership among developing nations translates into support for U.S. positions on climate change. Promotion of sustainable development of Argentine natural resources will help prevent environmental degradation. $200

Performance Evaluation:

- Improved legal framework for U.S. exporters, especially on intellectual property rights tariffs. Argentina enacted into law November 6, 1998, a measure criminalizing software piracy closing a previous loophole in Argentine jurisprudence.

- Continued growth of U.S. exports. U.S. exports rose from approximately USD 5.8 billion in 1997 to approximately USD 6.3 billion in 1998, an 8 percent increase.

- Improved interoperability with U.S. and UN peacekeeping forces. In 1998, the Argentine armed forces initiated procurement of almost 100 U.S.-manufactured armored vehicles to equip their peacekeeping forces. They also began the procurement of 34 HMM WV's.

- Continued GOA participation in peacekeeping operations and increased regional participation in peacekeeping training opportunities. Argentina ranks ninth in international peacekeeping operations in total number of personnel involved. In addition to having large forces in Cyprus (411) and Haiti (144), a sizeable contingent of Argentine gendarmes deployed to Bosnia in mid-1998 at the request of NATO. Military personnel from other Latin American nations (Ecuador, Guatemala, Bolivia) continue to be trained at the Argentine peacekeeping training academy.

Key Indicators for FY 2000 Performance:

- Level of protection for U.S. intellectual property.
- Level of U.S. exports and direct investment.
- Extent of GOA participation in international peacekeeping operations and in joint military exercises with the USG and with its neighbors.
- Status of the new U.S./Argentina Extradition Treaty.

ARGENTINA
FUNCTION 150 RESOURCES
($ in thousands)

Appropriations Accounts By Strategic Goal	Actual FY 1998	Estimate FY 1999	Request FY 2000
Regional Stability	**507**	**450**	**600**
IMET	507	450	600
Democracy	**100**	**150**	**200**
IMET	100	150	200
Total	***607***	***600***	***800***

Appropriations Accounts	Actual FY 1998	Estimate FY 1999	Request FY 2000
IMET	607	600	800
Total	***607***	***600***	***800***
Other Accounts			
D&CP	8,437	8,671	9,050
ECE	3,116	3,316	3,413
Total	***11,553***	***11,987***	***12,463***
ARGENTINA FUNCTION 150 RESOURCES GRAND TOTAL	***12,160***	***12,587***	***13,263***

The Bahamas

($ in thousands)

National Interests: Due to the proximity of the Bahamas to the United States, the U.S. has a strong interest in a stable and democratic Bahamas that will work closely with the U.S. on a whole host of bilateral, regional and multilateral issues. Principal U.S. interests in The Bahamas including stopping the transport of illicit drugs and alien smuggling, combating money laundering, providing assistance to the more than two million American residents of and tourists to the island.

Strategic Goals and Supporting Programs for FY 2000:

Regional Stability: Bilateral and multilateral training and joint exercises supported by Operation Bahamas and Turks and Caicos (OPBAT), The Joint International Agency Task Force – East (JIATF – East), and U.S. Southern Command, as well as International Military Education and Training (IMET) and Foreign Military Financing (FMF) programs, serve as the primary mechanisms for stemming the flow of illegal drugs and migrants and increasing peacekeeping and emergency disaster relief capabilities. The Bahamas will be eligible in FY 2000 to receive Excess Defense Articles (EDA) on a grant basis under section 516 of the Foreign Assistance Act (FAA). EDA will be used to promote inter-operability and modernization of equipment.

$210

Open Markets: The U.S. is encouraging the Bahamas to eliminate tariffs, implement effective intellectual property rights (IPR) legislation, open negotiations for an Open Skies Agreement, and privatize telecommunications.

Expand U.S. Exports: Through research, trade shows, and outreach to American businessmen.

International Crime: The U.S. works closely with Bahamian Immigration, the Royal Bahamas Defense Force (RBDF), and Bahamian law enforcement to stop the flow of illegal migrants to the U.S. and the cross-flow of illegal firearms and gang activity.

Illegal Drugs: The Bahamian archipelago is a major entry point for illegal drugs entering the U.S., and several U.S. agencies work closely with the Bahamian Government, most notably through OPBAT. The U.S. and The Bahamas are increasing cooperation on money laundering and other financial crimes. International Narcotics and Crime (INC) funds will assist the Bahamian authorities to combat the drug trade. The U.S. is financing a project to computerize the courts and implement procedural reform.

$1,000

Democracy: The U.S. is working to strengthen democratic institutions through programs aimed at judicial reform and furthering the professionalism of the military and police forces.

Environment: To prevent plant disease, Department of Agriculture personnel conduct inspection, trapping, and training programs.

Performance Evaluation:

- Amount of illegal narcotics seized. In 1998, the Bahamian authorities seized 3.68 metric tons of cocaine and 2.6 metric tons of marijuana, vs. total 1997 figures of 2.58 metric tons of cocaine and 3.76 metric tons of marijuana.

- Number of successful prosecutions of narcotraffickers and alien smugglers. In 1998, 1,982 persons were arrested on drug charges, vs. 1,894 for 1997.

- Prosecutorial and judicial effectiveness. The Government of The Bahamas, working closely with the U.S., has completed a project to modernize the courts.

- Number of migrants intercepted and repatriated. In 1998, the U.S. Coast Guard, compared with 1,087 in 1997 dealt with 1,988 migrant cases with a Bahamian connection. Most of these were interdicted by the USCG in Bahamian waters or discovered by the USCG to have embarked from The Bahamas.

- Level of professionalism of the RBDF and inter-operability with other regional security forces. The level of RBDF professionalism and inter-operability with other regional security forces has improved through the diligent use of FMF-funded equipment buys, IMET-funded training, and CINCSOUTH-funded projects.

Key Indicators for FY 2000 Performance:

- Level of narcotics seizures drug arrests, and offenders.
- Level of participation and professionalism of Bahamian police and defense forces in counternarcotics operations.
- Strengthened institutions to prevent financial crimes and the increased detection and prosecution of financial crimes.
- Negotiation of an Open Skies Agreement.
- Improved IPR laws.

BAHAMAS
FUNCTION 150 RESOURCES
($ in thousands)

Appropriations Accounts by Strategic Goal	Actual FY 1998	Estimate FY 1999	Request FY 2000
Regional Stability	**328**	**210**	**210**
FMF	140	130	130
IMET	88	80	80
Illegal Drugs	**500**	**1,000**	**1,000**
INC	500	1,000	1,000
Democracy	**22**	**20**	**20**
IMET	22	20	20
Total	***750***	***1,230***	***1,230***

Appropriations Accounts	Actual FY 1998	Estimate FY 1999	Request FY 2000
FMF	140	130	130
IMET	110	100	100
INC	500	1,000	1,000
Total	***750***	***1,230***	***1,230***
Other Accounts			
D&CP	2,562	2,634	2,748
ECE	75	77	80
Total	***2,637***	***2,711***	***2,828***
BAHAMAS FUNCTION 150 RESOURCES GRAND TOTAL	***3,387***	***3,941***	***4,058***

Belize

($ in thousands)

National Interests: Belize's close proximity to the United States makes it an ideal staging area for international crimes. U.S. interests include stemming narcotics trafficking, alien smuggling, selling of stolen vehicles, smuggling of Mayan relics and Belize wildlife, and money laundering. In order to maintain the integrity of regional and global economic integration efforts, the U.S will work with Belize to reduce trade barriers, and improve intellectual property rights protections. The U.S. also encourages Belize to protect its rich biodiversity, thousands of acres of intact rainforest, and the second longest barrier coral reef in the world.

Strategic Goals and Supporting Programs for FY 2000:

Regional Stability: U.S. goals include encouraging Belize to participate in the peaceful resolution of border disputes; to allow Central American refugees and migrants to legalize their status in Belize; and to play a positive role in promoting stability in the Caribbean, such as using the Belize Defense Force (BDF) in peacekeeping operations in Haiti. International Military Education and Training (IMET) and Foreign Military Financing (FMF) programs will provide training and equipment to maintain a small but disciplined BDF. Belize will be eligible in FY 2000 to receive Excess Defense Articles (EDA) on a grant basis under section 516 of the Foreign Assistance Act (FAA). EDA will be used to promote inter-operability and modernization of equipment. $325

Open Markets: In order to take advantage of regional and global integration, the U.S. aims to encourage the gradual elimination of government price controls; facilitate Belize involvement in the Free Trade Area of the Americas (FTAA); work for better intellectual property rights (IPR) protections; encourage a bilateral open skies agreement; and promote U.S. exports.

Economic Development: Peace Corps funds will provide micro-enterprise training and assistance to lower-income groups to raise standards of living by increasing economic growth rates and opportunities.

International Crime: The U.S., through INC funds, seeks to improve the functioning of professional and police prosecutors; provide technical support for court systems; implement extradition and mutual legal assistance treaties; and reduce the flow of stolen vehicles from the U.S. to Belize.

Illegal Drugs: The U.S., through INC funds, will provide training and assistance to disable drug organizations; improve the flow of counternarcotics intelligence; root out corruption; increase interdiction; and improve Belize's ability to deter and detect money laundering.

Democracy: The ruling party controls 26 of 29 seats in Parliament, giving it tremendous power. The U.S. will seek to strengthen NGO's; increase political participation among women, indigenous, and minority groups; slow outward migration; and reduce corruption. $25

Environment: Peace Corps programs help advance the goals of encouraging environmental preservation and sustainable development. The LAC regional programs ensure Belize remains active in Central American conservation activities.

Health: Peace Corps volunteers work to promote better health, particularly for women and children at risk. The LAC regional program in health supports HIV/AIDS policy dialogue, NGO efforts, and contraceptive social marketing.

Performance Evaluation:

- Improved Bilateral Cooperation in the Fight Against Drugs. Excellent bilateral counternarcotics cooperation has resulted in the imminent signing of an overflight amendment to maritime counternarcotics (shipriders) agreement. When Operation Central Skies was cancelled because of Hurricane Mitch, CG and BDF carried out their own, modified operation.

- Status of extradition treaty and Mutual Legal Assistance Treaty (MLAT). The new government in Belize has vowed to continue extraditions. The U.S. will begin discussing extradition and MLAT with the new government shortly.

- Strengthening of the Criminal Justice System. Two army officers arrested on corruption charges. Several police officers suspended or dismissed.

Key Indicators for FY 2000 Performance:

- Finalization and signature of extradition and mutual legal assistance treaties.
- Reformed tax law to allow U.S. investors to deduct Belize taxes on their U.S. income tax.
- Level of narcotics seizures.
- Finalization and signature of an open skies agreement.
- Levels of price controls and import restrictions.

BELIZE
FUNCTION 150 RESOURCES
($ in thousands)

Appropriations Accounts by Strategic Goal	Actual FY 1998	Estimate FY 1999	Request FY 2000
Regional Stability	**379**	**325**	**325**
FMF	100	100	100
IMET	279	225	225
Democracy	**25**	**25**	**25**
IMET	25	25	25
Total	***404***	***350***	***350***

Appropriations Accounts	Actual FY 1998	Estimate FY 1999	Request FY 2000
FMF	100	100	100
IMET	304	250	250
Total	***404***	***350***	***350***
Other Accounts			
D&CP	1,280	1,317	1,375
ECE	25	28	29
Peace Corps	1,019	1,147	1,175
Total	***2,424***	***2,592***	***2,679***
BELIZE FUNCTION 150 RESOURCES GRAND TOTAL	***2,828***	***2,942***	***3,029***

Bolivia

($ in thousands)

National Interests: The most urgent U.S. interest is to stop the illicit production of coca and the export of cocaine and other illicit coca products to the world market. The U.S. is encouraging Bolivia's transition to a free market economy in order to expand U.S. exports and investment. Effective implementation of judicial reforms is critical to our efforts related to counternarcotics, investment, human rights and social stability. The preservation of Bolivia's biodiversity is crucial to global environmental needs. The goal of improving health conditions is intended to alleviate the burden of poverty and to decrease the pressure for emigration.

Strategic Goals and Supporting Programs for FY 2000:

Regional Stability: International Military Education and Training (IMET) funds will provide professional military education and international peacekeeping courses to key Bolivian military personnel. Bolivia will be eligible in FY 2000 to receive Excess Defense Articles (EDA) on a grant basis under section 516 of the Foreign Assistance Act (FAA). EDA will support U.S. military interests by allowing the Bolivian military to equip its modest forces and stretch scarce defense funding. This excess defense equipment will be used to support both legitimate national defense needs as well as Bolivia's counter-narcotics program. $400

Economic Development: Development Assistance (DA) funds will underwrite micro-enterprise programs and technical assistance to small business groups and agricultural cooperatives. Peace Corps volunteers will assist in local economic planning and will teach improved agricultural techniques. PL-480 II resources will be used in a school feeding program to keep children in school. $12,819

Illegal Drugs: International Narcotics and Crime (INC) funds will support coca eradication, special prosecution and special investigation units as well as alternative development projects. $48,000

Democracy: DA funds will help train judges, prosecutors and others to implement judicial reforms. ESF funds will train municipal employees in support of the popular participation program while International Criminal Investigative Assistance Program (ICITAP) funds will enable the police to implement a new criminal procedure code. $8,150

Environment: DA funds will support sustainable management of renewable natural resources. Peace Corps volunteers will teach environmentally sound agricultural techniques. $5,000

Population: DA programs will encourage increased use of voluntary and quality family planning services to stabilize population growth in Bolivia. $13,000

Health: DA funds will support a decentralized health care system. Peace Corps volunteers will help communities to establish and maintain potable water systems, latrines, and other sanitary facilities. PL 480-II resources will support maternal and child health programs and community water and sanitation programs. $21,604

Performance Evaluation:

- Gross and net coca eradication figures. In 1998 the government of Bolivia eradicated over 11,000 hectares of coca, which resulted in a record-breaking 17% net reduction in coca cultivation.

- Number of interdictions and seizures of cocaine and precursor materials. Cocaine interdiction efforts in 1998 were highly successful, with increases in all quantitative categories: initiation of new drug investigations, drug seizures, arrests and asset seizures.

- Level of civil-military relations and respect for human rights and democratic values. US military training exercises stressed respect for human rights and democratic values. The government of Bolivia established an independent national Ombudsman to investigate human rights cases.

Key Indicators for FY 2000 Performance:

- Net reduction in coca cultivation.
- Effectiveness of implementation of judicial reforms.
- Effectiveness of protection and enforcement of Intellectual Property Rights.
- Infant Mortality Rate.

BOLIVIA
FUNCTION 150 RESOURCES
($ in thousands)

Appropriations Accounts by Strategic Goal	Actual FY 1998	Estimate FY 1999	Request FY 2000
Regional Stability	**470**	**425**	**400**
IMET	470	425	400
Economic Development	**12,168**	**11,665**	**12,819**
DA	3,743	3,296	4,450
Title II	8,425	8,369	8,369
Illegal Drugs	**35,000**	**54,000**	**48,000**
INC	35,000	54,000	48,000
Democracy	**4,470**	**4,725**	**8,150**
DA	4,370	4,100	4,500
ESF	-	500	3,500
IMET	100	125	150
Environment	**5,500**	**4,900**	**5,000**
DA	5,500	4,900	5,000
Population	**14,350**	**14,865**	**13,000**
DA	14,350	14,865	13,000
Health	**16,960**	**14,028**	**21,604**
DA	7,962	6,515	6,973
Title II	8,998	7,513	14,631
Total	***88,918***	***104,608***	***108,973***

Appropriations Accounts	Actual FY 1998	Estimate FY 1999	Request FY 2000
DA	35,925	33,676	33,923
ESF	-	500	3,500
IMET	570	550	550
INC	35,000	54,000	48,000
Title II	17,423	15,882	23,000
Total	***88,918***	***104,608***	***108,973***
Other Accounts			
D&CP	5,435	5,567	5,810
ECE	834	886	904
Peace Corps	2,500	2,571	2,596
Total	***8,769***	***9,024***	***9,310***
BOLIVIA FUNCTION 150 RESOURCES GRAND TOTAL	***97,687***	***113,632***	***118,283***

Brazil

($ in thousands)

National Interests: The overriding U.S. interest in Brazil is to promote U.S. economic prosperity by further opening Brazil's market to U.S. products, facilitating greater U.S. exports to Brazil, and promoting economic development within Brazil. The secondary U.S. national interest is to enhance our national security by engaging Brazil as an active partner in promoting regional stability and controlling weapons of mass destruction. Other national interests are to avert environmental degradation by helping Brazil curtail the destruction of the Amazon rain forest and engaging Brazil as an active partner in global climate change, and stemming the flow of illicit narcotics by enlisting Brazil's cooperation in law enforcement and counternarcotics efforts.

Strategic Goals and Supporting Programs for FY 2000:

Regional Stability: Through the Rio Treaty "Guarantor" effort, the U.S. and Brazil have worked closely to end the Peru-Ecuador border conflict and reduce military competition and tension in the area. International Military Education and Training (IMET) assistance and high-level engagement of U.S. government officials will contribute to these efforts. Brazil will be eligible in FY 2000 to receive Excess Defense Articles (EDA) on a grant basis under section 516 of the Foreign Assistance Act (FAA). EDA will aid Brazil in the regional counter-narcotics efforts. $200

Open Markets: The institutionalization of Brazil's trade opening is key to ensuring that U.S. businesses maintain a growing access to Brazil's internal market. The U.S. will continue to advocate improved GOB efforts to reduce trade barriers, strengthen intellectual property rights (IPR), and facilitate U.S. foreign investment.

Expand U.S. Exports: To increase its bilateral trade surplus with Brazil, the U.S. will continue to monitor and assess Brazil's privatization program and advocate on behalf of U.S. companies bidding on government procurement and concessions. The U.S. will also monitor any efforts to raise tariffs or otherwise hamper imports.

Economic Development: The U.S. will seek to continue to support Brazil's reform proposals, its access to international capital markets, finance its external debt obligations, and reduce the country's severe income disparities.

Illegal Drugs: International Narcotics and Crime (INC) funds will (1) support law-enforcement efforts; (2) encourage development of anti-drug laws, policies, and programs; and (3) assist drug education and awareness. $1,500

Terrorism: U.S. efforts to minimize terrorist activities will focus on specialized training, information sharing, and other cooperative efforts with Brazilian intelligence, law enforcement agencies, and military services.

Democracy: The U.S. will work with Brazil to consolidate its democratic institutions and contribute to long-term political stability and economic growth, through our educational and reinventing government programs, exchanges, and support for a civilian Ministry of Defense. $25

Environment: Due to its vast environmental resources, including the majority of the Amazon rainforest, Brazil is key to a global environmental strategy. Development Assistance (DA) programs, in concert with non-governmental organizations and research institution partners, academic exchanges, and workshops, will advance our overall environmental agenda. $8,000

Health: Brazil is a potential focus to spread disease due to its location and large population. DA programs will help prevent and educate the public about the spread of HIV/AIDS and other infectious diseases. $2,900

Performance Evaluation:

- A more favorable foreign investment climate. Despite a difficult economic situation, the GOB continued on the path of free market reform and privatized the Brazilian phone company and a host of other large privatizations, worth $60 billion.

- Continued democratic reform. President Fernando Cardoso was elected in free and fair elections to a second term in 1998 and elections for Governors and the Congress were similarly successful. In 1998 Brazil created a civilian Ministry of Defense which began functioning on January 1, 1999.

- Improved capability of the Brazilian Federal Police to interdict narcotics trafficking and reduce the flow of drugs to the United States. In 1998 Brazil created a national counternarcotics secretariat to coordinate counternarcotics activities and passed legislation on shootdown and money laundering.

Key Indicators for FY 2000 Performance:

- Stability of the economy and openness to U.S. investment.
- Economic growth rate.
- Level of bilateral trade.
- Level of transshipment of narcotics and cooperation with U.S. and regional players on counternarcotics.
- Rate of the Amazon rainforest's deforestation and level of bilateral cooperation on global climate change.

BRAZIL
FUNCTION 150 RESOURCES
($ in thousands)

Appropriations Accounts by Strategic Goal	Actual FY 1998	Estimate FY 1999	Request FY 2000
Regional Stability	**195**	**200**	**200**
IMET	195	200	200
Illegal Drugs	**500**	**1,200**	**1,500**
INC	500	1,200	1,500
Democracy	**25**	**25**	**25**
IMET	25	25	25
Environment	**5,378**	**8,117**	**8,000**
DA	5,378	8,117	8,000
Population	**3,000**	**2,415**	**-**
DA	3,000	2,415	-
Health	**2,500**	**2,000**	**2,900**
DA	2,500	2,000	2,900
Total	***11,598***	***13,957***	***12,625***

Appropriations Accounts	Actual FY 1998	Estimate FY 1999	Request FY 2000
DA	10,878	12,532	10,900
IMET	220	225	225
INC	500	1,200	1,500
Total	***11,598***	***13,957***	***12,625***
Other Accounts			
D&CP	14,953	15,281	15,822
ECE	3,352	3,641	3,641
Total	***18,305***	***18,922***	***19,463***
BRAZIL FUNCTION 150 RESOURCES GRAND TOTAL	***29,903***	***32,879***	***32,088***

Chile

($ in thousands)

National Interests: U.S. national interests in Chile include expanding bilateral economic relations, with a concomitant increase in U.S. exports to Chile, and the promotion of regional stability through an economically vibrant, democratic Chile that supports U.S. policies across a range of important issues. Negotiating a comprehensive trade agreement would expand two-way trade, increasing access to the Chilean market for U.S. exports. Just as important, Chile can be an influential, like-minded partner in negotiating the Free Trade Area of the Americas (FTAA) by 2005. Chile participates in international peacekeeping operations, and the United States can help Chile modernize the attitudes, strategies, and tactics of its armed forces.

Strategic Goals and Supporting Programs for FY 2000:

Regional Stability: International Military Training and Education (IMET) and regional Enhanced International Peacekeeping (EIPC) funds will promote regional stability and the modernization of Chile's armed forces by encouraging Chilean participation in peacekeeping operations and other specialized training and exchange programs. Chile will be eligible in FY 2000 to receive Excess Defense Articles (EDA) on a grant basis under section 516 of the Foreign Assistance Act (FAA). EDA will be used to promote inter-operability and modernization of equipment. $425

Open Markets: The U.S. will seek Chilean support and cooperation in the negotiations for a Free Trade Area of the Americas (FTAA) and examine ways to achieve greater market openness bilaterally.

Expand U.S. Exports: Among southern cone countries, Chile has the highest propensity to import from the U.S. Promoting the merits of the Chilean market, recruiting potential Chilean importers to attend trade shows in the U.S., and producing sector- and product-specific market research are ways the U.S. will work to increase the U.S. market share of Chile's imports.

International Crime: The U.S. will seek INC-funded training for Chilean law enforcement and judicial agencies, law schools, and professional associations in such areas as forensic science, investigation, digital fingerprint reading, and preservation of crime scene evidence.

Illegal Drugs: Creating a Sensitive Investigative Unit (SIU), conducting specialized training, and establishing a DEA Resident Office in northern Chile are measures that will diminish the use of Chile as a transshipment country for cocaine shipments to the U.S. and precursor chemicals to neighboring countries.

Democracy: The U.S. will promote continued progress in democratization by supporting the implementation of judicial reforms and by exchanges and programs designed to enhance civilian expertise in defense issues. $25

Environment: To increase Chilean support for U.S. scientific and global environmental goals, the U.S. will coordinate diplomatic and scientific cooperation, particularly relating to climate change, biosafety, Antarctica, air pollution, space and health issues.

Performance Evaluation:

- Negotiation of a free trade agreement. Failure to achieve fast-track authority continued to stall free trade negotiations, but the U.S. and Chile created a Joint Commission on Trade and Investment to examine trade issues and ways to proceed. The two countries consulted closely in negotiations for a Free Trade Area of the Americas.

- Level of U.S. exports. U.S. exports to Chile rose 2.4 percent during the first eight months of 1998, despite a fall in global demand for Chilean products due to the Asian economic crisis.

- Institutionalization of democracy in Chile, including military acceptance of, and respect for, civilian control. The retirement of General Pinochet brought a new generation of leaders to the Chilean military. Exchanges with the United States by both civilian and military personnel contributed to efforts to modernize and further the professionalism of the Chilean armed forces. Military subordination to civilian authority was evident in the military's support for the Chilean government's position regarding Pinochet's detention in London.

- Operational compatibility with U.S. and allied forces in peacekeeping operations. During 1998, the United States worked with Chilean peacekeeping forces on the Ecuador/Peru border, in Iraq, and in Bosnia. Chile also participated in SOUTHCOM-sponsored peacekeeping exercises in Puerto Rico and Paraguay.

Key Indicators for FY 2000 Performance:

- Level of participation in peacekeeping exercises and operations.
- Level of professionalism in the armed forces and subordination to civilian authority.
- Level of market access for U.S. producers, especially for agricultural producers.
- Degree of interoperability between U.S. and Chilean anti-terrorist units.
- Chilean support for U.S. global environmental goals.

CHILE
FUNCTION 150 RESOURCES
($ in thousands)

Appropriations Accounts by Strategic Goal	Actual FY 1998	Estimate FY 1999	Request FY 2000
Regional Stability	**428**	**425**	**425**
IMET	428	425	425
Democracy	**25**	**25**	**25**
IMET	25	25	25
Total	***453***	***450***	***450***

Appropriations Accounts	Actual FY 1998	Estimate FY 1999	Request FY 2000
IMET	453	450	450
Total	***453***	***450***	***450***
Other Accounts			
D&CP	5,331	5,478	5,717
ECE	1,297	1,387	1,398
Peace Corps	688	-	-
Total	***7,316***	***6,865***	***7,115***
CHILE FUNCTION 150 RESOURCES GRAND TOTAL	***7,769***	***7,315***	***7,565***

Colombia

($ in thousands)

National Interests: The fight against drugs remains the principal U.S. national interest in Colombia. Other vital issues as well which support our anti-narcotics campaign include support of a peace process between the government and guerrillas, improved protection of human rights, increased trade, investment and economic development, and greater cooperation in multilateral institutions.

Strategic Goals and Supporting Programs for FY 2000:

Regional Stability: Stability in Colombia is crucial to overall U.S. interests in the region and has an important domestic impact upon the United States. Colombia distributes approximately 80% of the world's cocaine and without greater law enforcement capabilities and an end to the conflict with the guerrillas, Colombia will continue to be of major concern. International Military Education and Training (IMET) assistance focussed upon counternarcotics and human rights will help to maintain a stable political environment in Colombia. Colombia will be eligible in FY 2000 to receive Excess Defense Articles (EDA) on a grant basis under section 516 of the Foreign Assistance Act (FAA). EDA will stretch scarce defense and counter-narcotics resources to aid the war on drugs. $800

Open Markets: The U.S. will work to further open the Colombian Market for U.S. trade and direct investment and urge Colombia to achieve full compliance with and enforcement of international trade commitments and strengthened intellectual property rights (IPR) legislation.

Expand U.S. Exports: The U.S. will seek to increase the current percentage of the U.S. share of Colombia's import market. The Embassy will advocate on behalf of American business, encourage increased U.S. investment, and promote U.S. participation in privatizations and tenders.

Illegal Drugs: Through International Narcotics Control (INC) funding, the U.S. will continue to work with Colombian authorities to detect, deter, disrupt and dismantle trafficking enterprises. Our programs and active engagement will seek to decrease the level of cocaine exiting Colombia and work to strengthen Colombian counternarcotics laws . $40,000

Democracy: Economic Support Funds (ESF) and International Criminal Investigative Training Assistance Program (ICITAP) funds will seek to bolster Colombian democracy by: promoting civic values; dealing with the GOC on human rights; and, as events permit, facilitating peace contacts between the GOC and insurgent groups. IMET assistance will help to provide human rights training for the Colombian military. $4,100

Environment: The U.S. will work with Colombia to promote environmental protection and recovery, ensure the efficient operation of the joint Colombia-U.S. Americas Fund, and promote commercial relations and opportunities for U.S. environmental technology firms.

Performance Evaluation:

- Increase the hectares of coca eradicated. The GOC effectively eradicated 56,123 hectares of coca in 1998, a 92 percent increase over 1997.

- Increase in arrests and prosecutions of major drug traffickers. Five large scale traffickers were arrested in 1998 including the heads of one of the largest North Coast cartels and the cartel suspected of producing the largest amount of cocaine for distribution to other trafficking organizations. This is up from two such arrests in 1997.

- Continued adherence to democratic rule; and an end to cases of human rights abuses. Colombia held free and fair Congressional and Presidential elections in 1998. Security force's share of extrajudicial killings fell from 7.5% in 1997 to 2.2% in 1998.

Key Indicators for FY 2000 Performance:

- Hectares of coca and opium poppy eradicated.
- Number of interdictions and seizures of cocaine, heroin and precursor materials.
- Number of arrests, prosecutions and convictions for narcotics related offenses and of major drug traffickers.
- Number of cases of human rights abuses by GOC security forces and prosecution of human rights abuses by the Colombian government.
- Adherence to democratic rule
- Level of development of programs to strengthen the Peace Process.

COLOMBIA
FUNCTION 150 RESOURCES
($ in thousands)

Appropriations Accounts by Strategic Goal	Actual FY 1998	Estimate FY 1999	Request FY 2000
Regional Stability	**763**	**800**	**800**
IMET	763	800	800
Illegal Drugs	**57,000**	**189,200**	**40,000**
INC	57,000	189,200	40,000
Democracy	**100**	**100**	**4,100**
ESF	-	-	4,000
IMET	100	100	100
Environment	**20**	-	-
DA	20	-	-
Population	-	-	-
DA	-	-	-
Total	***57,883***	***190,100***	***44,900***

Appropriations Accounts	Actual FY 1998	Estimate FY 1999	Request FY 2000
DA	20	-	-
ESF	-	-	4,000
IMET	863	900	900
INC	57,000	189,200	40,000
Total	***57,883***	***190,100***	***44,900***
Other Accounts			
D&CP	5,995	6,140	6,408
ECE	950	1,010	1,030
Total	***6,945***	***7,150***	***7,438***
COLOMBIA FUNCTION 150 RESOURCES GRAND TOTAL	***64,828***	***197,250***	***52,338***

Costa Rica

($ in thousands)

National Interests: Trade and international law enforcement are the two areas in which U.S. national interests are most at stake in Costa Rica. Because Costa Rica is a strong democratic U.S. ally which exerts influence in international bodies in far greater proportion than its size would suggest, an economically vibrant Costa Rica that can defend itself against international crime will serve U.S. interests. Direct benefits to be gained include expanded U.S. exports, open markets, and enhanced counternarcotics activity. Indirect benefits would result from Costa Rica's strong international influence promoting sustainable development and sound environmental practices, human rights, and consolidation of democratic institutions.

Strategic Goals and Supporting Programs for FY 2000:

Regional Stability: Costa Rica plays a vital role in regional integration bodies and in international bodies. Continuing the Government of Costa Rica (GOCR)'s active participation in regional and international bodies will ensure that its peaceful and enlightened policies continue to effect the region. International Military Education and Training (IMET) training will further increase the professionalism of the Costa Rican security forces. Costa Rica will be eligible in FY 2000 to receive Excess Defense Articles (EDA) on a grant basis under section 516 of the Foreign Assistance Act (FAA). EDA will be used to promote inter-operability and modernization of equipment. [redacted]

Democracy: Recognizing that Costa Rica is a model of democracy and political stability in the region, IMET helps foster this image through support of institutinal development. [redacted]

Open Markets: The Free Trade Area of the Americas (FTAA) negotiations will highlight obstacles to open markets. Continued GOCR leadership in the FTAA process will serve to maintain the domestic political momentum to reduce such obstacles.

Expand U.S. Exports: Successful bilateral investment treaty (BIT) negotiations will work to expand U.S. exports, as will encouragement of U.S. business entries into former GOCR state-monopoly areas of the economy.

Economic Development: Costa Rica's emphasis on clean growth should provide openings for high-tech U.S. imports in new fields, including infrastructure, energy, and computer components production. Peace Corps (PC) funds will support these objectives.

International Crime: Negotiation of a stolen vehicle treaty and encouragement of international police cooperation will enhance the GOCR's ability to fight international crime.

Environment: Regional coordination of environmental issues through the U.S. regional environmental hub will draw on Costa Rica's leadership role to influence others to support U.S. positions. Peace Corps (PC) programs will promote sustainable development practices and seek to increase stability and prosperity.

Health: PC programs which seek to reduce dengue fever, to study cancer populations, and to eradicate screwworms assist in meeting our goal of reducing disease.

Performance Evaluation:

- Reduced drug smuggling, vehicle thefts, money laundering and smuggling of endangered species. Negotiations for a comprehensive maritime interdiction treaty were successful and negotiations for a bilateral stolen vehicle treaty are proceeding well. Legislation to impede money laundering awaits passage by the National Assembly.

- Increased seizures of cocaine and heroin transiting Costa Rica to the United States. Last year saw record seizures of cocaine and heroin in Costa Rica, most of which was bound for the U.S.

- Continued protection of the environment and endangered species. Passage of a comprehensive law protecting indigenous genetic material and commencement of two environmental projects under the U.S. Initiative for Joint Implementation.

Key Indicators for FY 2000 Performance:

- Complete or partial privatization of state-owned enterprises, including within the telecommunications and energy sectors, with U.S. private sector participation.
- Public support for maritime counterdrug agreement and appropriate positive response of the Legislative Assembly.
- Interdiction levels of illegal drugs.
- Continued Costa Rican leadership within the System of Central American Integration (SICA) and the System of Central American Economic Integration (SIECA).
- Completion of signed stolen vehicle treaty.

COSTA RICA
FUNCTION 150 RESOURCES
($ in thousands)

Appropriations Accounts by Strategic Goal	Actual FY 1998	Estimate FY 1999	Request FY 2000
Regional Stability	**171**	**130**	**130**
IMET	171	130	130
Democracy	**70**	**70**	**70**
IMET	70	70	70
Total	***241***	***200***	***200***

Appropriations Accounts	Actual FY 1998	Estimate FY 1999	Request FY 2000
IMET	241	200	200
Total	***241***	***200***	***200***
Other Accounts			
D&CP	3,132	3,218	3,359
ECE	903	965	991
Peace Corps	662	294	294
Total	***4,697***	***4,477***	***4,644***
COSTA RICA FUNCTION 150 RESOURCES GRAND TOTAL	***4,938***	***4,677***	***4,844***

Cuba

($ in thousands)

National Interests: The United States national interests in Cuba are: (1) fostering democracy and human rights; (2) protecting American citizens and controlling U.S. borders; and (3) preventing terrorist acts related to Cuba in furthering international anti-terrorism and anti-narcotics efforts.

Strategic Goals and Supporting Programs for FY 2000:

Regional Stability: A breakdown of order in a post-Castro Cuba could threaten the United States with massive, uncontrolled illegal immigration, leaving us with largely military options to control U.S. borders. The primary focus of the U.S. is to determine the views and to influence the thinking of Cuban officials to be more receptive to reform an inherently unstable system that is dependent on a single person, Fidel Castro.

Open Markets: The use of public diplomacy to increase information about U.S. policies and stimulating a desire for a democratic political system and a free market economy.

International Crime/Illegal Drugs: Cuban airspace and territorial seas are increasingly used by drug traffickers for shipping to the United States. The objective is to reduce this use of Cuban territory by cooperating on a case-by-case basis with Cuban authorities and coordinate with the U.S. Coast Guard on preventive measures.

Democracy: U.S. support for democracy efforts serves the U.S. interest in orderly migration and regional stability. Any indication that the Cuban regime is working toward or otherwise preparing for an orderly and peaceful transition to democracy would reduce substantially the pressures for illegal migration to the United States. U.S. democracy and human rights programs funded with Economic Support Funds (ESF) are intended to improve human rights conditions now and to develop civic society and other pluralistic institutions in the long run. $3,000

Key Indicators for FY 2000 Performance:

- Movement toward political openness and level of sensitivity to human rights.
- Level of pressure for improvements of human rights by individual governments. Level of attention to human rights conditions in Cuba and international fora.
- Level of implementation of economic liberalization programs.
- Safety of migration within the annual goal of 20,000 legal migrants and maintenance of the visa lottery program; Continuation of migration talks.
- Level of interdictions of drug traffickers by Cuban government in Cuban waters.
- Reciprocity from the Cuban Border Guard in sharing information with the Coast Guard and in responding to U.S. Coast Guard information.
- Number of independent Cuban non-governmental organizations.

CUBA
FUNCTION 150 RESOURCES
($ in thousands)

Appropriations Accounts by Strategic Goal	Actual FY 1998	Estimate FY 1999	Request FY 2000
Democracy	**2,000**	**3,000**	**3,000**
ESF	2,000	3,000	3,000
Total	***2,000***	***3,000***	***3,000***

Appropriations Accounts	Actual FY 1998	Estimate FY 1999	Request FY 2000
ESF	2,000	3,000	3,000
Total	***2,000***	***3,000***	***3,000***
Other Accounts			
D&CP	3,196	3,283	3,427
Total	***3,196***	***3,283***	***3,427***
CUBA FUNCTION 150 RESOURCES GRAND TOTAL	***5,196***	***6,283***	***6,427***

Dominican Republic

($ in thousands)

National Interests: The principal U.S. national interests in the Dominican Republic include protecting American citizens and borders and strengthening democratic institutions and the rule of law. Migration to the United States, legal and illegal, plays a central role in our relationship with that country. The U.S. is also concerned with interdicting narcotics smuggling, promoting economic prosperity and U.S. exports, and increasing U.S. investments and bilateral trade. The U.S. is working with the GODR to repair the severe damage caused by Hurricane Georges.

Strategic Goals and Supporting Programs for FY 2000:

Regional Stability: The DR plays a key role in promoting regional stability and working with the U.S. to stem the flow of narcotics, migrants and other criminal activities. Through the use of Foreign Military Financing (FMF) and International Military Education and Training (IMET) funds, the U.S. will work to further the professionalism of the Dominican military through training and active engagement and promote increased civic involvement. The Dominican Republic will be eligible in FY 2000 to receive Excess Defense Articles (EDA) on a grant basis under section 516 of the Foreign Assistance Act (FAA). EDA will be used to promote inter-operability and modernization of equipment. $449

Open Markets: The DR's participation in the Free Trade Area of the Americas (FTAA) negotiations provide us the chance to push for early opening in what has been a protected market. The U.S. seeks to eliminate tariff and non-tariff barriers, the implementation of General Agreement on Tariffs and Trade (GATT) and World Trade Organization (WTO) commitments and further privatization.

Expand U.S. Exports: With $8 billion in bilateral trade and a strong propensity to consume U.S. goods, the Dominican Republic is an important regional market. The U.S. will seek to increase the market share of U.S. exports in this growing economy.

Economic Development: The damage to infrastructure and agriculture caused by Hurricane Georges lowered estimates of GDP growth for 1998 by one-half percentage point. Development Assistance (DA) and Peace Corps (PC) funds will help restore productive capacity and help ensure that the DR returns to its impressive growth rates before Hurricane Georges. $600

International Crime: U.S. efforts will focus on strengthening DR law enforcement and judicial capabilities to combat drug smuggling, fraud, stolen property, organized crime and money laundering. The U.S. will also seek to regularize extradition procedures.

Illegal Drugs: Approximately 25 percent of drugs shipped to the U.S. from Colombia transit the DR. The U.S. seeks to disrupt the drug trade, lead to the conviction and incarceration of drug dealers, and end the violence associated with the drug trade. The U.S. will seek to modernize and further the professionalism of the military and enhance bilateral counternarcotics cooperation.

Democracy: Every U.S. objective depends on the democratic functioning of the DR. Development Assistance (DA), Economic Support Funds (ESF) and ICITAP funded programs will support strengthening the rule of law, enhancing civic education and participation, and improving civil society and electoral process programs. $8,592

Population: Hispaniola's population is predicted to increase by one-third by 2025. DA funds will continue to assist the GODR to prepare population projections for the next century and will support voluntary family planning services through governmental and non-governmental organizations. $2,800

Health: DA and PC assistance will fund HIV/AIDS prevention and mitigation to improve health in the Dominican Republic and reduce the risk of transmission in the United States. $2,599

Performance Evaluation:

- Increased participation by the Dominican Republic's military in regional disaster relief, counternarcotics efforts, peacekeeping, migrant operations and exercises. The GODR is taking a more direct interest in stopping illegal migration, including increased enforcement actions against smugglers. Illegal migration via Puerto Rico has declined and reported drug seizures and arrests have also increased.

- Increased Level of Free Market Reforms. The GODR has committed itself to open markets through regional and hemispheric integration.

Key Indicators for FY 2000 Performance:

- The regularization of extradition of criminals to the United States.
- Number of drug seizures.
- Enactment of strong patent law and earmarks funds to enforce the law.
- Professionalism of the military.
- Strengthening of democratic institutions including the judiciary.

DOMINICAN REPUBLIC
FUNCTION 150 RESOURCES
($ in thousands)

Appropriations Accounts by Strategic Goal	Actual FY 1998	Estimate FY 1999	Request FY 2000
Regional Stability	**491**	**435**	**449**
IMET	491	435	449
Economic Development	**600**	**10,141**	**600**
DA	600	300	600
Title II	-	9,841	-
Democracy	**6,747**	**6,763**	**8,592**
DA	4,142	3,358	3,985
ESF	2,500	3,300	4,500
IMET	105	105	107
Environment	**200**	**-**	**-**
DA	200	-	-
Population	**3,350**	**2,381**	**2,800**
DA	3,350	2,381	2,800
Health	**2,470**	**8,785**	**2,599**
DA	2,470	8,785	2,599
Total	***13,858***	***28,505***	***15,039***

Appropriations Accounts	Actual FY 1998	Estimate FY 1999	Request FY 2000
DA	10,762	14,824	9,984
ESF	2,500	3,300	4,500
IMET	596	540	555
Title II	-	9,841	-
Total	***13,858***	***28,505***	***15,039***
Other Accounts			
D&CP	4,264	4,377	5,574
ECE	486	499	506
IIP	981	965	-
Peace Corps	2,778	2,550	2,512
Total	***8,509***	***8,391***	***8,592***
DOMINICAN REPUBLIC FUNCTION 150 RESOURCES GRAND TOTAL	***22,367***	***36,896***	***23,631***

Eastern Caribbean

($ in thousands)

National Interests: U.S national interests in the Eastern Caribbean -- Antigua and Barbuda, Barbados, Dominica, Grenada, St. Kitts and Nevis, St. Lucia, and St. Vincent and the Grenadines – include combating narcotics trafficking, alien smuggling, and other transnational criminal activity directed against the United States. U.S. interests also include combating money laundering and fraud. Economic prosperity, with open markets and the promotion of U.S. exports and investment are also important U.S. objectives.

Strategic Goals and Supporting Programs for FY 2000:

Regional Stability: Continued Foreign Military Financing (FMF) and International Military Education and Training (IMET) funding, military training, and joint exercises with the Regional Security System (RSS) will make the RSS an effective partner in maintaining regional stability, and increase its capacity to respond to increased drug trafficking and international peacekeeping. All seven nations of the Eastern Caribbean will be eligible in FY 2000 to receive Excess Defense Articles (EDA) on a grant basis under section 516 of the Foreign Assistance Act (FAA). EDA will be used to promote inter-operability and modernization of equipment. $1,835

Open Markets: Successful conclusion of Free Trade Area of the Americas (FTAA) negotiations will contribute to the expansion of U.S. exports to the Eastern Caribbean. The U.S. will work to continue progress on FTAA projects that will help increase support from Eastern Caribbean Governments for opening their internal markets and completing FTAA negotiations by 2005.

Expand U.S. Exports: While the U.S. maintains a favorable balance of trade with the Eastern Caribbean, the U.S. will seek to increase its local market share through aggressive outreach to U.S. businesses and potential U.S. investors. The U.S. will encourage the passage and enforcement of Intellectual Property Rights legislation and follow-up Bilateral Investment Treaties.

Economic Development: Peace Corps (PC) funding will promote private sector-led economic development and diversification of regional economies and work to develop micro-enterprise lending capabilities of commercial banks and development foundations in the Eastern Caribbean. $1,417

International Crime: The U.S. will work with local authorities to combat drug trafficking, controlling crime, reinforcing the rule of law, and bolstering U.S. efforts to strengthen democracy and stability in the region. Key to improving host nation agencies' crime control capabilities is providing training and technical assistance to their law enforcement officers by U.S. law enforcement agencies

Illegal Drugs: INC funds will strengthen regional organizations and local capability to conduct effective counter-narcotic missions, combat money laundering, and implement effective demand reduction programs. $1,990

Democracy: The U.S. will work to preserve the Eastern Caribbean's democratic traditions to promote the region's ability to counter the influence of narcotics traffickers and other criminal elements. ESF projects will focus on strengthening judicial systems, strengthen civil society, and encouraging the growth of free and democratic labor unions with close ties to the U.S. labor movement. $7,000

Environment: Climate change mitigation will improve prospects for achieving other strategic goals (e.g., economic development) due to the importance of maintaining the current coast lines for the tourism sector, a major foreign exchange earner. The U.S. will urge the Eastern Caribbean nations to sign GLOBE agreements with the U.S. to promote environmental awareness through the public schools. PC assistance will work at the local level to promote environmental awareness and projects. $401

Health: PC programs will promote health and sanitary awareness in the countries. $401

Performance Evaluation:

- Increased RSS response capability. The U.S. has delivered two 82-foot patrol boats to countries in the region on behalf of the RSS and one of two C-26 aircraft to increase the region's ability to participate in maritime counter-drug exercises and operations, and facilitate the movement of RSS forces in the region.

- Seizure of illicit narcotics. The U.S. provided essential support to Operation Weedeater '98, which led to the eradication of over 1 million marijuana plants and the destruction of hundreds of curing huts in St. Vincent. The U.S. has provided critical information to assist in intercepting narcotics with local law enforcement.

- Enhanced security for the Eastern Caribbean against narcotraffickers. The U.S. transferred over $1 million in Illegal Drugs assistance to regional drug squads, Coast Guards, and security forces. This included the provision of training and equipment designed to enhance regional capabilities against drug traffickers. In addition, military assistance to the Coast Guard and Security Forces kept the forces in action by providing critical fuel and repairs to regional forces.

Key Indicators for FY 2000 Performance:

- Degree of regional political support for the RSS.
- Number of maritime searches/seizures.
- Host nations' concrete steps to implement money laundering laws and regulations.
- Level of U.S. exports to the region.
- Number of GLOBE agreements concluded with host governments.

EASTERN CARIBBEAN
FUNCTION 150 RESOURCES
($ in thousands)

Appropriations Accounts by Strategic Goal	Actual FY 1998	Estimate FY 1999	Request FY 2000
Regional Stability	**1,487**	**1,750**	**1,835**
FMF	1,045	1,300	1,300
IMET	442	450	535
Economic Development	**1,298**	**1,378**	**1,417**
PC	1,298	1,378	1,417
Illegal Drugs	**863**	**1,990**	**1,990**
INC	863	1,990	1,990
Democracy	**2,000**	**700**	**7,000**
ESF	2,000	700	7,000
Environment	**397**	**401**	**401**
PC	397	401	401
Health	**397**	**401**	**401**
PC	397	401	401
Total	***6,442***	***6,620***	***13,044***

Appropriations Accounts	Actual FY 1998	Estimate FY 1999	Request FY 2000
FMF	1,045	1,300	1,300
IMET	442	450	535
INC	863	1,990	1,990
ESF	2,000	700	7,000
Total	***4,350***	***4,440***	***10,825***
Other Accounts			
D&CP	3,210	3,299	3,443
Peace Corps	2,092	2,180	2,219
Total	***5,302***	***5,479***	***5,662***
Eastern Caribbean FUNCTION 150 Resources Grand Total	***9,652***	***9,919***	***16,487***

Ecuador

($ in thousands)

National Interests: U.S. national interests in Ecuador include the consolidation of peace with Peru, strengthening democratic institutions, interdicting and disrupting narcotics production and distribution, promoting respect for human rights, reducing poverty, promoting health and family-planning, and encouraging sound environmental policies and sustainable growth. US interests are served by the avoidance of another Peru-Ecuador border war, lessening of tensions, and increased regional stability that will result from successful implementation of the comprehensive Peru-Ecuador peace settlement. Implementation of the settlement will reduce the risk that Peru and Ecuador will engage in a destabilizing arms race, permit greater economic integration between the two countries, and allow Ecuador to concentrate on modernizing its economy. U.S. interests in Ecuador also include the cooperative efforts against narcotics trafficking, stabilization and reform of Ecuador's economy, improvement of governmental institutions, and protection of environmental assets.

Strategic Goals and Supporting Programs for FY 2000:

Regional Stability: A long-standing U.S. Government goal of assisting Ecuador and Peru to negotiate a peaceful settlement of their border dispute was achieved with the signing of a comprehensive peace settlement in Brasilia on October 26, 1998. By contributing Economic Support Funds (ESF) to help implement the border integration portion of the peace settlement, the United States will help to solidify regional stability by furthering economic development and integration between Peru and Ecuador and stimulating the regional economy. International Military Education and Training (IMET) programs aim to improve military professionalism and capabilities by providing military and civilian defense professionals training that reinforces the principle of civilian rule. Bilateral military and counternarcotics assistance will increasingly focus on Ecuador's northern border, where there is a risk of contagion from Colombia's guerrillas and narcotraffickers. Ecuador will be eligible in FY 2000 to receive Excess Defense Articles (EDA) on a grant basis under section 516 of the Foreign Assistance Act (FAA). EDA will be used to promote inter-operability and modernization of equipment.. $11,925

Open Markets: The U.S. will continue to encourage Ecuador to continue on its adoption of market-opening measures such as joining the World Trade Organization (WTO) and passing intellectual property legislation.

Expand U.S. Exports: Obscure regulations and corruption make Ecuador's commercial environment difficult for many U.S. firms. The U.S. provides advice and advocacy to U.S. firms in order to increase U.S. exports to Ecuador. The U.S. will seek to expand our share of Ecuador's imports which now stands at 31 percent.

Economic Development: Development Assistance (DA) and Peace Corps (PC) programs will encourage Ecuador to adopt sound macroeconomic policies that sustain economic growth and raise per capita income levels to ease the exceptionally wide disparity in wealth.

International Crime: GOE cooperation with U.S. law enforcement authorities is generally very good. U.S. efforts seek to bolster the professionalism and institutional capacity of the national police is aided through INC programs.

Illegal Drugs: The U.S., through active embassy engagement and our INC program, works actively with GOE authorities to combat narcotics-associated activities such as drug transit, shipment of precursor chemicals, and money laundering. A Joint Information Coordinating Center is being established in Guayaquil with Drug Enforcement Agency (DEA) support. The Embassy NAS supports a successful canine interdiction program in Ecuador. [redacted]

Democracy: DA, Economic Support Funds (ESF), ICITAP and IMET programs aim to consolidate and stabilize Ecuador's democratic institutions and institutionalize respect for human rights. The embassy will focus particularly on improving judicial integrity and good governance. [redacted]

Humanitarian Assistance: NADR assistance will help clear mines left from the border conflict with Peru. [redacted]

Environment: In promoting sustainable use and responsible stewardship of Ecuador's unique biodiversity, PC and DA programs are active throughout Ecuador, but especially with regard to promoting conservation in the Galapagos Islands. [redacted]

Population: DA programs will encourage increased use of voluntary and quality family planning services to stabilize population growth. [redacted]

Health: DA programs support maternal and child health services among rural and poor populations in Ecuador. PC programs will promote AIDS education. [redacted]

Performance Evaluation:

- A professional Ecuadorian military with an emphasis on defense resource management and greater civilian control over the military. The GOE military held to its non-political role despite high levels of public dissatisfaction with the government.

- Stronger institutions capable of interdicting illegal drugs and precursor chemicals, prosecuting traffickers, seizing drug assets and reducing money laundering. GOE authorities remained strongly motivated and effective, but drug traffickers may have increased their activities in Ecuador. Recent evidence indicates spreading coca cultivation in Ecuador near the northern border.

- Greater GOE commitment to long-term environmental sustainability. With strong USG support, legislation establishing a protected marine reserve around the Galapagos was passed and signed into law. Implementing regulations for the reserve remain pending.

Key Indicators for FY 2000 Performance:

- Successful implementation of the comprehensive border settlement signed in Brasilia October 26, 1998.
- Status and effectiveness of border area economic development projects.
- Completion of border demarcation with Peru.
- Level of tariff and non-tariff barriers to U.S. goods and services.
- Level of corruption and improvement in judicial process.
- Level of assertion of GOE control in northern border region and concomitant level of Colombian guerrilla and narcotrafficker influence.
- Status of implementation of Galapagos environmental protection.

ECUADOR
FUNCTION 150 RESOURCES
($ in thousands)

Appropriations Accounts by Strategic Goal	Actual FY 1998	Estimate FY 1999	Request FY 2000
Regional Stability	**1,459**	**1,625**	**11,925**
ESF	1,000	1,200	11,500
IMET	459	425	425
Economic Development	**1,000**	**750**	**-**
DA	1,000	750	-
Illegal Drugs	**500**	**1,200**	**1,200**
INC	500	1,200	1,200
Democracy	**2,575**	**2,275**	**3,026**
DA	1,500	1,000	1,451
ESF	1,000	1,200	1,500
IMET	75	75	75
Humanitarian Assistance	**-**	**500**	**1,000**
NADR-Demining	-	500	1,000
Environment	**2,600**	**4,323**	**3,300**
DA	2,600	4,323	3,300
Population	**2,700**	**5,505**	**6,800**
DA	2,700	5,505	6,800
Health	**1,000**	**1,950**	**550**
DA	1,000	1,950	550
Total	***11,834***	***18,128***	***27,801***

Appropriations Accounts	Actual FY 1998	Estimate FY 1999	Request FY 2000
DA	8,800	13,528	12,101
ESF	1,000	1,200	11,500
IMET	534	500	500
INC	500	1,200	1,200
NADR	-	500	1,000
Total	***10,834***	***16,928***	***26,301***
Other Accounts			
D&CP	1,947	1,982	2,039
ECE	1,206	1,285	1,323
Peace Corps	2,677	2,717	2,700
Total	***5,830***	***5,984***	***6,062***
ECUADOR			
FUNCTION 150 RESOURCES GRAND TOTAL	***16,664***	***22,912***	***32,363***

El Salvador

($ in thousands)

National Interests: The overriding U.S. interest in El Salvador is the consolidation democracy. The U.S. will continue to encourage the development of democratic institutions and sustainable economic growth. The benefits of this policy will be increased trade and deterrence of illegal immigration, environmental degradation, and international crime that will result in a stable regional partner with strong government institutions and a healthy civil society.

Strategic Goals and Supporting Programs for FY 2000:

Regional Stability: The U.S. is working with El Salvador to foster defense cooperation and to promote confidence and cooperation among Central America's militaries. As demonstrated by Hurricane Mitch, the region's militaries must be prepared to assist civilian authorities during times of humanitarian and natural disasters. El Salvador will be eligible in FY 2000 to receive Excess Defense Articles (EDA) on a grant basis under section 516 of the Foreign Assistance Act (FAA). EDA will be used to promote inter-operability and modernization of equipment. $200

Open Markets: The U.S. will encourage privatization, investor protection, and appropriate financial system oversight to aid U.S. business. The U.S. will seek active Salvadoran support for completing Free Trade Area of the Americas (FTAA) negotiations by 2005.

Expand U.S. Exports: Through export promotion activities and working to eliminate trade barriers, the U.S. will seek to increase its share of Salvadoran imports from 50 to 55 percent by the end of FY 2000, an increase of $185 million.

Economic Development: Development Assistance (DA) and Peace Corps (PC) programs will seek to achieve sustainable economic development and raise incomes, especially among the rural poor. The U.S. is working closely with El Salvador in its post-Hurricane Mitch reconstruction activities and economic reactivation. $12,000

International Crime: INC and ICITAP programs will focus on improving the National Civilian Police's capabilities and professionalism.

Illegal Drugs: INC programs will provide police training and technical support to combat narcotics trafficking and money laundering.

Democracy: DA, ESF, and ICITAP programs will seek to improve municipal government, bolster the capabilities of the Legislative Assembly and Executive Branch, broaden political participation, and promote judicial reform. International Military

Education and Training (IMET) funds will contribute to improving civil-military relations. $11,600

Environment: DA funds at the local level will improve access to potable water. The Peace Corps works on water and sanitation projects. $6,000

Population: DA funds will assist families in having fewer unplanned pregnancies as well as reducing reproductive health problems through improved medical care. $4,000

Health: Infant and birth mortality rates remain high. DA and PC programs will promote preventative health services. $7,145

Performance Evaluation:

- Increased access to enhanced legal and judicial protection. Broad reforms of the criminal justice system went into effect and U.S. training programs continued to address implementation.

- Increased environmental protection. Establishment of an environmental ministry was a clear indication of success in moving environmental issues to the fore.

- Increased illegal narcotics seizures and prosecutions of traffickers. With technical assistance from the U.S., the legislature drafted and reached consensus on modern money laundering legislation.

Key Indicators for FY 2000 Performance:

- Level of U.S. exports.
- Health of privatized state enterprises and financial institutions.
- Proportion of the rural population with access to primary health care, potable water, education, and credit.
- Creation of a financial investigation unit to implement money laundering legislation.

EL SALVADOR
FUNCTION 150 RESOURCES
($ in thousands)

Appropriations Accounts by Strategic Goal	Actual FY 1998	Estimate FY 1999	Request FY 2000
Regional Stability	**309**	**300**	**200**
IMET	309	300	200
Economic Development	**14,275**	**14,449**	**12,000**
DA	12,652	12,190	12,000
Title II	1,623	2,259	-
Democracy	**6,003**	**7,415**	**11,600**
DA	4,800	4,215	4,800
ESF	1,000	3,000	6,500
IMET	203	200	300
Environment	**6,070**	**4,645**	**6,000**
DA	6,070	4,645	6,000
Population	**3,600**	**2,300**	**4,000**
DA	3,600	2,300	4,000
Health	**6,911**	**8,316**	**7,145**
DA	6,911	8,316	7,145
Total	***37,168***	***37,425***	***40,945***

Appropriations Accounts	Actual FY 1998	Estimate FY 1999	Request FY 2000
DA	34,033	31,666	33,945
ESF	1,000	3,000	6,500
IMET	512	500	500
Title II	1,623	2,259	-
Total	***37,168***	***37,425***	***40,945***
Other Accounts			
D&CP	5,083	5,222	5,450
ECE	797	855	855
Peace Corps	1,478	1,566	1,619
Total	***7,358***	***7,643***	***7,924***
EL SALVADOR FUNCTION 150 RESOURCES GRAND TOTAL	***44,526***	***45,068***	***48,869***

Guatemala

($ in thousands)

National Interests: The primary U.S. interest in Guatemala is strengthening democracy and consolidating the Guatemalan peace accords, which ended the region's oldest civil conflict. The Arzu government is making steady progress in the area of human rights, professionalism of the military, and combating corruption and impunity. U.S. assistance will encourage continued socio-economic progress and the development of democratic institutions. The U.S. will benefit from increased trade and investment, law enforcement cooperation and regional stability as well as a decrease in illegal immigration. Fostering human rights, protecting U.S. citizens and responding to humanitarian needs will also contribute to U.S. national security.

Strategic Goals and Supporting Programs for FY 2000:

Regional Stability: With 36% of Central America's population and a similar percentage of regional economic production, a peaceful Guatemala greatly enhances regional stability and economic prosperity. Economic Support Funds (ESF) will serve as the primary mechanism to support the peace process. Guatemala will be eligible in FY 2000 to receive Excess Defense Articles (EDA) on a grant basis under section 516 of the Foreign Assistance Act (FAA). EDA will be used to promote inter-operability and modernization of equipment.

$17,410

Economic Development: Economic growth and improved income distribution will build support for democracy, expand markets for US goods and services and reduce pressure for illegal immigration. More effective government will help assure the safety of agricultural exports to the U.S. Development Assistance (DA), PL-480 and Peace Corps (PC) funds will be used to further modernize the financial sector and improve the investment climate.

$22,089

International Crime: Narcotics and people trafficking hurts U.S. interests. The violent crime wave affects U.S. tourists and residents and increases pressure to immigrate to the U.S INC funds will assist the local authorities in this regard.

Illegal Drugs Guatemala is a major transit country for cocaine. Diversion of precursor chemicals is also a problem. INC funds will increase the effectiveness of counternarcotics efforts.

$3,000

Democracy: Emerging from a 36-year civil war in 1996, a democratic Guatemala will help promote stability and economic growth, assure respect for human rights and stem the tide of illegal immigration. DA, ESF and ICITAP funds contribute to strengthening democracy. Expanded International Military Education and Training (E-IMET) will be used to promote respect for rule of law in the military and further increase its professionalism.

$13,425

Environment: While continuing to promote action on environmental issues, DA, ESF and PC will encourage conservation and better natural resource management. $4,490

Population: DA will support access to pre- and post-natal care, voluntary family planning, prevention of sexually transmitted diseases, and economic opportunities for women. $6,000

Health: Infant and maternal mortality rates remain high, particularly among the indigenous population. DA and PC will improve maternal and neo-natal health, particularly in rural and indigenous areas. $4,775

Performance Evaluation:

Implementation of Peace Accords. Guatemala has downsized its military and dissolved civil action patrols. Human rights violations have declined. Congress has passed constitutional reforms, which will be subject to a referendum in 1999. Tax rates have increased though not as much as international financial observers have hoped.

Conclusion of an IMF agreement. The IMF and Government of Guatemala are still discussing an agreement.

Adoption of measures to strengthen the judicial system, leading to an increase in effective prosecution. Creation of judicial centers in rural areas improved judicial access for the indigenous population. Prosecutions of human rights abuses are increasing. The first-ever conviction of perpetrators of a wartime massacre of civilians occurred in November.

Progress on police reforms. The new National Civil Police are less corrupt and more respectful of human rights than the former institution it replaced. Approximately 8,000 new police have been trained since 1997.

Continued cooperation on anti-narcotics programs. The new special narcotics police has cooperated extensively with USG Illegal Drugs agencies, resulting in some large seizures and successful eradication operations.

Key Indicators for FY 2000 Performance:

- Approval by referendum of constitutional reforms in support of the Peace Accords.
- Level of revenue spent on social programs as delineated in Peace Accords.
- Conclusion of agreement with IMF.
- Number of National Civilian Police.
- Prosecution of criminal and human rights cases.
- Level of cooperation on anti-narcotics programs and prosecution of narcotics cases.
- Effectiveness in conserving environmentally sensitive areas.

GUATEMALA
FUNCTION 150 RESOURCES
($ in thousands)

Appropriations Accounts by Strategic Goal	Actual FY 1998	Estimate FY 1999	Request FY 2000
Regional Stability	**19,630**	**17,410**	**17,410**
ESF	19,630	17,410	17,410
Economic Development	**17,096**	**34,128**	**22,089**
DA	4,615	4,700	5,885
Title II	12,481	29,428	17,204
Illegal Drugs	**2,000**	**3,500**	**3,000**
INC	2,000	3,500	3,000
Democracy	**7,325**	**13,225**	**13,425**
DA	2,000	2,800	3,000
ESF	5,100	10,200	10,200
IMET	225	225	225
Environment	**4,905**	**5,990**	**4,490**
DA	4,635	5,500	4,000
ESF	270	490	490
Population	**6,500**	**5,400**	**6,000**
DA	6,500	5,400	6,000
Health	**5,588**	**8,485**	**4,775**
DA	5,588	8,485	4,775
Total	***63,044***	***88,138***	***72,189***

Appropriations Accounts	Actual FY 1998	Estimate FY 1999	Request FY 2000
DA	23,338	26,885	23,660
ESF	25,000	28,100	28,100
IMET	225	225	225
INC	2,000	3,500	3,000
Title II	12,481	29,428	17,204
Total	***63,044***	***88,138***	***72,189***
Other Accounts			
D&CP	1,830	1,880	1,962
ECE	751	798	825
Peace Corps	3,104	3,453	3,595
Total	***5,685***	***6,131***	***6,382***
GUATEMALA FUNCTION 150 RESOURCES GRAND TOTAL	***68,729***	***94,269***	***78,571***

Guyana

($ in thousands)

National Interests: U.S. national interests are served by internal stability in Guyana and to this end, the U.S. supports Caribbean Community (CARICOM) efforts to encourage the country's leaders to resolve the political impasse that followed the December 1997 elections and to strengthen democratic institutions. U.S. national interest in developing markets for exports and encouraging U.S. investment in Guyana's natural resources, is reflected in support for Guyana's transition to an open, free market economy. As Guyana is a transit country for narcotics, the U.S. will assist the GOG in strengthening its counternarcotics program.

Strategic Goals and Supporting Programs for FY 2000:

Regional Stability: The U.S. continues to bolster democratic institutions in Guyana that were threatened by the political and racial unrest following the December 1997 elections. This will lead to greater regional stability. Foreign Military Financing (FMF) and International Military Education and Training (IMET) assistance supports efforts to further the professionalism of the military to further strengthen regional stability. Guyana will be eligible in FY 2000 to receive Excess Defense Articles (EDA) on a grant basis under section 516 of the Foreign Assistance Act (FAA). EDA will be used to promote inter-operability and modernization of equipment. $140

Expand U.S. Exports: Department of Commerce programs, a part of ongoing country team efforts, promote U.S. business interests in Guyana to further economic prosperity and stability.

Economic Development: Support GOG transition from a state-controlled economy to an open, free market economy, leading to increased investment opportunities for U.S. businesses and markets for U.S. exports. Through Development Assistance (DA) and Peace Corps (PC) programs, the U.S. will continue to encourage GOG support for sound macro-economic policies that will increase trade, investment and tourism. $1,700

International Crime: U.S. efforts seek to strengthen GOG counternarcotics legislation and Guyanese law-enforcement agencies' capacity to identify and interdict regional narcotraffickers.

Counter Narcotics: INC funds will be used to further our efforts to disrupt the drug trade, interdict drug shipments and further the professionalism of the Guyanese defense forces.

Democracy: DA funds are used for constitutional reform, strengthening and making more responsive local government and parliament, improving the efficiency and effectiveness of the judiciary, and developing of a vibrant civil society. $1,535

Environment: PC funds will be used to promote sustainable development and sound environmental policies.

Health: PC programs will promote health awareness in rural areas.

Performance Evaluation:

- Continued free market reform. The GOG's support for free market reform has been mixed. Although the GOG is not ideologically comfortable with IFI-mandated reforms, it recognizes that it is necessary to continue to benefit from Paris Club and HIPC debt relief. The GOG announced the privatization of several industries and passed financial legislation at the end of 1998.

- Strengthened democratic institutions. Initiated in July 1998, Guyana's constitutional reform efforts have been very slow and open to criticism.

- Improvement of GDF's understanding of its role in relation to a civilian government. The Guyana Defense Force (GDF) performed professionally during their handling of election-related disturbances in January and June 1998. However, below the top echelon, the level of professionalism in the GDF is not high. Despite the best efforts of the military leadership, the GDF is poorly trained and inadequately funded, which limits its inter-operability with CARICOM and the U.S. The GDF has agreed to host Tradewinds 1999.

Key Indicators for FY 2000 Performance:

- Continued participation in HIPC program.
- Passage and implementation of money laundering legislation.
- Newly drafted constitution, reflecting strengthened democratic institutions.
- Free and fair 1999 local/municipal elections.
- Conclusion of Bilateral Investment Treaty with the U.S.

GUYANA
FUNCTION 150 RESOURCES
($ in thousands)

Appropriations Accounts by Strategic Goal	Actual FY 1998	Estimate FY 1999	Request FY 2000
Regional Stability	**240**	**140**	**140**
FMF	100	100	100
IMET	140	140	140
Economic Development	**1,400**	**1,140**	**1,700**
DA	1,400	1,140	1,700
Democracy	**1,826**	**1,075**	**1,535**
DA	1,785	1,040	1,500
IMET	41	35	35
Total	***3,466***	***2,455***	***3,475***

Appropriations Accounts	Actual FY 1998	Estimate FY 1999	Request FY 2000
DA	3,185	2,180	3,200
FMF	100	100	100
IMET	181	175	175
Total	***3,466***	***2,455***	***3,475***
Other Accounts			
D&CP	773	795	829
ECE	36	38	39
Peace Corps	831	842	851
Total	***1,640***	***1,675***	***1,719***
GUYANA FUNCTION 150 RESOURCES GRAND TOTAL	***5,106***	***4,130***	***5,194***

Haiti

($ in thousands)

National Interests: The United States has clear, long-standing interests in Haitian democracy, stability and economic growth that warranted U.S. intervention in 1994 and require our continued engagement. Haiti is the poorest country in the hemisphere, and its democratic institutions remain fragile. The primary U.S. interests include strengthening democracy, diminishing the potential for uncontrolled illegal immigration, reducing the illegal narcotics flow, deepening economic reform, enhancing stability by developing the Haitian National Police, improving nutrition and health standards, reducing population growth, and stemming environmental degradation.

Strategic Goals and Supporting Programs for FY 2000:

Regional Stability: To ensure stability after departure of the UN Civilian Police Mission in Haiti (MIPONUH), it will be essential to work with the international community to put in place a structure to continue progress in developing a professional and competent Haitian National Police (HNP) force. Peacekeeping funds (PKO) will continue for the UN-OAS Civilian Mission in Haiti (MICIVIH) to strengthen Haitian institutions through monitoring human rights and promoting constitutional government. Foreign Military Financing (FMF) will assist in training the Haitian Coast Guard and in refurbishing patrol craft and facilities. Haiti will be eligible in FY 2000 to receive Excess Defense Articles (EDA) on a grant basis under section 516 of the Foreign Assistance Act (FAA). EDA will be used to promote inter-operability and modernization of equipment.. $13,525

Open Markets: The U.S. will assist U.S. firms investing in or exporting to Haiti and seek agreement on a Bilateral Investment Treaty.

Economic Development: The U.S. will continue to press for progress on privatizing state-owned industries. Economic Support Funds (ESF) will promote economic growth through programs to improve access to microenterprise credit, enhance agricultural productivity, strengthen High Potential Economic Zones, and improve fiscal and monetary management. Peace Corps will promote microenterprise development and improved agricultural practices. $37,192

Illegal Drugs: Haiti is an important transshipment country for illegal narcotics bound for the U.S. The U.S. Coast Guard will continue training the nascent Haitian Coast Guard (HCG). Regional INC funding will seek to improve and increase interdictions, investigations, and prosecutions.

Democracy: The U.S. will press for full restoration of the legislative branch and help strengthen democratic institutions and promote human rights and public understanding of democratic values. The Economic Support Funds (ESF), International Military

Education and Training Program (IMET) and ESF will continue efforts to strengthen Haiti's law enforcement and judicial systems. $16,815

Environment: ESF and Peace Corps (PC) will support projects to improve soil conservation, decrease reliance on wood as an energy source, and increase awareness of environmental issues. $2,230

Population: ESF will support access to pre- and post-natal care, voluntary family planning, prevention of sexually transmitted diseases, and economic opportunities for women. $7,000

Health: ESF and PL-480 will support programs to improve child survival and nutrition and assist public and private health providers and organizations. PC will continue training at a local level. $33,270

Performance Evaluation:

- Establishment of a Counternarcotics Unit and improved ability of Coast Guard. The HNP fully established a fully vetted and polygraphed Counternarcotics Unit, which progressively increased seizures of illegal narcotics. The Haitian Coast Guard fully cooperated with the U.S. Coast Guard and expanded capabilities with the arrival of its first 40-foot control boat.

- Completed Training of HNP Recruits. ICITAP, together with international advisors and mentors, completed training of 6,500 recruits to the newly-formed HNP. Training continues as the force continues to grow and improve its capabilities.

Key Indicators for FY 2000 Performance:

- Elections leading to restoration of the Haitian Parliament.
- Implementation of a new structure to replace MIPONUH.
- Availability of primary and reproductive health services.
- Malnutrition levels.
- Maintenance of security and stability and the protection of human rights.
- HNP Special Investigative Unit progress towards resolution of politically-motivated crimes.
- Level of drug seizures by the Haitian National Police.

HAITI
FUNCTION 150 RESOURCES
($ in thousands)

Appropriations Accounts by Strategic Goal	Actual FY 1998	Estimate FY 1999	Request FY 2000
Regional Stability	**14,975**	**6,525**	**13,525**
CIPA	-	-	7,000
FMF	650	300	300
IMET	215	225	225
PKO	14,110	6,000	6,000
Economic Development	**29,311**	**35,714**	**37,192**
ESF	24,303	28,035	28,660
Title II	5,008	7,679	8,532
Democracy	**23,275**	**16,760**	**16,815**
ESF	23,200	16,685	16,740
IMET	75	75	75
Environment	**8,250**	**7,085**	**2,230**
ESF	5,250	4,085	2,230
Title III	3,000	3,000	-
Population	**5,975**	**6,760**	**7,000**
ESF	5,975	6,760	7,000
Health	**36,172**	**39,335**	**33,270**
ESF	11,272	14,435	15,370
Title II	17,900	17,900	17,900
Title III	7,000	7,000	-
Total	***117,958***	***112,179***	***110,032***

Appropriations Accounts	Actual FY 1998	Estimate FY 1999	Request FY 2000
CIPA	-	-	7,000
FMF	650	300	300
ESF	70,000	70,000	70,000
IMET	290	300	300
PKO	14,110	6,000	6,000
Title II	22,908	25,579	26,432
Title III	10,000	10,000	-
Total	***117,958***	***112,179***	***110,032***
Other Accounts			
D&CP	3,264	3,357	3,503
ECE	496	548	555
Peace Corps	1,118	1,236	1,380
Total	***4,878***	***5,141***	***5,438***
HAITI FUNCTION 150 RESOURCES GRAND TOTAL	***122,836***	***117,320***	***115,470***

Honduras

($ in thousands)

National Interests: In October 1998, Hurricane Mitch dealt a crushing blow to Honduras. The storm's damage to the country's infrastructure and crops was so severe that many feared that the government of President Carlos Flores Facusse would not be able to cope with the resulting demand for basic services and commodities. Only a massive infusion of U.S. and international relief prevented widespread starvation and disease in the wake of the hurricane. Now, our primary goal is to assist in the reconstruction of the Honduran infrastructure and economy to ensure that the government can continue with the economic and democratic progress it was making before the hurricane. Within this context, specific objectives include reducing poverty, improving access to health care, judicial reform, strengthening law enforcement and Illegal Drugs capabilities, improving access to education, promoting democratic and accountable governance and protecting human rights.

Strategic Goals and Supporting Programs for FY 2000:

Regional Stability: The U.S. will continue to support Central American integration including cooperation between Cabinet members and the military to meet transnational challenges. Honduras will be eligible in FY 2000 to receive Excess Defense Articles (EDA) on a grant basis under section 516 of the Foreign Assistance Act (FAA). EDA will be used to promote inter-operability and modernization of equipment. $400

Open Markets: Secure an open, transparent market economy less dependent, after the surge of post-Hurricane Mitch relief and reconstruction, on foreign aid and able to generate private sector-led, sustainable and broad-based economic growth.

Expand U.S. Exports: Promote the sale of U.S. products and services to Honduras. Secure contracts, licensing agreements and concessions and strengthen the protection of intellectual property rights. Secure U.S. ratification of the Bilateral Investment Treaty.

Economic Development: Development Assistance (DA) and Peace Corps (PC) programs will seek to stimulate broad-based economic growth and provide support for the poorest Hondurans. The U.S. will seek to expand access and ensure equitable access to productive resources and markets. $6,450

International Crime: Foster mutual legal assistance and cooperation, develop an effective national civilian police force that respects human rights and civil liberties, curbs the flow of stolen vehicles and prevents Honduras from becoming a center for money laundering.

Illegal Drugs: Through INC programs, the U.S. will foster an effective Illegal Drugs program in Honduras and improve cooperation and mutual support between U.S. and Honduran Illegal Drugs activities.

Democracy: DA and ICITAP resources will contribute to building a more responsive democratic process and greater citizen participation by avoiding corruption in hurricane related assistance programs, strengthening the rule of law and empowering municipal governments. International Military Education and Training (IMET) assistance will provide training to support the military's role in a democratic society. $4,250

Humanitarian Assistance: The U.S. will work with Honduras to develop effective disaster and humanitarian response capabilities.

Environment: DA and PC programs will increase sustainable management of selected natural resources and work to repair the hurricane devastated countryside. $2,000

Population: DA programs will increase information and support for family planning. $4,318

Health: DA, PL-480 and PC programs will improve sustainable family health by use of child survival health reform, increased use of STI/AIDS prevention and improved household food security. $17,445

Performance Evaluation:

- Improved Defense Resource Management. Preliminary approval of a law amending the Constitution to allow for a civilian Minister of Defense to replace the military Commander in Chief.

- Free Market Reforms. The Congress approved the privatization of the state-owned telephone company and passed mining, tourism and concession laws to allow private companies to build and manage public infrastructure projects.

- Improved military responsiveness to civilian authority. Transition from military to civilian police force completed and a civilian Ministry of Security created.

Key Indicators for FY 2000 Performance:

- Signature of a maritime counterdrug agreement to increase capabilities to interdict trafficking through Honduran waters.
- Level of development of new trial and penal codes.
- Level of compliance with TRIPs and status of an Intellectual Property Rights agreement.
- Level of military cooperation and status of agreement for the continued use of Soto Cano Air Base, if appropriate.
- Status of agreement on stolen car treaty.

HONDURAS
FUNCTION 150 RESOURCES
($ in thousands)

Appropriations Accounts by Strategic Goal	Actual FY 1998	Estimate FY 1999	Request FY 2000
Regional Stability	**400**	**400**	**400**
IMET	400	400	400
Economic Development	**4,185**	**8,409**	**6,450**
DA	4,185	8,409	6,450
Democracy	**2,350**	**5,200**	**4,250**
DA	2,250	4,600	3,650
ESF	-	500	500
IMET	100	100	100
Environment	**4,250**	**2,600**	**2,000**
DA	4,250	2,600	2,000
Population	**1,800**	**4,436**	**4,318**
DA	1,800	4,436	4,318
Health	**10,231**	**30,558**	**17,445**
DA	5,117	20,340	4,750
Title II	5,114	10,218	12,695
Total	***23,216***	***51,603***	***34,863***

Appropriations Accounts	Actual FY 1998	Estimate FY 1999	Request FY 2000
DA	17,602	40,385	21,168
ESF	-	500	500
IMET	500	500	500
Title II	5,114	10,218	12,695
Total	***23,216***	***51,603***	***34,863***
Other Accounts			
D&CP	4,167	4,268	4,454
ECE	293	314	319
Peace Corps	3,055	3,329	3,442
Total	***7,515***	***7,911***	***8,215***
HONDURAS FUNCTION 150 RESOURCES GRAND TOTAL	***30,731***	***59,514***	***43,078***

Jamaica

($ in thousands)

National Interests: U.S. interests in Jamaica include stemming the flow of illegal narcotics, preventing the cultivation and export of Jamaican-grown marijuana to the U.S., safeguarding the interests of U.S. investors and the safety of U.S. visitors to the island, and assisting Jamaica to continue its traditional leadership role among Caribbean countries. U.S. programs support Jamaica's democratic institutions and seek to bolster the effectiveness of its defense forces and judicial organs.

Strategic Goals and Supporting Programs for FY 2000:

Regional Stability: Through International Military Education and Training (IMET) and Foreign Military Financing (FMF), the U.S. will continue to support Jamaica's ability to respond, on a multinational basis, to regional challenges. Among these challenges are maintaining the capability of the Jamaican Defense Forces and reducing illegal migration. Jamaica will be eligible in FY 2000 to receive Excess Defense Articles (EDA) on a grant basis under section 516 of the Foreign Assistance Act (FAA). EDA will be used to promote inter-operability and modernization of equipment. $925

Expand U.S. Exports: The U.S. has a substantial surplus in bilateral trade with Jamaica, with over half of non-fuel imports come from the United States. The U.S. will continue to expand the U.S. market share and encourage the Government of Jamaica to enact needed intellectual property rights.

Economic Development: Development Assistance (DA) and Peace Corps (PC) programs will contribute to promoting stable Jamaican economic policies that will promote equitable economic growth and result in positive effects on illegal migrant flows, drug trafficking, and crime. $4,000

Illegal Drugs: INC funding will assist the Government of Jamaica to eradicate marijuana, obtain legislation in areas such as money laundering, corruption, and precursor chemicals; and speed extraditions and improve court efficiency. $800

Democracy: Building on the success of election monitoring in the December 1997 general elections in holding down violence, the U.S. will target "garrison communities" for civic education and job creation through Economic Support Funds (ESF). Jamaican organizations working for the rule of law and integrity in government will also be supported. $1,550

Humanitarian Assistance: On average, Jamaica suffers from one hurricane per year and one earthquake every ten years. The U.S. strategy is to strengthen the capacity of Jamaican governmental and non-governmental organizations in disaster mitigation.

Environment: The U.S. works, through the Embassy and DA and PC programs, with the Jamaican government and non-governmental organizations to create protected areas, improve water quality, and monitor coral reefs and endangered species. These efforts are important for both environmental reasons and because they impact on the future of the important tourism industry. $2,985

Population: A quarter of all teenaged girls in Jamaica leave school because of pregnancy, and one quarter of all children are born to teenagers. DA programs support family planning services. $1,950

Health: HIV/AIDS and STD's are significant infectious diseases in Jamaica and must be addressed. The U.S. works to strengthen the Jamaican Epidemiology Unit and train public health workers with DA and PC funds. $1,825

Performance Evaluation:

- Increased seizures of illegal narcotics. Seizures of cocaine in Jamaica increased from 415 kilos in 1997 to 1,144 kilos in 1998 and 692 hectares of marijuana were eradicated in 1998, versus 743 in 1997.

- Increased arrests and successful prosecutions of traffickers. Drug-related arrests in Jamaica rose from 3,334 in 1997 to 7,352 in 1998. While these tend to be small time operators, Jamaica is working harder to target kingpins.

- Reduced drug abuse and increased intolerance of drug trafficking. While the amounts of drugs flowing through Jamaica from Latin America is believed to have increased in 1998, there were positive signs such as successful implementation of the maritime agreement with the U.S., amended money-laundering legislation, and training of bank employees to detect suspicious transactions.

Key Indicators for FY 2000 Performance:

- Level of Jamaican activities against money-laundering.
- Passage of legislation on anti-corruption and drug precursor chemicals.
- Level of cooperation with Jamaica on fraudulent travel documents and alien smuggling.
- Jamaican legislation treatment of intellectual property rights.
- Enforcement capabilities of Jamaican Defense Force.

JAMAICA
FUNCTION 150 RESOURCES
($ in thousands)

Appropriations Accounts by Strategic Goal	Actual FY 1998	Estimate FY 1999	Request FY 2000
Regional Stability	**904**	**925**	**925**
FMF	450	475	475
IMET	454	450	450
Economic Development	**3,070**	**2,976**	**4,000**
DA	3,070	2,976	4,000
Illegal Drugs	**600**	**800**	**800**
INC	600	800	800
Democracy	**50**	**50**	**1,550**
DA	-	-	-
ESF	-	-	1,500
IMET	50	50	50
Environment	**3,165**	**3,063**	**2,985**
DA	3,165	3,063	2,985
Population	**2,825**	**1,107**	**1,950**
DA	2,825	1,107	1,950
Health	**1,980**	**2,400**	**1,825**
DA	1,980	2,400	1,825
Total	***12,594***	***11,321***	***14,035***

Appropriations Accounts	Actual FY 1998	Estimate FY 1999	Request FY 2000
DA	11,040	9,546	10,760
ESF	-	-	1,500
FMF	450	475	475
IMET	504	500	500
INC	600	800	800
Total	***12,594***	***11,321***	***14,035***
Other Accounts			
D&CP	4,107	4,220	4,404
ECE	536	570	590
Peace Corps	2,016	2,064	2,279
Total	***6,659***	***6,854***	***7,273***
JAMAICA FUNCTION 150 RESOURCES GRAND TOTAL	***19,253***	***18,175***	***21,308***

Mexico

($ in thousands)

National Interests: The U.S. has a huge stake in a politically stable and economically sound Mexico, with the extraordinarily broad and deep U.S.-Mexico relationship directly and immediately affecting U.S. national security interests. We share with Mexico a 2,000-mile land border and vital interests in: economic prosperity (trade and international financial stability); law enforcement (combating international crime and narcotics trafficking); managing migration and border issues; supporting the continuing democratic transition in Mexico; and expanding cooperation on global issues, especially protection of the environment.

Strategic Goals and Supporting Programs for FY 2000:

Regional Stability: Expanded International Military Education and Training (E-IMET) will support the continued emergence of a professional Mexican military, subordinate to civilian authority and respectful of human rights, that cooperates with the U.S. on issues of common interest. Mexico will be eligible in FY 2000 to receive Excess Defense Articles (EDA) on a grant basis under section 516 of the Foreign Assistance Act (FAA). EDA provided through grant and sale will allow enhancement of Mexico's counter-narcotics law enforcement programs while permitting interoperability with the U.S. counter-narcotics programs. $850

Open Markets: The U.S. will encourage continuation of Mexico's policy and programs of opening markets domestically and internationally for trade and investment.

Expand U.S. Exports: The U.S. will seek to increase exports to Mexico of U.S. goods and services. Mexico's is our second largest recipient of good and services with the U.S. exporting $71.3 billion in 1997.

International Crime: INC funds will be used to control or reduce transnational organized criminal activities conducted in or managed from Mexico, and promote bilateral law enforcement cooperation against criminal activities across the common border with consequences in the U.S.

Illegal Drugs: INC funds will seek to reduce and ultimately eliminate entry into the U.S. from Mexico of drugs intended for illicit sale or use, and precursors for fabrication of such drugs. $10,000

Democracy: Development Assistance (DA) and Economic Support Funds (ESF) programs will support continued consolidation of democratic institutions and practices in Mexico and further institutionalization of respect for human rights. $2,875

Environment: DA funds will promote overall environmental cooperation, and cooperation in the specific areas of climate change, biodiversity, biosafety, toxic chemicals, oceans, and scientific cooperation. $6,000

Health: Mexico is a "key country" for infectious diseases and other health concerns. DA will work to limit the spread of infectious diseases and increase cooperation between Mexican and U.S. scientists. $1,700

Performance Evaluation:

- Continued implementation and success of NAFTA. Two-way trade continued to expand; Mexico appeared on track to displace Japan as the number two U.S. trading partner in the world.

- Continued democratic political reform. Elections held in seven states were generally judged to be free, fair and transparent; opposition parties won governorships in two of these elections. The first Mexican Congress with a house not dominated by the PRI began work in September 1997; despite political posturing and conflicts, it managed the essential business of the nation.

- Mexican seizures and eradication of illicit narcotics. Drug seizures by the GOM decreased in the first nine months of 1998 compared to the same period in 1997: cocaine (-37 per cent); opium gum (-46 per cent); heroin (-1 per cent); and marijuana (-15 per cent). For the same period, hectares of marijuana eradicated increased (+3 per cent), but opium poppy hectares destroyed fell (-8 per cent).

- Continued high-level bilateral defense meetings and military-to-military contacts. No meeting of the Bilateral Working Group for Military Affairs (BWG) took place in FY 1998, although there was a bilateral meeting between DOD and the Mexican Ministry of Defense.

- Numbers and ranks of Mexican military members trained under IMET. Training was provided to Mexican military members up to the limit of funding, primarily in the areas of professional military education and management-related training.

Key Indicators for FY 2000 Performance:

- Level of U.S. exports to Mexico.
- Mexican drug seizures (kilograms) and narcotics eradication (hectares).
- Mexican military members trained and types of courses completed.
- Rule-of-law and democracy programs conducted.
- Operational ready rate for PGR and U.S.-leased counternarcotics air fleets.

MEXICO
FUNCTION 150 RESOURCES
($ in thousands)

Appropriations Accounts by Strategic Goal	Actual FY 1998	Estimate FY 1999	Request FY 2000
Regional Stability	**750**	**850**	**850**
IMET	750	850	850
Illegal Drugs	**5,000**	**8,000**	**10,000**
INC	5,000	8,000	10,000
Democracy	**1,871**	**1,950**	**2,875**
DA	700	300	725
ESF	1,000	1,500	2,000
IMET	171	150	150
Environment	**5,277**	**6,582**	**6,000**
DA	5,277	6,582	6,000
Population	**3,000**	**-**	**-**
DA	3,000	-	-
Health	**400**	**2,050**	**1,700**
DA	400	2,050	1,700
Total	***16,298***	***19,432***	***21,425***

Appropriations Accounts	Actual FY 1998	Estimate FY 1999	Request FY 2000
DA	9,377	8,932	8,425
ESF	1,000	1,500	2,000
IMET	921	1,000	1,000
INC	5,000	8,000	10,000
Total	***16,298***	***19,432***	***21,425***
Other Accounts			
D&CP	23,797	24,550	25,774
ECE	5,977	6,335	6,350
Total	***29,774***	***30,885***	***32,124***
MEXICO FUNCTION 150 RESOURCES GRAND TOTAL	***46,072***	***50,317***	***53,549***

Nicaragua

($ in thousands)

National Interests: U.S. national interests in Nicaragua include supporting democratic institutions and broad-based economic growth to foster stability and overcome the devastation caused by Hurricane Mitch. By improving primary education and providing support for the agricultural sector and microenterprises, U.S. programs will seek to improve living conditions and reduce incentives for illegal migration. U.S. programs will continue to target transnational crime by working with the judiciary, National Police and the Comptroller General's Office to strengthen the rule of law, increase effectiveness, reduce corruption and protect human rights. Programs also seek to increase market access and legal protection for U.S. products and services, including protection of U.S. citizen property rights, and to bolster Nicaragua's support for the Free Trade Area of the Americas (FTAA).

Strategic Goals and Supporting Programs for FY 2000:

Regional Stability: International Military Education and Training (IMET) funding and active embassy engagement will strengthen democratic institutions, advance the professionalism of the Army, and work towards integrating Nicaragua into regional and global arrangements. Nicaragua will be eligible in FY 2000 to receive Excess Defense Articles (EDA) on a grant basis under section 516 of the Foreign Assistance Act (FAA). EDA will be used to promote inter-operability and modernization of equipment. $100

Economic Development: DA, PL–480 and Peace Corps (PC) funding will seek Nicaraguan implementation of its enhanced structural adjustment facility (ESAF) agreement and its bilateral Intellectual Property Rights agreement with the U.S. In addition, the U.S. will assist Nicaragua implement its strategy to develop the country's agricultural potential through small farmer services, better seeds, land titling and marketing strategies, agricultural policy and rural credit unions $10,950

Democracy: Development Assistance (DA) and Economic Support Funds (ESF) will be used to effectively promote the rule of law, strengthen and modernize democratic institutions, and help build a vibrant civil society that encourages and protects human rights. U.S. programs will foster transparency and government responsiveness to the public. Funding will also support the development of the civilian Ministry of Defense and its national defense policy and transparent defense budget. $8,460

Open Markets: The U.S. will seek to obtain GON support for completing FTAA negotiations by 2005 and will continue to encourage Nicaragua's support for free trade policies and work with Nicaraguan leaders to enhance the principles of the free market and free trade.

Expand U.S. Exports: The U.S. will seek to increase its share of Nicaragua's imports from 23 to 26 percent of the market. The U.S. will continue to assist U.S. companies in Nicaragua and those seeking to do business there.

International Crime: The U.S. will strengthen Nicaragua's cooperation in fighting international crime by improving the capacity of Nicaraguan law enforcement agencies and legal system. INC funds will provide training and information.

Illegal Drugs: INC programs will seek to improve the capabilities of Nicaraguan law enforcement agencies to combat drug trafficking. The U.S. is negotiating with the GON for a Bilateral Maritime Counternarcotics Accord as well as encouraging the enactment of legislation to strengthen the ability of the GON to bring to justice narcotics traffickers and their associates.

Environment: The U.S., through PC and DA programs, is working to ensure the preservation and sustainable use of natural resources through establishment of ten protected areas. $2,000

Population: DA programs will fund a reproductive health program to expand access to contraceptive methods and improve the quality of family planning services. $4,000

Health: DA and PC programs will focus on improving access to health care among the poor, promoting awareness of HIV/AIDS and other infectious diseases, and expanding maternal and child care. $10,244

Performance Evaluation:

- Strengthened democratic institutions and the rule of law. Free, fair and transparent municipal elections were conducted in the semi-autonomous Atlantic regions. The security forces showed effective subordination to civilian authorities. Violent political demonstrations decreased while political discourse increased.

- Sustainable growth in employment and income. GDP growth was on target for 6% in 1998 before Hurricane Mitch, led by the agricultural sector. Even with the unprecedented damage, growth is projected at 3.6%

  Investigation and punishment of human rights abuses. Allegations of human rights abuses by security forces were investigated. Police and military personnel were tried in civilian courts and convictions were secured.

Key Indicators for FY 2000 Performance:

- Number and effectiveness of regional and multilateral law enforcement and humanitarian missions.
- Level of U.S. exports and investment in Nicaragua.
- Rate of rural underemployment.
- Status of GON-held U.S. citizen property claims.
- Status of counternarcotics and money laundering legislation.
- Development of positive military-to-military relations with the U.S.

NICARAGUA
FUNCTION 150 RESOURCES
($ in thousands)

Appropriations Accounts by Strategic Goal	Actual FY 1998	Estimate FY 1999	Request FY 2000
Regional Stability	**37**	**100**	**100**
IMET	37	100	100
Economic Development	**8,743**	**10,700**	**10,950**
DA	8,743	10,700	10,950
Democracy	**4,837**	**7,100**	**8,460**
DA	3,800	4,500	4,360
ESF	1,000	2,500	4,000
IMET	37	100	100
Environment	**2,200**	**1,300**	**2,000**
DA	2,200	1,300	2,000
Population	**3,800**	**3,100**	**4,000**
DA	3,800	3,100	4,000
Health	**10,482**	**22,009**	**10,244**
DA	5,017	8,940	4,000
Title II	5,465	13,069	6,244
Total	***30,099***	***44,309***	***35,754***

Appropriations Accounts	Actual FY 1998	Estimate FY 1999	Request FY 2000
DA	23,560	28,540	25,310
ESF	1,000	2,500	4,000
IMET	74	200	200
Title II	5,465	13,069	6,244
Total	***30,099***	***44,309***	***35,754***
Other Accounts			
D&CP	3,141	3,228	3,369
ECE	950	1,003	1,005
Peace Corps	1,897	2,359	2,423
Total	***5,988***	***6,590***	***6,797***
NICARAGUA FUNCTION 150 RESOURCES GRAND TOTAL	***36,087***	***50,899***	***42,551***

Panama

($ in thousands)

National Interests: The principal U.S. national interest in Panama is the continued smooth operation of the Panama Canal under Panamanian control. A fair justice system, protection of intellectual property rights, an enlarged market for U.S. goods and services, and a variety of law enforcement issues, principally money laundering and narcotics trafficking, are also significant interests.

Strategic Goals and Supporting Programs for FY 2000:

Regional Stability: Panama's strategic location makes it a key factor in the stability of both Central and South America. The departure of U.S. forces in 1999 will increase the importance of our bilateral security relationship with Panama. International Military Education and Training (IMET) will provide training to further the professionalism of the Panamanian security forces and promote increased respect for human rights. Panama will be eligible in FY 2000 to receive Excess Defense Articles (EDA) on a grant basis under section 516 of the Foreign Assistance Act (FAA). EDA will be used to promote inter-operability and modernization of equipment. $75

Economic Development: The Government of Panama needs assistance to develop an improved commercial code. The U.S. will provide technical assistance and encourage Panama to further open its markets and discard tariff and non-tariff barriers to trade by using PC and DA funds. $2,000

International Crime: Panama is a hub for international crime because of its location. Most important issues are drug trafficking, money-laundering and traffic in stolen vehicles. INC funds will heighten public awareness in these areas. The system of Administration of Justice is weak and in need of support.

Illegal Drugs: Panama remains a key transit point for all aspects of narcotics trafficking. U.S. efforts through INC programs focus on interdiction of drugs in transit and seizure of narcotics-related assets.

Democracy: Panamanian democracy is still fragile. The U.S. goal is to provide technical assistance to democratic institutions such as the Supreme Electoral Tribunal and increase public involvement in the democratic process through Economic Support Funds (ESF) and the ICITAP programs. $25

Health: Peace Corps (PC) assistance will promote maternal and child care as well as provide information on the dangers of HIV/AIDS and other diseases.

Environment: Protection of the Canal Watershed is essential for continued smooth operation of the Canal. Development Assistance (DA) and PC assistance will seek to promote the adoption of sound environmental policies. $2,500

Performance Evaluation:

- Smooth Transfer of the Panama Canal. The transfer process remains on schedule with formal ceremony being planned for December 1999.

- Improved sustainable environmental protection and management of the Panama Canal watershed. An inter-agency program to assist in watershed protection was initiated and a program to clear former firing ranges of unexploded ordnance has begun.

- Successful cooperation in anti-money laundering and counternarcotics efforts. Panamanian law enforcement authorities seized more than 10 metric tons of cocaine in 1998.

- Standardization, inter-operability, and increased professionalism among the region's coastal and riverine forces. Panamanian officials have agreed to install a new coast guard (SMN or Servicio Maritimo Nacional) base in property being reverted on the Atlantic Coast. The upgrade will improve the capability of the SMN to cooperate with U.S. forces along the Atlantic littoral.

Key Indicators for FY 2000 Performance:

- Efficiency of the operation of the Panama Canal.
- Level of forest cover in the Canal watershed.
- Prosecution of domestic money-laundering cases in the Panamanian judicial system.
- Level of illegal narcotics seized by Panamanian law enforcement units.

PANAMA
FUNCTION 150 RESOURCES
($ in thousands)

Appropriations Accounts by Strategic Goal	Actual FY 1998	Estimate FY 1999	Request FY 2000
Regional Stability	**-**	**75**	**75**
IMET	-	75	75
Economic Development	**1,507**	**1,448**	**2,000**
DA	1,507	1,448	1,000
ESF	-	-	1,000
Democracy	**250**	**25**	**25**
DA	250	-	-
IMET	-	25	25
Environment	**1,425**	**3,150**	**2,500**
DA	1,425	3,150	2,500
Total	***3,182***	***4,698***	***4,600***

Appropriations Accounts	Actual FY 1998	Estimate FY 1999	Request FY 2000
DA	3,182	4,598	3,500
ESF	-	-	1,000
IMET	-	100	100
Total	***3,182***	***4,698***	***4,600***
Other Accounts			
D&CP	6,935	7,087	7,396
ECE	760	815	817
Peace Corps	1,516	1,647	1,668
Total	***9,211***	***9,549***	***9,881***
PANAMA FUNCTION 150 RESOURCES GRAND TOTAL	***12,393***	***14,247***	***14,481***

Paraguay

($ in thousands)

National Interests: The primary U.S. national interest in Paraguay is the consolidation and strengthening of democratic institutions and practices. This should improve the Paraguayan government's ability to combat drug trafficking, official corruption, intellectual property rights violations, and the presence of terrorist elements in the area bordering Brazil and Argentina.

Strategic Goals and Supporting Programs for FY 2000:

Regional Stability: The U.S. will continue to promote the consolidation of democracy, free trade, combating narcotics trafficking and terrorism to enhance regional stability and increased U.S.-Paraguay cooperation. Paraguay will be eligible in FY 2000 to receive Excess Defense Articles (EDA) on a grant basis under section 516 of the Foreign Assistance Act (FAA). EDA will be used to promote inter-operability and modernization of equipment. $150

Open Markets: The U.S. will seek the successful conclusion of the Special 301 investigation to improve Paraguay's protection of U.S. intellectual property. Specific U.S. objectives include passage of new copyright, trademark and patent legislation and increased local and border enforcement.

Economic Development: Peace Corps (PC) funds and active Embassy engagement will assist Paraguay implement needed structural reforms and achieve sustainable economic development with a more equitable distribution of wealth.

International Crime: U.S. efforts through INC programs will seek to improve the investigative and law enforcement capabilities of the National Police and encourage Paraguay to sign and ratify a new bilateral extradition treaty.

Illegal Drugs: Paraguay is a transshipment point for an estimated 18,000 kilos per year of mostly Bolivian cocaine, some of which reaches the United States. INC funds for training, technical assistance, and equipment will help develop a law enforcement capability to confront cocaine trafficking and money laundering.

Terrorism: The tri-border area where Paraguay joins Argentina and Brazil is the hemispheric center for Islamic fundamentalist terrorist organizations and support infrastructure. ATA funds from a regional account will improve National Police capabilities to investigate and arrest suspected terrorists.

Democracy: Development Assistance (DA) and Economic Support Funds (ESF) will strengthen local government, promote the adoption of legal reforms, help ensure continued democratic elections, and support an expanded civil-military dialogue.

International Military Education and Training (IMET) assistance will help improve defense resource management, professionalize the armed forces, promote democracy and civil-military relations, and increase respect for civilian authority. $3,010

Environment: Paraguay has one of the world's highest rates of deforestation, and three important ecosystems are at risk because of unsustainable agricultural practices. DA, PC, and ESF programs will improve the management of public protected areas and promote the conservation and sustainable use of private land. $1,025

Population: DA and PC programs will fund a reproductive health program to expand access to contraceptive methods and improve the quality of family planning services. $2,240

Health: ESF programs will support family planning and education on health matters.

Performance Evaluation:

Strengthened democratic institutions, including free and fair national elections in 1998. Raul Cubas was elected president in free and fair elections in May 1998 and became the first elected civilian president to receive power from another in over 50 years. The conflict between supporters and opponents of former general and coup plotter Lino Oviedo continues to test Paraguay's fragile democratic institutions.

A professional military with leadership committed to supporting the democratic system and to regional and international cooperation such as peacekeeping activities. The military reduced its involvement in political issues and increased its participation in hemispheric and MERCOSUR peacekeeping training exercises.

Passage of key legislation, increased enforcement activities, and cooperation in fighting drug trafficking and other illicit activities. The government signed an extradition treaty with the U.S. and drafted a law to give anti-narcotics police more authorities to fight drug trafficking. The government also arrested several suspected terrorists.

Passage of Intellectual Property Rights legislation: Trademark and copyright laws were approved, but the copyright law requires enforcement by the injured party rather than the government. The legislature has not taken up a patent bill.

Key Indicators for FY 2000 Performance:

- Strength of democratic institutions.
- Professional military leadership commitment to supporting the democratic system and to regional and international cooperation.
- Passage of key legislation.
- Level of effectiveness of enforcement activities and cooperation in fighting drug trafficking and other illicit activities.

PARAGUAY
FUNCTION 150 RESOURCES
($ in thousands)

Appropriations Accounts by Strategic Goal	Actual FY 1998	Estimate FY 1999	Request FY 2000
Regional Stability	**150**	**150**	**150**
IMET	150	150	150
Democracy	**3,316**	**2,279**	**3,010**
DA	3,100	1,969	2,700
ESF	150	260	260
IMET	66	50	50
Environment	**775**	**825**	**1,025**
DA	525	425	525
ESF	250	400	500
Population	**2,100**	**2,440**	**2,240**
DA	2,000	2,300	2,000
ESF	100	140	240
Health	-	-	-
DA	-	-	-
Total	***6,341***	***5,694***	***6,425***

Appropriations Accounts	Actual FY 1998	Estimate FY 1999	Request FY 2000
DA	5,625	4,694	5,225
ESF	500	800	1,000
IMET	216	200	200
Total	***6,341***	***5,694***	***6,425***
Other Accounts			
D&CP	2,404	2,464	2,572
ECE	426	454	464
Peace Corps	3,129	3,257	3,263
Total	***5,959***	***6,175***	***6,299***
PARAGUAY FUNCTION 150 RESOURCES GRAND TOTAL	***12,300***	***11,869***	***12,724***

Peru

($ in thousands)

National Interests: U.S. national interests in Peru include the consolidation of peace with Ecuador, strengthening democratic institutions, interdicting and disrupting narcotics production and distribution, promoting respect for human rights, reducing poverty, promoting health and family planning, and encouraging sound environmental policies and sustainable growth. US interests are served by the avoidance of another Peru-Ecuador border war, lessening of tensions, and increased regional stability that will result from successful implementation of the comprehensive Peru-Ecuador peace settlement. Implementation of the settlement will reduce the risk that Peru and Ecuador will engage in a destabilizing arms race, permit greater economic integration between the two countries.

Strategic Goals and Supporting Programs for FY 2000:

Regional Stability: A long-standing U.S. Government goal of assisting Ecuador and Peru to negotiate a peaceful settlement of their border dispute was achieved with the signing of a comprehensive peace settlement in Brasilia on October 26, 1998. By contributing Economic Support Funds (ESF) to help implement the border integration portion of the peace settlement, the United States will help to solidify regional stability by furthering economic development and integration between Peru and Ecuador and stimulating the regional economy. International Military Education and Training (IMET) programs aim to improve military professionalism and capabilities by providing military and civilian defense professionals training that reinforces the principle of civilian rule. Peru will be eligible in FY 2000 to receive Excess Defense Articles (EDA) on a grant basis under section 516 of the Foreign Assistance Act (FAA). EDA provided through both grant and sale will support long range modernization effort of the Peruvian military. $10,325

Open Markets: Peruvian markets should be further opened to U.S. goods and services and markets that are currently open should be locked in through new bilateral and multilateral agreements.

Expand U.S. Exports: The U.S. will increase exports, seeking to gain in the Peruvian food market over the next two years.

Economic Development: Fifty percent of Peruvians are poor and 14.7% are extremely poor. Development Assistance (DA) and PL-480 programs aim to promote broad-based economic growth by providing financial and technical assistance to Peruvian public and private sector organizations to improve market systems and economic institutions, expand human capacity through education and training, improve food security, and expand employment opportunities for the poor. $58,296

International Crime: U.S. international crime (INC) efforts in Peru will seek to work with Peruvian authorities to interrupt international criminal organizations and provide much-needed training to Peruvian police units.

Illegal Drugs: Despite a successful air interdiction program with INC funds, which has caused a dramatic reduction of coca cultivation, Peru remains one of the leading producers of coca leaf. A riverine interdiction program has been started, and the United States is working with other donors to fund alternative development programs which give coca farmers and others a viable alternative to illicit drug crops. $48,000

Democracy: The consolidation of democracy in Peru requires stronger democratic institutions, greater citizen participation in decision-making processes, an increase in Government responsiveness to citizens' needs, and greater respect for human rights. DA and IMET programs are designed to foster these goals. $3,225

Humanitarian Assistance: NADR assistance will help clear mines left from the border conflict with Peru. $1,000

Environment: Uncontrolled urbanization, industrial pollution, and widespread poverty threaten one of the world's richest and largest natural resource bases. U.S. DA funded programs help to improve Peru's environmental legal framework and promote pollution prevention. $4,500

Population: Through family planning activities funded by DA, the U.S. will help families with planning decisions in ways that promote the health of families and contribute to population stabilization. $13,500

Health: DA programs will provide technical assistance to Peruvian public entities and non-governmental organizations to research and combat tropical diseases and to improve the coverage and quality of primary health care services, with particular emphasis on maternal and prenatal health. $6,500

Performance Evaluation:

- Level of illicit coca cultivation and trafficking of cocaine and cocaine base. Coca cultivation in Peru declined from 115,300 hectares in 1995 to 94,400 hectares in 1996, 68,800 hectares in 1997, and 51,000 hectares in 1998, a 56% decline over three years. In 1998, donor countries, including the United States, pledged $322 million to fund alternative development programs in Peru.

- Strength of democratic institutions. Peru has not developed the strong democratic institutions it needs. Some entities that potentially could counterbalance the executive have been seriously weakened over the past two years. Nevertheless, U.S. programs contributed to increased participation in municipal elections, greater numbers of women elected to office, and increased citizen participation.

- Protection of human rights and freedom of speech. Human rights problems continued in Peru in 1998. U.S. programs helped to strengthen and expand the Office of the Human Rights Ombudsman.

Key Indicators for FY 2000 Performance:

- Successful implementation of the comprehensive border settlement signed in Brasilia October 26, 1998.
- Status and effectiveness of border area economic development projects.
- Level of illicit coca cultivation
- Prevalence and effectiveness of alternative development programs.
- Openness and fairness of the 2000 elections and citizen participation in the electoral process.
- Strength of democratic institutions.
- Degree to which human rights and freedom of speech can be protected during the 2000 electoral campaign.
- Rates of chronic malnutrition and income levels of the poor.

PERU
FUNCTION 150 RESOURCES
($ in thousands)

Appropriations Accounts by Strategic Goal	Actual FY 1998	Estimate FY 1999	Request FY 2000
Regional Stability	**327**	**325**	**10,325**
ESF	0	0	10,000
IMET	327	325	325
Economic Development	**66,664**	**61,835**	**58,296**
DA	7,766	6,500	8,300
Title II	58,898	55,335	49,996
Illegal Drugs	**32,000**	**80,900**	**48,000**
INC	32,000	80,900	48,000
Democracy	**3,335**	**2,325**	**3,225**
DA	3,200	2,200	3,100
IMET	135	125	125
Humanitarian Assistance	**-**	**500**	**1,000**
NADR-Demining	-	500	1,000
Environment	**2,700**	**4,676**	**4,500**
DA	2,700	4,676	4,500
Population	**10,113**	**11,292**	**13,500**
DA	10,113	11,292	13,500
Health	**6,898**	**8,187**	**6,500**
DA	6,898	8,187	6,500
Total	***122,037***	***170,040***	***145,346***

Appropriations Accounts	Actual FY 1998	Estimate FY 1999	Request FY 2000
DA	30,677	32,855	35,900
ESF	0	0	10,000
IMET	462	450	450
INC	32,000	80,900	48,000
NADR	-	500	1,000
Title II	58,898	55,335	49,996
Total	***122,037***	***170,040***	***145,346***
Other Accounts			
D&CP	3,702	3,804	3,970
ECE	1,640	1,752	1,773
Total	***5,342***	***5,556***	***5,743***
PERU FUNCTION 150 RESOURCES GRAND TOTAL	***127,379***	***175,596***	***151,089***

Suriname

($ in thousands)

National Interests: Suriname offers significant potential for U.S. investment in its natural resources, light industry, and consumer goods. It is in the U.S. interest to foster a stable political environment for investment by encouraging democratic practices and respect for human rights. U.S. programs and efforts to assist the Suriname government in fighting drug transshipment are essential to cutting off drug routes into the Caribbean, Europe and the United States. Suriname's large rainforest is essential to the global environment and the U.S. must continue to provide incentives and programs to protect it.

Strategic Goals and Supporting Programs for FY 2000:

Regional Stability: U.S-sponsored International Military Education and Training (IMET) training contributes to professionalizing Suriname's military and improving its ability to promote political stability by acting in an apolitical fashion and under civilian authority. Suriname will be eligible in FY 2000 to receive Excess Defense Articles (EDA) on a grant basis under section 516 of the Foreign Assistance Act (FAA). EDA will be used to promote inter-operability and modernization of equipment. $75

Open Markets: The U.S. will continue to promote market liberalization and the removal of the existing significant tariff and non-tariff barriers to trade.

Expand U.S. Exports: Though Suriname has a low GDP and small population, U.S. vehicle and machinery exporters are well positioned to meet the needs of mining, petroleum and agricultural operations, as well as those of general consumers. The U.S. will seek to expand the level of U.S. exports by providing advice to exporters through the Business Information Center.

Economic Development: Assisting the GOS's move to a more open, free-market economy with improved living standards. Peace Corps (PC) funding will focus on rural community development.

International Crime: Crime has become a serious problem in Suriname. INC funds will train Surinamese police units and enhance their abilities to fight crime and narcotrafficking.

Democracy: U.S. efforts will focus on strengthening the democratic culture and institutions while preserving respect for human rights, including preparation of the annual human rights report. $25

Environment: Preserving Suriname's rainforest is critical to discourage ozone depletion. PC programs seek to advance this objective.

Performance Evaluation:

- Increased democratic reform. Suriname's democratic institutions are broad but shallow. The political scene continues to be somewhat chaotic with each of the ten or so major parties spending most of the year seeking to join or disrupt one coalition or another. The Government's single-seat majority in the National Assembly resulted in a deadlock, with little legislation being passed. An Executive Branch attempt to place supporters into key judicial positions has been stymied by the legal profession. Journalists seem more assertive in their reporting and less prone to self-censorship. A respected human rights group held a seminar on the human rights record of the previous military government, which received recognition, if not enthusiastic support, from the GOS.

- Military successes in counterdrug, anti-smuggling and environmental protection operations. The Surinamese military has recently taken possession of the first of six coastal vessels and two airplanes, which will greatly augment their ability to conduct anti-narcotics patrols. Over the past year, a number of joint police/army operations have extended the reach of the government in the interior, where much of the smuggling takes place. One senior officer closely identified with the former military strongman was relieved of command.

- Increased seizures of illegal narcotics. The police have undertaken a much more rigorous inspection of outbound passengers, which has resulted in numerous arrests at the airport. Over the past year, DEA has created a vetted team in Suriname, which has begun to develop significant intelligence on narcotics ringleaders.

Key Indicators for FY 2000 Performance:

- Number of drug seizures and arrests.
- Level of commitment to opening markets and regional and hemispheric integration through the Caribbean Community (CARICOM) and Free Trade Area of the Americas (FTAA) fora.
- U.S. investor success in winning important contract or mining concessions from the GOS.

SURINAME
FUNCTION 150 RESOURCES
($ in thousands)

Appropriations Accounts by Strategic Goal	Actual FY 1998	Estimate FY 1999	Request FY 2000
Regional Stability	**62**	**75**	**75**
IMET	62	75	75
Democracy	**21**	**25**	**25**
IMET	21	25	25
Total	***82***	***100***	***100***

Appropriations Accounts	Actual FY 1998	Estimate FY 1999	Request FY 2000
IMET	82	100	100
Total	***82***	***100***	***100***
Other Accounts			
D&CP	2,053	2,110	2,202
ECE	31	35	36
Peace Corps	749	796	910
Total	***2,833***	***2,941***	***3,148***
SURINAME FUNCTION 150 RESOURCES GRAND TOTAL	***2,915***	***3,041***	***3,248***

Trinidad and Tobago

($ in thousands)

National Interests: Trinidad and Tobago (TT) is a stable democracy and staunch American ally. It is in the U.S. national economic interest to assure TT's continued macroeconomic growth and political stability and protect U.S. investments in the energy and petrochemical sectors while supporting sound environmental policies. A major transit point for narcotics from South America, it is also in the U.S. interest to strengthen the Trinidadian justice system and to continue to provide assistance to law enforcement agencies and the military to identify, capture and prosecute narcotraffickers.

Strategic Goals and Supporting Programs for FY 2000:

Regional Stability: FMF funds will modernize Trinidad and Tobago's maritime fleet. $300

Open Markets: Convince the government of Trinidad and Tobago (GOTT) to play a more active role in the Free Trade Area of the Americas (FTAA) and the Caribbean Community (CARICOM) on trade matters. Encourage the GOTT to liberalize civil aviation, telecommunications, and financial services sectors, and to ease remaining investment barriers.

Expand U.S. Exports: Preserve U.S. trade surplus with Trinidad and Tobago and increase the share of total imports. Support present and incoming U.S. investments. Further expand the energy relationship, especially to safeguard liquefied natural gas supplies for U.S. markets.

International Crime: Enhance current mutual legal assistance between Trinidad and Tobago and the U.S. in extraditions and other criminal cases. Assist the GOTT in improving its judicial system. Support existing anti-money laundering initiatives. Work with GOTT to bring international treaties into effect. Use International Military Education and Training (IMET) and Foreign Military Financing (FMF) funds to assist GOTT efforts to modernize its maritime fleet, enhancing its capability to participate in security and law enforcement missions.

Illegal Drugs: INC funds will be used to reduce the flow of narcotics through Trinidad and Tobago by providing technical support and other assistance to GOTT Counternarcotics Task Force and other law enforcement entities engaged in counternarcotics work. Trinidad and Tobago will be eligible in FY 2000 to receive Excess Defense Articles (EDA) on a grant basis under section 516 of the Foreign Assistance Act (FAA). EDA will be used to promote inter-operability and modernization of equipment.

Environment: Increase Trinidad and Tobago's leadership on greenhouse gas emissions among developing countries. Reduce marine pollution and improve sustainable use of threatened resources such as forests, wetlands, reefs, and fish stocks.

Democracy: International Military Education and Training (E-IMET) will be used to promote respect for rule of law in the military and further increase its professionalism. $50

Performance Evaluation:

- Professionalism of TTDF senior staff. The already high level of professionalism of TDF senior staff continues to grow as officers from both the Coast Guard and the Regiment receive professional military education courses in both the U.S. and Canada. The TTDF continues to express a strong desire for continued support of this kind.

- Improved and increased of cooperation between the U.S. and GOTT in counternarcotics programs. Counternarcotics cooperation between the U.S. and GOTT, enhanced by the establishment of a DEA office in Port of Spain, was at an all-time high in 1998. Under Section 516 of the Foreign Assistance Act, the U.S. grant transferred two C-26 aircraft and two 82 foot patrol boats to be used in the fight against narcotics trafficking, as well as, other aspects of maritime law enforcement. The U.S. and GOTT mounted several joint maritime patrols pursuant to the "shiprider" provisions of the Maritime Counter-drug Agreement. The GOTT continued its excellent cooperation in the area of extraditions; a suspected drug trafficker and murder suspect were extradited to stand trial in the U.S.

- Enhanced capabilities of the TTDF in such areas as disaster assistance and search and rescue (SAR). The ability of the TTDF to perform disaster assistance is slowly growing. The TTDF is forming an engineering battalion that will have disaster relief as its primary mission. The U.S. and UK have both provided training for this battalion and a company of troops will participate in a disaster exercise with the French in Martinique during the spring of 1999. The GOTT's ability to participate in regional SAR exercises will be enhanced when the Trinidad Coast Guard's (TTCG) vessels are repaired and the new aircraft and patrol boats the U.S. has donated to the GOTT are transferred. The U.S. Coast Guard has provided the TTCG Rescue Coordination Center with its SAR Planning software.

Key Indicators for FY 2000 Performance:

- Level and percentage share of U.S. exports to Trinidad and Tobago.
- Level of success of extraditions.
- Status of implementation of new counternarcotics legislation, including sentencing guidelines.
- Indictments, prosecutions, and convictions of narcotrafficking activities; amount of assets seized and number of seizures.
- Level of integration of regional counternarcotics intelligence gathering network, including use of U.S.-donated radar array, refurbished ships and aircraft.

TRINIDAD AND TOBAGO
FUNCTION 150 RESOURCES
($ in thousands)

Appropriations Accounts by Strategic Goal	Actual FY 1998	Estimate FY 1999	Request FY 2000
Regional Stability	**379**	**300**	**300**
FMF	290	225	225
IMET	89	75	75
Democracy	**44**	**50**	**50**
IMET	44	50	50
Total	***423***	***350***	***350***

Appropriations Accounts	Actual FY 1998	Estimate FY 1999	Request FY 2000
FMF	290	225	225
IMET	133	125	125
Total	***423***	***350***	***350***
Other Accounts			
D&CP	1,944	1,998	2,085
ECE	568	607	623
Total	***2,512***	***2,605***	***2,708***
TRINIDAD AND TOBAGO FUNCTION 150 RESOURCES GRAND TOTAL	***2,935***	***2,955***	***2,833***

Uruguay

($ in thousands)

National Interests: U.S. interests in Uruguay include promoting more active Uruguayan leadership in trade negotiations within MERCOSUR and the FTAA process, continued Uruguayan participation in UN peacekeeping operations, increased U.S. exports, and increased anti-narcotics and other law enforcement efforts.

Strategic Goals and Supporting Programs for FY 2000:

Regional Stability: Uruguay plays a significant role in United Nations peacekeeping operations. International Military Education and Training (IMET) and Enhanced International Peacekeeping Capabilities (PKO -- EIPC) funds will train Uruguayan peacekeepers and increase Uruguayan forces' ability to participate in peacekeeping operations. Excess Defense Articles (EDA) may also be used to increase the interoperability of Uruguayan and other peacekeeping units. Uruguay will be eligible in FY 2000 to receive Excess Defense Articles (EDA) on a grant basis under section 516 of the Foreign Assistance Act (FAA). EDA provided through grant and sale will allow continued participation by Uruguayan UN peacekeeping and counter-narcotics efforts, and will promote interoperability. $225

Open Markets: The U.S. will seek to reduce trade barriers and increase IPR protection for U.S. goods and services in Uruguay and, by extension, MERCOSUR, and work towards a Bilateral Investment Treaty.

Expand U.S. Exports: The U.S. will actively promote U.S. businesses and products in Uruguay. Although between 1997 to 1998 U.S. exports to Uruguay increased by 53%, there is much room for improvement.

International Crime: The U.S. will actively promote the passage of legislation to curb money laundering and corruption, sensitize the GOU to international criminal threats, and establish or contribute to the establishment of a regional center for judicial studies. INC funding will promote awareness of U.S. law enforcement techniques and models.

Illegal Drugs: As a regional financial center, Uruguay may be susceptible to money laundering. INC funding will provide training programs to help judges, prosecutors, and financial officials implement and enforce money-laundering provisions of the recently approved anti-drug law. It will also provide equipment to law enforcement officials.

Democracy: International Military Education and Training (E-IMET) will be used to promote respect for rule of law in the military and further increase its professionalism. $75

Performance Evaluation:

- Continued cooperation on regional issues such as illegal drugs, counter-terrorism, and arms control. Uruguay played an active international role in OAS/CICAD and UN Illegal Drugs efforts. An anti-drug law criminalized money laundering, imposed controls upon precursor chemicals, and strengthened penalties against drug trafficking.

- Further involvement in worldwide peacekeeping missions. Uruguay participated in six United Nations peacekeeping missions during 1998. The USG made available EIPC funds for training to increase the pool of qualified peacekeeping forces and IMET funds for peacekeeping training in the United States.

- Participation in regional military exercises. Uruguay participated in the "Fuerzas Unidas" and "Cabañas" peacekeeping training exercises. It also participated in an annual peacekeeping training exercise of the MERCOSUR nation armies.

- Efficient coordination and control of the military services by the civilian Ministry of Defense. Uruguay's military is fully subordinate to the civilian-led Defense Ministry, and civilian-military relations within the Ministry continue to be professional. IMET courses helped train civilian Defense Ministry staff in managing the military.

- Passage of patent legislation. A draft law remains in the legislature.

- Effective utilization of military resources, and placement of IMET-trained personnel in key military and civilian leadership positions. IMET courses have trained over 70 percent of Uruguay's general officers and most high-ranking civilian Defense Ministry employees.

Key Indicators for FY 2000 Performance:

- Cooperation on regional issues such as Illegal Drugs, counter-terrorism, and regional economic integration.
- Level of U.S. exports.
- Involvement in worldwide peacekeeping missions.
- Participation in regional military exercises.
- Status of patent legislation.

URUGUAY
FUNCTION 150 RESOURCES
($ in thousands)

Appropriations Accounts by Strategic Goal	Actual FY 1998	Estimate FY 1999	Request FY 2000
Regional Stability	**246**	**225**	**225**
IMET	246	225	225
Democracy	**75**	**75**	**75**
IMET	75	75	75
Total	***321***	***300***	***300***

Appropriations Accounts	Actual FY 1998	Estimate FY 1999	Request FY 2000
IMET	321	300	300
Total	***321***	***300***	***300***
Other Accounts			
D&CP	2,579	2,653	2,768
ECE	386	410	421
Total	***2,965***	***3,063***	***3,189***
URUGUAY FUNCTION 150 RESOURCES GRAND TOTAL	***3,286***	***3,363***	***3,489***

Venezuela

($ in thousands)

National Interests: As the leading supplier of foreign oil to the U.S., Venezuela is strategically important to the U.S. In light of the recent presidential elections, policy objectives include preserving constitutional democracy, maintaining access to Venezuela's petroleum reserves – the largest outside of the Middle East – and protecting U.S. exports and investments. The U.S. also seeks closer cooperation on fighting narcotrafficking, securing stable and secure borders, and successful institutional transition to the new judicial system.

Strategic Goals and Supporting Programs for FY 2000:

Regional Stability: The U.S. will monitor Venezuelan interest in Colombia's peace talks, the border disputes between Venezuela and its neighbors, and will use diplomatic resources to ameliorate any potential disagreement before it escalates. International Military Education and Training (IMET) will continue the process of providing important training to the military. Venezuela will be eligible in FY 2000 to receive Excess Defense Articles (EDA) on a grant basis under section 516 of the Foreign Assistance Act (FAA). EDA will allow Venezuela to stretch its scarce military procurement funds to maintain a modest defense capability, and further promote interoperability. $250

Open Markets: The U.S. is Venezuela's most important trade partner, but preferential agreements between Venezuela and other Latin America countries frequently put U.S. exports at a disadvantage. The U.S. will work to increase access of U.S. goods, services and investments to the Venezuelan market through bilateral agreements, the planned Free Trade of the Americas (FTAA) and WTO commitments.

Expand U.S. Exports: Venezuela is a major importer of U.S. products, with a current purchasing level of $6.6 billion. The U.S. will continue an active outreach program for U.S. companies about opportunities in the Venezuelan market, with special emphasis on less traditional geographical suppliers from the U.S.

Economic Development: Venezuela's economy was hit hard in 1998 by its dependence on slumping oil revenues. ESF programs will work to strengthen and sustain GOV commitment to economic development through continued economic reform, including economic diversification and reduced spending on nonproductive activities. $500

International Crime: Venezuela has adopted a far-reaching judicial reform program, to be fully implemented by late 1999. The U.S. will support the transition from the old judicial system to the new, including training of judicial personnel, and training in national and international organized crime investigations through INC funds.

Illegal Drugs: Venezuela is a major transshipment route for illegal drugs destined for the U.S. INC funds will help improve the GOV's interdiction and eradication efforts, combat international money laundering activities and improve controls to prevent diversion of essential and precursor chemicals. $700

Democracy: The December 1998 presidential elections were considered free and fair and will result in a new government in February 1999 that is promising political change. The U.S. will work with the new administration to improve civilian-military relations, strengthen democratic institutions through ICITAP funded initiatives, and promote the rule of law and respect for human rights. $150

Environment: The U.S. will engage the GOV, a major energy producer, on issues such as Joint Implementation and Clean Development Mechanism in order to bring its climate change position closer to that of the USG. Further, the U.S. will work to increase sustainable development practices, pollution prevention, protection of biodiversity, and conservation of natural resources.

Performance Evaluation:

- Continued political stability. President Rafael Caldera's government maintained political and constitutional order in the face of a hotly contested presidential campaign and a faltering economy. The December 1998 presidential elections were deemed to be free and fair.

- Maintenance of Venezuela's position as a top supplier of oil to the U.S. Venezuela is the number one supplier of foreign oil to the U.S., supplying 18% of U.S. consumption.

- Professionalism of the armed services. The Venezuelan military remained apolitical in recent elections and supported decisions of the civilian government. Relations between U.S. officials and the Venezuelan military strengthened.

- Narcotics Law Enforcement Project. Venezuelan officials, with U.S. support, conducted major poppy eradication programs along the Venezuelan-Colombian border. In 1997, cocaine seizures (15.6 metric tons) increased 150% over 1996 levels. The 1998 levels will be lower than in 1997, but higher than in 1996. U.S. and Venezuelan authorities increased joint efforts against narcotics rings.

Key Indicators for FY 2000 Performance:

- Preservation of constitutional democracy.
- Level of counternarcotics cooperation.
- Level of access to Venezuelan petroleum reserves.
- Level of economic reform, market liberalization and regional trade integration.

VENEZUELA
FUNCTION 150 RESOURCES
($ in thousands)

Appropriations Accounts by Strategic Goal	Actual FY 1998	Estimate FY 1999	Request FY 2000
Regional Stability	**288**	**250**	**250**
ESF	47	-	-
IMET	241	250	250
Economic Development	**-**	**-**	**500**
ESF	-	-	500
Illegal Drugs	**600**	**700**	**700**
INC	600	700	700
Democracy	**395**	**150**	**150**
ESF	250	-	-
IMET	145	150	150
Total	***1,283***	***1,100***	***1,600***

Appropriations Accounts	Actual FY 1998	Estimate FY 1999	Request FY 2000
ESF	297	-	500
IMET	386	400	400
INC	600	700	700
Total	***1,283***	***1,100***	***1,600***
Other Accounts			
D&CP	3,303	3,387	3,534
ECE	728	781	782
Total	***4,031***	***4,168***	***4,316***
VENEZUELA FUNCTION 150 RESOURCES GRAND TOTAL	***5,314***	***5,268***	***5,916***

Administration of Justice/ICITAP

($ in thousands)

National Interests: The International Criminal Investigative Training Assistance Program (ICITAP) helps achieve U.S. interests in the areas of democracy, law enforcement, and human rights. By supporting the development of stronger police organizations, more competent criminal investigation, and better coordination with prosecutors and other actors in the criminal justice process, ICITAP helps other countries establish a rule of law, provide for their own public security, sustain democratic institutions, and cooperate more effectively with U.S. law enforcement agencies in international matters. Priority is given to countries in transition to democracy, where unique opportunities exist for major restructuring and refocusing of police and investigative resources toward establishment of a rule of law.

Programs Supporting the Strategic Goal of Democracy for FY 2000:

Bolivia: Bolivia, like many other countries in the region, has recently enacted a new criminal procedure code that redistributes investigative responsibilities among police, prosecutors and judges. ICITAP will assist the police implement this new system. $750

Colombia: ICITAP will continue to work with the three investigative police organizations to unify their training curricula and structures, enabling a single academy to open in the year 2000. $750

Dominican Republic: ICITAP will collaborate with USAID in providing assistance to modernize the overall criminal justice system. $1,000

Ecuador: ICITAP will be assisting in the development of investigative/prosecutive task forces in the context of a new criminal procedure code. $500

El Salvador: Continuing to work with the new Civilian National Police, ICITAP will focus on refining procedures to prevent and respond to the particular crimes of highest incidence in the country. $1,500

Guatemala: ICITAP will continue to support the organizational development of the Civilian National Police, with particular emphasis on strengthening its Criminal Investigations Service. $2,000

Honduras: ICITAP will continue to support the implementation of the 1998 Police Law, which provided the framework for a fully civilian force. $1,000

Nicaragua: In collaboration with USAID, ICITAP will support the police in a justice sector-wide process of development and implementation of new criminal and criminal procedure codes. $1,000

Panama: ICITAP will focus on the integration of the Technical Judicial Police into an effective criminal justice process. $500

Venezuela: ICITAP will support implementation of the new Criminal Procedure Code scheduled to enter into force in July 1999. $1,000

Performance Evaluation:

- Implement hiring standards and basic training programs appropriate to professional civilian police forces. ICITAP is working in these areas wherever the country is demilitarizing its police force.

- Establish self-sustaining training programs in specialized areas such as criminal investigation and for supervisory and executive-level personnel. ICITAP is helping all countries in the region establish their own training programs, which will enable ICITAP to move on to more discrete issues in future assistance activities.

- Create new investigative units within police forces and/or with prosecutors' offices. A major challenge throughout Latin America is to integrate police investigative work with that of newly-created public prosecutors, to ensure that the best available evidence is collected and properly prepared for use in court.

- Improve understanding of forensic analysis and forensic support to the criminal justice process. Throughout Latin America, courts have historically relied on confessions and other testimonial evidence. ICITAP is helping to ensure the incorporation of more reliable modern techniques of investigation and analysis.

Key Indicators for FY 2000 Performance:

- Incidence of allegations of serious human rights violations against police.
- Strength of civilian control over police forces.
- Success of prosecution of high visibility crimes, e.g., murder, human rights, narcotics, corruption.

ADMINISTRATION OF JUSTICE
FUNCTION 150 RESOURCES
($ in thousands)

Appropriations Accounts by Strategic Goal	Actual FY 1998	Estimate FY 1999	Request FY 2000
Democracy	**9,953**	**10,000**	**10,000**
ESF	9,953	10,000	10,000
Total	***9,953***	***10,000***	***10,000***

Appropriations Accounts	Actual FY 1998	Estimate FY 1999	Request FY 2000
ESF	9,953	10,000	10,000
Total	***9,953***	***10,000***	***10,000***
ADMINISTRATION OF JUSTICE FUNCTION 150 RESOURCES GRAND TOTAL	***9,953***	***10,000***	***10,000***

Latin America and the Caribbean Regional Development

($ in thousands)

National Interests: Since 1994, the Summit of the Americas has set the agenda for U.S. foreign policy in the LAC region, with major initiatives in such critical areas of national interest as economic prosperity, democracy and human rights, law enforcement and the global issues of environment, population and health. The first Summit in Miami (1994), along with the subsequent Bolivia Sustainable Development Summit (1996), have guided U.S. efforts in the region for the past several years. Implementation of the Summit recommendations and the partnerships created have influenced our programs and stimulated new approaches to development in the hemisphere. The Santiago Summit, held in April 1998, has again set the pace for development initiatives in the region.

The Second Summit of the Americas in Santiago culminated a yearlong effort of Presidential engagement in hemispheric affairs. At the Summit, the heads of state of the 34 democracies in the region set forth certain regional initiatives that can be accomplished over the next three to five years. These initiatives focused on a "second generation" of reforms aimed at deepening the trend toward democratic governance in the region and removing the barriers to the participation of the poor in the national life of their countries. While the effects of Hurricanes Mitch and Georges on Central America and the Caribbean have taken a serious toll, the reconstruction effort will provide opportunities to accelerate the Summit agenda.

A "second generation" of political and economic reforms is necessary to consolidate the democratic transition, reduce high poverty levels and change the region's markedly unequal distribution of income. While the broad macroeconomic policies put into place over the last decade are working to restart economic growth in the region as a whole, the Asian financial crisis has already begun to have negative repercussions on trade and capital movements, particularly in Brazil. Increases in unemployment, falling export prices and short-term capital flight will mean a decline in growth rates for this year estimated at two to three percent. The challenge that now faces the region is to transform the 1996-1997 economic recovery into sustained and shared growth.

Strategic Goals and Supporting Programs for FY 2000:

In FY 2000, the LAC Regional program will continue to implement the directives of the Miami and Bolivia Summits, with particular attention to the Santiago Plan of Action. The U.S. has been actively engaged in providing leadership and advice to that agenda while fine-tuning its own regional activities to be more in sync with Summit goals and objectives. As a result, several new initiatives are being designed – in education, micro-enterprise, property registration, food safety, decentralization, judicial training, anti-corruption, and child labor.

Democracy

In the political arena, civilian governments are being elected at national, state and local levels in almost every country, and electoral politics in the region are largely respectful of constitutional norms. Nevertheless, the democratic transition still has a long way to go. Democratic governance – reflected in the rule of law, transparency, accountability, representation, and participation – needs to be consolidated throughout the region. These reforms will not happen automatically without unrelenting efforts to shore up countries' legal systems as well as scrutinize and reform all elements of their political systems. Needed reforms include: strengthened rule of law; greater decentralization and extension of democratic practices to local and sub-national governments; creation of conditions for a vibrant civil society; and the assurance of freedom of the press.

In FY 2000, the LAC Regional program will be renewing its democracy programs in three key Summit areas. A new program will build on the groundwork laid by the Regional Financial Management Project, designed to stem corruption by promoting public accountability through transparent accounting and financial systems. It will move into "second generation" issues related to trade and economic development, and expand greatly into local governments, particularly in Central America. The Decentralization and Democratic Local Governance program will coordinate closely with other donors as well as initiate training programs and information exchanges among regional and national associations of municipalities. Significant training and institution-building will be promoted. The International Forum for Cooperation on Local Government will be fully operational to permit better sharing of information on donor programs. A new endeavor in civil society will build on the hemispheric networks already established in the Inter-American Democracy Network to focus on helping foster sustainable NGOs supporting further Summit reforms.

Economic Development

All of these reforms depend on an increased investment in human capital. There is a consensus in the region that improving the quality of education is vital for economic growth, social advancement and bolstering democracy. It is also key to reducing the income inequality that characterizes this hemisphere. Hence, the Santiago Summit highlighted activities that: strengthen the teaching profession; assure adequate investment at the primary and secondary school levels; provide local communities with more control over school decisions; and promote the establishment and monitoring of standards for educational performance – all important factors in improving the quality of education. These action items will reinforce the commitment at the Miami Summit to achieve 100% primary school completion rate by the year 2010.

In addition to completing the macroeconomic agenda and continuing steps to achieve the Free Trade Area of the Americas (FTAA) by the year 2005, second generation economic reforms underscore the importance of removing barriers – such as lack of access to credit and other financial services, and secure title to land and other property – that deny the poor, women, indigenous peoples and other minorities economic opportunity. The

Santiago Summit also supported efforts to ensure that the poor have access to quality health care and that workers are given decent wages and working conditions.

By successfully focusing high priority on education reform, documenting the shortcomings in existing educational systems, and developing a constituency for reform at all levels, from policymakers to community organizations, the LAC Regional program has played a key role in propelling education to the top of the region's policy agenda. It will continue to enable local constituencies – civil society leaders, business executives, NGOs, religious groups, parents and community organizers – to galvanize support for educational reform and improved school performance. The Summit Education Working Group has assigned the USG responsibility for educational standards and assessment; education technology; and decentralization and involvement of civil society in education administration. In FY 2000, the LAC Regional program will implement activities in all three areas, e.g., through training of mayors and civil society in ways to improve educational management at the local level, and establishing a clearinghouse on applications of technology to education in the region.

In FY 2000, the LAC Regional program will implement three major Summit initiatives: trade, property registration and micro-enterprise. In the trade arena, emphasis will be placed on: assisting CARICOM and other countries to meet FTAA reforms, furthering the Caribbean Food Safety Presidential initiative, advancing trade-related environmental issues, and supporting increased involvement of civil society in FTAA decision-making processes. The U.S. has lead responsibility for the Summit Property Systems Initiative. In cooperation with the Institute for Liberty and Democracy, assessments of informal property and needs for institutional change will be undertaken to advance the adoption of modernized property registration systems. In implementation of the Summit micro-enterprise agenda item, the LAC Regional program will seek to strengthen micro-finance institutions to achieve self-sufficiency and gain access to capital markets, assist governments with their legal and regulatory framework, and expand financial and business development services to the rural and urban poor, especially women.

Environment

Parks in Peril is one of the USG's most important and successful programs in meeting its obligations from the Bolivia Summit. To date, a total of 17 parks covering nearly 15 million hectares can now protect their biological diversity without U.S. assistance, including six that graduated from the program last year.

In FY 2000, the program will continue its leadership in developing sustainable financing mechanisms for protected areas, strengthening local NGO capacity, and developing management tools for measuring progress and prioritizing conservation interventions. In collaboration with the U.S. Geological Survey, the Inter-American Biodiversity Information Network will be launched at an international meeting in Brazil.

Health

In addition to its ongoing activities to reduce infant and maternal mortality and foster equitable access to basic health services, the LAC Regional program will be initiating a new infectious disease activity in FY 1999. By FY 2000 this program will ensure that the region has better information available for making decisions about antibiotic use to combat childhood illnesses. PAHO will continue to strengthen its role in surveillance of measles and other vaccine-preventable diseases. This year, thanks to these efforts, an epidemic of childhood measles was potentially averted in Haiti. In the face of Hurricanes Mitch and Georges, this surveillance may be expanded to include other infectious diseases, such as cholera and dengue. In FY 2000, the Integrated Management of Childhood Illness program – in response to the need to decentralize activities to all levels of the health service delivery system – will strengthen a component to maximize participation of the community. Health sector reform will also provide valuable information to governments, donors and health care practitioners on how well reforms are progressing in expanding the Summit equity objective.

Other Donors

The LAC Regional program works collaboratively with key regional institutions that are charged with implementation of the Summit of the Americas agenda, including the Organization of American States (OAS), Inter-American Development Bank (IDB) and Pan American Health Organization (PAHO). Support is also provided to the International Institute for Democracy and Human Rights (IIDH) and the Inter-American Democracy Network to strengthen their ability to respond rapidly and effectively to the Summit action items. THE U.S.'s relationships with these institutions are longstanding, and effective mechanisms for collaboration have been developed. An excellent example of this collaboration is the Hurricane Mitch Recovery Fund ($5 million U.S. funds and $12 million IDB), announced by the First Lady during her trip to Central America. While the two components will be administered separately, they were designed to complement each other and were developed in close consultation, both at headquarters and in the field. Another area of collaboration is property registration, where donor coordination with the IDB and World Bank is essential to improved implementation. The U.S. will engage both multilateral organizations and other bilateral donors working on property formalization in developing a consensus-building strategy for this program.

LATIN AMERICA AND CARIBBEAN REGIONAL DEVELOPMENT
FUNCTION 150 RESOURCES
($ in thousands)

Appropriations Accounts by Strategic Goal	Actual FY 1998	Estimate FY 1999	Request FY 2000
Economic Development	**25,867**	**26,104**	**34,915**
DA	25,867	26,104	34,915
Democracy	**9,656**	**6,900**	**6,830**
DA	9,656	6,900	6,830
Environment	**6,500**	**4,100**	**9,378**
DA	6,500	4,100	9,378
Health	**10,759**	**7,332**	**6,855**
DA	10,759	7,332	6,855
Total	***52,782***	***44,436***	***57,978***

Appropriations Accounts	Actual FY 1998	Estimate FY 1999	Request FY 2000
DA	52,782	44,436	57,978
Total	***52,782***	***44,436***	***57,978***
LATIN AMERICA AND CARIBBEAN REGIONAL DEVELOPMENT FUNCTION 150 RESOURCES GRAND TOTAL	***52,782***	***44,436***	***57,978***

Central American Regional Development

($ in thousands)

National Interests: Key U.S. goals and interests in the Central American region include: (1) expanding economic growth and prosperity through greater economic integration and open markets; (2) promoting trade and investment; (3) improving labor conditions; (4) increasing sustainable development and sound environmental practices by stemming regional resource degradation and loss of biodiversity; and (5) reducing the incidence of communicable diseases, especially HIV/AIDS.

Strategic Goals and Supporting Programs for FY 2000:

Economic Development

The regional program will help increase Central America's ability to participate in global markets by reforming trade and investment policies, improving protection of worker rights, protecting children from child labor, encouraging productivity-enhancing labor market policies, and increasing private investment in energy/telecommunications services.

Central American imports from the U.S. doubled over the last five years to nearly $10 billion and trade links with the U.S. continue to expand. The Joint Central America-USA (CONCAUSA) agreement to increase trade and promote sustainable development, signed by the Presidents of Central America and the United States at the December 1994 Summit of the Americas, provides the shared framework from which the U.S. has derived its regional trade and environment objectives for Central America. The May 1997 U.S.-Central American Presidents' Summit in San Jose, Costa Rica reconfirmed the commitments under CONCAUSA and the common objectives shared by the U.S. with its closest neighbors.

Hurricane Mitch in late 1998 severely affected Honduras and Nicaragua, the two poorest countries in Central America, and caused significant damage to Guatemala and El Salvador. Total regional damage is estimated by the United Nations Economic Commission for Latin America and the Caribbean at $5.63 billion, but it may cost as much as $10 billion to restore to acceptable standards the lost infrastructure, housing, social service facilities, utilities, and agriculture according to the U.S. Army Corps of Engineers. Reconstruction represents both a challenge and an opportunity for the countries to reinforce their shared regional commitments to economic integration, sound environmental management, sustainable development, and now disaster preparedness and mitigation.

The Central American region encompasses seven small countries: Belize, Guatemala, El Salvador, Honduras, Nicaragua, Costa Rica and Panama. The region's current population of over 34 million will reach 37 million by the year 2000 at the current 2.6% annual growth rate. Approximately half of all Central Americans live in rural areas and two-thirds live below the poverty line. The 1998 United Nations Human Development Index ranks

Nicaragua, Guatemala, El Salvador and Honduras among the lowest countries falling into the "medium" human development category. Beyond the challenges of poverty reduction, the Central American countries also remain ill equipped to face the cross-border spread of HIV/AIDS and other contagious diseases, as well as the continuing loss of biodiversity due to environmental degradation.

To combat poverty and promote sustainable development in Central America, higher economic growth rates are required. Growth must occur in an equitable manner that avoids the depletion of natural resources and must be accompanied by adequate investment in the human resources of the region, in order to be broadly based and sustainable. The region's ability to achieve more open markets, better protection of workers rights, increased labor productivity, and improved regional environmental management are limited by intra-regional trade barriers, sparse technical capacity, weak and inconsistent legal frameworks, and rapid depletion of key natural resources in cross-border areas.

A key feature and success of the Central American program continues to be the direct involvement of Central American Ministers of Trade, Environment and Labor in supporting regional programs. The Central American Ministers of Trade are on track in implementing interim tariff reductions as they move toward a common, lower external tariff by 2000. The regional program support to modernize energy and telecommunications sector regulatory frameworks in Guatemala and El Salvador contributed to over $2.6 billion in private investments in the past two years. Additionally, the U.S. provides assistance to support the development of bilateral intellectual property rights (IPR) agreements. In June 1998, Nicaragua signed a bilateral IPR agreement with the United States. The U.S. has also helped establish a working group of the Ministers of Labor that is supporting efforts to modernize labor markets and initiate a program to combat child labor.

While Hurricane Mitch reconstruction efforts will be primarily country-focused, the U.S.'s Central American program can provide critical support to insure that national efforts mesh, where appropriate, with regional integration and cross-border activities, especially in the areas of trade and environment. Pending approval of additional resources, the regional program would build on current integration efforts with regional institutions to plan and harmonize standards for regional connecting infrastructure such as roads and bridges necessary for expanded regional trade in the next century. The program would continue support for economic integration, opening of markets, energy and telecommunications privatization, and improved labor conditions to spur economic recovery and wider participation in economic growth.

The regional program would provide support for long-term regional military integration through the Conference of Central American Armed Forces (CFAC), which seeks to establish new roles and missions for the region's militaries. This would include multilateral responses to natural disasters such as Hurricane Mitch, enabling the military to respond more effectively in the future.

Environment

Recognizing Central America's commitment to and leadership in sustainable development and the environment, the Administration selected the region in 1997 as a priority area for U.S. Global Climate Change assistance. The regional devastation in 1998 from tropical forest fires and Hurricane Mitch underscores the region's need to better manage its natural resource base and cope with future extreme climatic change-induced events.

The program will support activities with regional economies of scale and cross-border impacts to consolidate a Central American system of protected areas and to harmonize environmental policies. The regional special objective will help local Central American organizations deliver HIV/AIDS awareness and prevention services. The $9.2 million in Development Assistance and $3.0 million in Child Survival and Disease Program Fund resources in FY 2000 will enable the United States to achieve its priority objectives in the region. As part of the U.S. response to Hurricane Mitch, additional resources are needed to coordinate watershed management and land-use planning in the region.

The U.S. support to the Central American Commission for Environment and Development (CCAD) is critical in coordinating national-level resource management efforts at the regional level involving cross-border watershed/protected areas and cost-effective natural resource information analysis and use such as the recent information-sharing agreement between NASA and the CCAD. Increased regional/national program coordination on watershed management and land use planning particularly in cross-border areas and where there are economies of scale to better cope with future extreme climate change-induced events would also be expanded. The regional program would provide support for long term regional military integration through the Conference of Central American Armed Forces (CFAC), which seeks to establish new roles and missions for the region's militaries. This would include multilateral responses to natural disasters such as Hurricane Mitch, enabling the military to respond more effectively in the future.

Other Donors

Data on official assistance flows for regional programs are not readily available. Besides the U.S., major donors providing support on a regional basis to Central America are the United Nations agencies, the Pan American Health Organization, Canada, the European Union, the Nordic countries, and the Inter-American Development Bank (IDB).

CENTRAL AMERICAN REGIONAL DEVELOPMENT
FUNCTION 150 RESOURCES
($ in thousands)

Appropriations Accounts by Strategic Goal	Actual FY 1998	Estimate FY 1999	Request FY 2000
Economic Development	**2,800**	**2,749**	**3,200**
DA	2,800	2,749	3,200
Environment	**6,575**	**5,500**	**6,000**
DA	6,575	5,500	6,000
Health	**3,900**	**2,700**	**2,900**
DA	3,900	2,700	2,900
Total	***13,275***	***10,949***	***12,100***

Appropriations Accounts	Actual FY 1998	Estimate FY 1999	Request FY 2000
DA	13,275	10,949	12,100
Total	***13,275***	***10,949***	***12,100***
CENTRAL AMERICAN REGIONAL DEVELOPMENT FUNCTION 150 RESOURCES GRAND TOTAL	***13,275***	***10,949***	***12,100***

MULTILATERAL ASSISTANCE

The Multilateral Development Banks
MDBs

($ in thousands)

	FY 1998 Actual	FY 1999 Estimate	FY 2000 Request
MDB	1,458,940	1,476,264	1,394,531

International Affairs Objectives

Our FY2000 budget request covers the World Bank Group, five regional development banks, and the Global Environment Facility (GEF). The World Bank is comprised of the International Bank for Reconstruction and Development (IBRD), the International Development Association (IDA), the International Finance Corporation (IFC), and the Multilateral Investment Guarantee Agency (MIGA). The five regional development banks include: the Inter-American Development Bank Group (IDB); the Asian Development Bank Group (ADB); the African Development Bank Group (AfDB); the European Bank for Reconstruction and Development (EBRD); and the North American Development Bank (NADBank).

The World Bank, along with the IMF, was established in 1944 to provide a multilateral instrument to help rebuild the economies of post-war Europe, and to promote global economic cooperation. Originally, the World Bank was designed to provide support for infrastructure reconstruction, but as Europe returned to prosperity in the 1950s, the Bank redirected its focus to the developing economies of the Third World. Later the World Bank's work in the developing world was augmented by the creation of the regional development banks, collectively known as the multilateral development banks (MDBs).

With the exception of the EBRD, the NADBANK, and the GEF, each of these institutions consists of both a *hard loan window* and a *soft loan window*. The hard loan window provides loans at market-based rates to better-off developing countries. Donor countries provide the capital base for these loans through paid-in and callable capital subscriptions, enabling the MDBs to access the international capital markets for operating funds. Paid-in capital is as low as 6% of total capital in some of the Banks. The soft loan window provides loans on a concessional basis with long maturities (30-40 years) and very low (generally around one percent) interest rates to the poorest countries unable to borrow in international capital markets. Funding for these loans (which are the equivalent of 80-90% grants because of the loan terms) is provided by donor countries through periodic replenishments and repayments of prior loans.

The MDBs also lend to and invest directly in promoting the private sector. In the World Bank Group and the Inter-American Bank Group, the IFC and the IIC respectively provide loans and equity investments to projects where risks are too high for the private sector to be the sole source of financing. Generally these investments provide only a portion of the necessary financing and act as an inducement for private finance. Other MDBs, such as the EBRD, have major private sector operations. The EBRD, in particular, commits over 60% of its financing to private sector projects.

Multilateral Development Bank Key Facts

- In 1998 the MDBs lent about $57 billion at a cost to the U.S. in FY1998 of about $1.4 billion. By comparison, U.S. bilateral assistance in FY1998 totaled $7.1 billion..
- In 1997 (based on latest available data), U.S. firms received about $3.7B from contracts arising from MDB operations.
- In 1998, overall MDB development funding, 37% went to Latin America, 36% to Asia, 17% to Eastern Europe and the former Soviet Union, 7% to Sub-Saharan Africa, and 3% to the Middle East.
- Sub-Saharan African countries have limited capacity to absorb market-based loans from the MDBs, receiving less than 2% of MDB hard-loan lending in 1998. In contrast, they received 30% of concessional MDB lending in 1998.
- Significant achievements have been obtained in improving the efficiency and quality of MDB operations in the past few years. The MDBs have also been increasingly active in areas which are of high priority to the U.S., including poverty reduction, trade and investment reform, sound environmental practices, private sector development, good governance and the advancement of workers rights.

Performance Evaluation

U.S. Leadership and Advancement of U.S. Foreign Policy Priorities

- The World Bank and ADB worked closely with the IMF and other donors in developing programs to react to the financial crisis in Asia, with major programs for Thailand, South Korea and Indonesia, providing major financial and technical assistance to restructure these troubled financial systems. During consideration of these assistance packages to these countries, the U.S. urged and obtained strong commitments to liberalize and reform troubled financial sectors, increase transparency, and reduce government involvement in economic and financial decision making.

Multilateral Assistance

- The approval by Congress of our plan to clear U.S. arrears to the MDBs has helped preserve U.S. leadership and influence in the institutions. In 1998 we cut arrears from $862 million to the current level of $310 million. For FY2000 Treasury is requesting $168 million to pay off a substantial portion of remaining arrears.

- If fully funded, this will leave arrears of $142 million in two institutions, the Global Environment Facility and the IDB's Multilateral Investment Fund (MIF).

Leverage MDB Budgetary Resources

We continue to use replenishment/capital increase negotiations to limit new U.S. financial commitments, promote U.S. policy priorities, and secure needed institutional reforms.

- *African Development Bank:* In May 1998 the Bank's shareholders agreed to a 35% General Capital Increase in the context of an ownership restructuring to increase the voting power of non-regional countries. The U.S. share of the GCI is $40.8 million in paid-in capital over eight years, or $5.1 million annually. Under the agreement, the U.S. ownership share will rise from 5.5% to 6.6%.

- The new voting rules eliminate the simple majority, which potentially gave African shareholders the determining voice on all issues. Under the new rules, no substantive decision can be taken without substantial non-regional support, and non-regionals will have blocking capacity on key issues.

- *African Development Fund:* In January 1999 donor countries agreed on the Eighth Replenishment for AfDF, the concessional lending facility. The U.S. share of the replenishment is $300 million over three years, or $100M annually. The terms of the replenishment agreement advance reforms to improve good governance, link resource allocation more closely to countries' policies and performance, and intensify the partnership with the World Bank on support to Africa.

- *IDA:* The IDA-12 replenishment agreement, reached in November 1998, will enable IDA to provide additional concessional lending of $20.5 billion for 2000-2002. The U.S. annual contribution remains nearly unchanged ($803.43 million, compared to $800 million under IDA-11).

- The Agreement contains commitments to improve transparency and boost IDA's effectiveness in reducing poverty and promote sustainable economic development. It calls for stronger linkage between new lending and borrower performance, including explicit consideration of good governance and efforts to combat corruption; fuller consultation with the public in developing Bank programs and publication of key planning documents; further steps on Bank information disclosure; and, support for

the Bank's inspection panel and a formal Management proposal for an appropriate inspection function for the Bank's private sector operations (i.e., MIGA and IFC).

- *IDB:* The U.S. successfully concluded negotiation of the FSO funding requirements cementing our long-term objective of sustainable FSO funding without new donor resources, and obtaining a stronger FSO focus on the poorest countries. The financing package which, among other things, taps into existing "local currency" accounts in some of the better off Latin American countries, is expected to result in an estimated savings to the U.S. of $500 million over ten years, compared to traditionally structured replenishments.

- *MIGA*: In April 1998, agreement was reached on a $1 billion General Capital Increase (GCI) which addressed a number of policy and financial issues of particular concern to the United States. The GCI is structured to minimize the direct budgetary costs to shareholders, with only $150 million to be provided as paid-in capital subscriptions. The U.S. share is $30 million of paid-in capital and $150 million of callable capital over a period of three years while our share/voting power is maintained at the current level of 20.55%.

- On policy issues, we obtained agreement to incorporate core labor standards into MIGA contract language; create an inspection function, and adopt environmental and information disclosure policies consistent with those in place elsewhere within the World Bank Group.

Increasing MDB Operational Effectiveness

We continue to press for greater cost effectiveness and accountability in MDB operations, including more objective measurement and assessment of performance and results.

- *World Bank:* We worked with the *World Bank* to substantially scale back the budgetary cost of its Strategic Compact, a combination of steps to restructure the institution and improve development effectiveness. After the three-year implementation period, in WBFY01 the Bank's budget will return to its FY97 real level. The Bank has instituted a more flexible employment policy and pension policy and is revising its salary structure to more closely follow the market and reduce costs, again with our close engagement.

- *AfDB:* A radical restructuring has reduced staff, restructured administrative and operations functions, improved monitoring of the lending portfolio and strengthened cost controls. At our urging, the Bank has produced a "Vision" statement, to define an appropriate focused operational niche for the future.

Multilateral Assistance

- The *EBRD* maintained zero real administrative budget growth for the fifth consecutive year.

- *GEF:* The GEF has committed to produce comprehensive and monitorable performance indicators to measure the effectiveness of its projects by end-1999.

Private Sector Development and Financial Sector Reform

- All of the institutions have substantial programs to privatize and restructure banks, introduce greater competition and increase transparency in the financial sector, and eliminate opportunities for corruption by creating independent regulatory and oversight authorities.

Poverty Reduction

- Under IDA-12, the Bank will focus 50% of new IDA resources on Sub-Saharan Africa and 40% of investment lending on social sector operations, subject to performance and need respectively.

- The recently concluded FSO agreement includes lending guidelines and eligibility criteria which will focus the bulk of FSO operational work on the poorest countries.

- The ADB has committed to focus increasingly on rural and agricultural development to direct a minimum of 40% of new lending to social sectors.

- Under AfDB-8, the Bank will allocate a substantial proportion of AfDF for agriculture, rural development, basic health care, and primary education.

- All of the institutions have gender policies in place to focus more of their operations on efforts to benefit women.

Good Governance

- *World Bank:* Its anti-corruption policy focuses on external operations with linkage between new lending and borrower performance, including explicit consideration of good governance and efforts to combat corruption. As for internal operations, the Bank has set a fraud hot line, assures confidentiality to whistleblowers and is investigating alleged staff corruption. In addition, at our strong urging, the World Bank added an anti-bribery pledge provision to its procurement rules, and overhauled procurement rules for consultants.

Multilateral Assistance

- *AfDB* is preparing policy which will formulate operational guidelines to promote and monitor good governance in borrowing countries.

Labor Rights

- *MIGA* and *IFC* adopted a common policy that prohibits the use of forced labor and exploitative child labor and requires compliance with all national laws that protect core labor standards. We are working for adoption of this policy in the other MDBs.

- At our urging, the *World Bank* is preparing operational guidance to incorporate child labor issues for release in late 1999 and has formed a Labor Markets Group, a team focused on labor issues in among other things, the project development process.

- *IDA-12* and *AfDF-8* replenishment agreements contain specific commitments to additional actions on improving respect for core labor standards.

- The *AfDB* has prepared a comprehensive paper with recommendations on incorporation of core labor standards into the Bank's operations and policy guidelines.

- All of the U.S. Executive Directors to the IFIs are working vigorously to put labor issues on the agenda of each of these institutions, including raising core labor standards in discussions of relevant projects and country assistance strategies, and pressing the institutions to develop internal screening mechanisms.

- In response to our continued efforts, collaboration and communication between the IFIs and the International Labor Organization (ILO) has deepened substantially.

Environment and Sustainable Development

- As part of the policy reform agenda called for in the GEF-2 replenishment agreement, the *GEF* has strengthened its performance indicators for projects and programs, and developed plans for expanding its range of Implementing and Executing Agencies. To increase leveraging and improve private sector cooperation, it devised options to expand concessional loans and loans guarantees. A detailed evaluation of capacity-building projects for biodiversity conservation was completed, and work began on evaluation of clean energy capacity building.

- The *World Bank* strengthened its policies on Environmental Assessment, produced an improved Energy and Environment Strategy, and is now in the process of revising its involuntary resettlement, indigenous peoples, and forestry.

Multilateral Assistance

- The *IDB* is using independent advisory committees for projects with substantial environmental ramifications. It also adopted strong environmental assessment and disclosure policies for its private sector affiliate, the *IIC,* and has developed new strategies for energy, water resources, and coastal and marine resources management.

- The *Multilateral Investment Fund (MIF)* has played a vital role in the transformation of Latin America to a market-based economy while promoting policies consistent with sustainable economic development. The U.S.-managed fund supports projects in renewable energy, energy efficiency, pollution abatement, ecotourism, recycling, sustainable forestry, agriculture and aquaculture.

- The *ADB* drafted a new Water Resources Policy and has been actively recruiting additional experts in areas such as indigenous peoples, involuntary resettlement, and gender.

- The *AfDB* has initiated a complete revision of its procedures for environmental and social review of both public sector and private sector operations, with the aim of integrating them into a comprehensive impact assessment (IA). By mid-1999 AfDB will issue its revised water resource policy, and finalize its agricultural and rural development sector policies.

- The *EBRD* has strengthened its policies on environment and information disclosure ; environmental assessments are now routinely available to the public.

Disclosure of Information

- One of the lessons learned from the Asia crisis is the importance of transparency and information disclosure as a means of ensuring well-functioning institutions. To that end, all of the MDBs are increasing the amount and timeliness of information available, including their respective websites as a means of facilitating greater disclosure.

- *IDA-12, AfDF-8* and the *MIGA* GCI agreements all incorporated commitments for increased information disclosure.

Global Environment Facility (GEF)

($ in thousands)

	FY 1998 Actual	FY 1999 Estimate	FY 2000 Request
GEF	47,500	192,500	143,333

Budget Request

For FY2000, the Administration requests $143.3 million for the Global Environment Facility to provide our annual share of $107.5 million to the second GEF replenishment (GEF-2) and to clear $35.8 million, which is one third of U.S. total arrears of $107.5 million.

Institutional Mandate

The GEF was established in 1994, following a three year pilot phase (1991-1993), when the U.S. and 160 other countries chose it to lead implementation of trans-border environmental initiatives in developing countries and Eastern Europe. The GEF creates projects to reduce international water pollution and overfishing in international waters; to promote energy conservation and renewable energy; to phase out harmful gases still produced in developing countries that damage the ozone layer; to support better forestry and wildlife management; and to conserve biological diversity.

Protecting the global environment can only succeed if developing countries switch to cleaner and less destructive development paths. The GEF is the sole international financial institution dedicated to helping developing countries identify environmental measures that also support economic development and take responsibility for "mainstreaming" these win-win options into their regular development plans.

GEF specializes in two key types of work. First, it pilots innovative, cost-effective sustainable development approaches and technologies that can be duplicated elsewhere and financed on a larger scale by non-GEF sources. For example, GEF wind power demonstration investments in India, Indonesia, Costa Rica, and North African have spurred extensive follow-on private and public investment in similar projects. Second, it builds the country conditions needed to "mainstream" cutting-edge approaches with extensive technical assistance. It helps countries to develop better policies and human capacity in key sectors, as well as to collaborate better with neighboring countries on trans-border issues.

Key Facts

- GEF has a strong operational focus. To date, GEF has implemented 300 projects and disbursed about $900 million.

- GEF's projects fall into four categories:

  -- Conserving biodiversity (46% of its portfolio);
  -- Expanding clean energy production and efficient use (38%);
  -- Cleaning up international waters and protecting fisheries (10%), and
  -- Phasing out ozone-depleting chemicals (4%).

- GEF's projects are implemented by three agencies:

  -- World Bank, which manages demonstration investment projects;
  -- United Nations Development Program, which runs capacity building programs, and
  -- United Nations Environment Program, which provides scientific and information systems-related technical assistance.

- The GEF is more than a financial pass-through mechanism. It is a highly cost-effective vehicle for foreign assistance, with each U.S. dollar leveraging about $12 dollars in co-financing.

- The GEF is a lean, transparent, DC-based organization. A 32-person Secretariat works with small GEF units at the three Implementing Agencies. This avoids the need for a new institution and keeps administrative costs down. GEF has a 32-member governing Council, and it is the only IFI to allow NGOs full observer status and the right to speak at all Council meetings. All Council documents are public.

- The U.S. secured an ambitious reformillion agenda for 1999-2002 in the recent GEF-2 replenishment:

  – New indicators will be developed by end-1999 to measure effectiveness of all GEF programs. This seeks to quantify the value of experimental approaches, help "mainstream" them, and better allocate GEF resources.
  – GEF will explore developing better investment tools for private sector environmental projects, e.g., loan guarantees and project insurance.
  – Implementing Agencies will further "mainstream" global environment into core programs.
  – GEF will review expanding its implementing agencies to use competition for cost efficiencies.

Multilateral Assistance

-- GEF will report twice yearly to the Council on its progress in implementing this policy agenda and the recommendations of a 1998 performance evaluation.

Supporting U.S. Objectives

Promoting sound environmental policy

- Promoting sound environmental policy in developing countries is a key objective of U.S. foreign and economic policies. The well-being of U.S. citizens depends on clean air and a stable climate system, access to diverse species with the genetic material needed for crops and medicines, healthy fisheries, abundant fresh water, and protection fromillion the sun's ultraviolet rays. The GEF is the leading international institution taking on these overarching challenges.

Promoting U.S. Business

- GEF-supported conservation can help our agricultural industry. For example, genetic material fromillion Ethiopia preserved by a GEF-supported seed bank helped Californian farmers save an important crop that was threatened by blight.

- The GEF helps reduce competitive disadvantage U.S. firms experience as a result of weak environmental standards in developing countries. For many American firms, strong environmental regulations create a climate for competitive success.

- The GEF is actively expanding international markets for environmental technologies and services in which the U.S. is a leading producer. For example, the GEF has been a primary force in expanding international demand for solar power systems, and its projects have helped expand world demand by over 500%. The GEF has also expanded markets for other clean energy technologies such as for wind power, geothermal, biomass, and clean coal. It has been the main player worldwide in expanding developing country demand for wind power. GEF grants helped leverage an expansion of India's demand wind power systems fromillion 39 megawatts in 1992 to over 800 megawatts in 1996.

Promoting Democracy and Good Governance

- GEF operations promote democracy and good governance by involving NGOs, local communities, private firms, and other stakeholders in all stages of projects. This is crucial for project success and helps to establish democratic approaches to economic and social development in recipient countries.

World Bank Group

International Development Association (IDA)

($ in thousands)

	FY 1998 Actual	FY 1999 Estimate	FY 2000 Request
IDA	1,034,504	800,000	803,430

The Administration requests $803.43 million for FY2000 for our first annual commitment under the twelfth replenishment of IDA (IDA-12) covering the period July 1999 to June 2002. The total value of IDA-12 is $21B, of which $11.6 billion will be covered by new commitments. The U.S. contribution to IDA-12 is $2.4 billion. The U.S. share within IDA is maintained at 21%.

Current IDA Funding Situation

Our FY2000 commitment under IDA-12 is less than a 1% increase over our FY1999 commitment under eleventh replenishment of IDA (IDA-11).

There was a one year gap in U.S. funding for IDA after the tenth replenishment in World Bank Fiscal Years 1994-1996 (WBFY94-FY96) because the U.S. budget situation precluded clearance of arrears and beginning contributions to the IDA-11. Other donors established a one-year Interim Trust Fund to fund approximately $3.3 billion in IDA projects, denying over strong Administration objections U.S. procurement opportunities for these projects. Subsequently, the Administration negotiated an agreement with other donors that provided U.S. procurement opportunities for the $1 billion in uncommitted Interim Trust Fund resources in connection with clearance of U.S. arrears to IDA and payment of current U.S. commitments to IDA ($800 million for FY1998). These conditions were met by the $1.035 billion appropriation in FY1998 .

Institutional Mandate

In 1960, under the leadership of the Eisenhower Administration, IDA was created as the soft loan affiliate of the IBRD to promote sound economic management and poverty reduction among its poorest developing members. IDA provides concessional loans for economic reform, infrastructure, human capital development, improving the environment, and disaster recovery, as well as policy advice and technical assistance. Its goal is to help the poorest countries create the social and economic conditions needed to achieve sustainable growth and poverty alleviation. IDA funding comes primarily from periodic replenishments from donor countries, though repayments of past loans are an increasingly important source of IDA resources.

Key Facts

- The U.S. share of IDA is approximately 21%, down from 42% initially.
- For IDA-12, every $1 of U.S. funding leverages $8.54 in IDA development loans.
- IDA eligibility is extended to 80 countries with a per capita income below $925 and with limited or no ability to borrow on market terms. More than 90% of IDA lending goes to countries with per capita income below $650, or less than $2 a day.
- Twenty-one countries have graduated from IDA, and China and Egypt will graduate at the end of FY 1999. IDA lending to China declined from over $1 billion in WBFY 1993 to $293 million in WBFY 1998.
- Once IDA borrowers, Botswana, Korea and Turkey are now IDA donors.
- IDA made loans of $7.5 billion in WBFY 1998. Since its establishment, IDA has made commitments totaling $109.1 billion.
- Growth in IDA borrowing countries has improved substantially since the beginning of the decade. Overall GDP growth in IDA-only countries increased from 1% in 1990-91 to 5.4% in 1996 and 5.7% in 1997. IDA's African borrowers kept up with the growth in other IDA-only borrowers until 1997, when growth lagged by a full percentage point.
- During WBFY96-98, countries with better records on macroeconomic policies and reforms received nearly 60% more in new IDA commitments per capita than average performers.
- IDA focuses on poverty alleviation, but it also supports infrastructure improvements and economic reform. During WBFY 1998, 16% went to agriculture projects because of the high concentration of rural poor in IDA countries; 37% to the social sectors (education, health, water and sanitation, and social protection); 25% to infrastructure; and 17% to economic reforms.
- IDA is encouraging greater participation in its programs. More than half of the IDA operations approved during WBFY94-96, and 61% in WBFY97, involved some form of participation by beneficiaries and outside organizations.

Supporting U.S. Objectives

IDA's borrowing countries are home to 3.3 billion people, more than one-third of whom live on less than one dollar a day. Poverty reduction and projects in the social sector are a key focus of its activities. The World Bank Group has implemented a wide array of policies to deliver on objectives that are the core of the U.S. development strategy. Priority issues for IDA include: social sector investments in basic health and education; poverty reduction; environmental protection; and private sector development.

Social Sector

- The Bank is the world's largest lender for projects that most directly contribute to child survival: health, primary education, nutrition, safe drinking water, and proper sanitation.

- In WBFY 1998, IDA lending to the basic social sectors was 37% of its total lending or $2.8 billion. The Bank anticipates social sector lending of approximately 40% during IDA-12. This compares with 19% in the late 1980s.

Private Sector Development

- During 1999, the Bank expects to complete its private sector development strategy.

Performance and Good Governance

- The Bank has agreed to stronger and more monitorable linkage between borrower performance and new IDA lending and to incorporate governance indicators, including corruption, as core criteria for IDA lending.

Transparency and Participation

- The Bank makes available Project Information Documents, Project Appraisal Documents, Environmental Assessments and summaries of Operational Evaluations Reports, most of them through its Internet website.

- With member country concurrence, the Bank now publishes Country Assistance Strategies (CASs) and, starting in July 1999, has committed to release all CASs to the public, unless the Board finds exceptional circumstances.

- The Bank has agreed to review additional documents that it could release to the public.

Multilateral Assistance

- The Bank has developed a sourcebook to enhance participation, including of local beneficiaries, in the development of Bank projects. More than half of the IDA operations approved during WBFY94-96, and 61% in WBFY97, involved some form of direct participation by beneficiaries and outside organizations. In addition, the Bank is developing a policy on social assessment, which should also help to enhance and improve local participation.

Core Labor Standards

- The Bank will expand collaboration with the ILO on core labor standards and address them in Country Assistance Strategies and in the evaluation of borrower performance.

Military Spending

- The Bank is committed to deeper examination of non-productive spending (e.g., military spending).

Environment and Sustainable Development

- The Bank has committed to "mainstream" environmental considerations (i.e., national, regional and global) into IDA operations.

Foreign Policy Initiatives

- The Bank has offered a proposal for addressing the arrears of post-conflict countries.

- At the request of the U.S. and others, the World Bank delayed lending other than for basic human needs to India and Pakistan to encourage these countries to agree to nuclear non-proliferation.

World Bank Group

The Multilateral Investment Guarantee Agency (MIGA)

($ in thousands)

	FY 1998 Actual	FY 1999 Estimate	FY 2000 Request
MIGA	-	-	10,000

The Multilateral Investment Guarantee Agency (MIGA) is a member of the World Bank Group. Chartered in 1988, MIGA was created to encourage foreign direct investment by providing investment insurance (guarantees) against non-commercial risks in developing countries, i.e., expropriation, transfer restrictions, currency inconvertibility, and political violence. MIGA and the Overseas Private Investment Corporation (OPIC) maintain a good working relationship. OPIC has reinsured and co-insured U.S. investment projects in developing countries with MIGA.

For FY2000, the Administration is requesting $10 million for our first scheduled paid-in contribution to the General Capital Increase (GCI). In April MIGA's Board of Directors approved a recommendation to Governors for a GCI of approximately $850 million, $150 million paid-in and $700 million callable capital. As part of the GCI, the World Bank transferred $150 million to MIGA. Under the GCI, the U.S. would contribute $30 million over three years.

Key Facts

- The U.S. is the largest shareholder in MIGA, with 20.55%.
- U.S. investors constitute the largest group of MIGA insurees (31% of MIGA's guarantee portfolio).
- MIGA is a financially prudent underwriter, and has developed a portfolio that is well diversified both in geographic and sectoral terms.
- The total amount of foreign direct investment (FDI) in developing countries that MIGA has facilitated since its inception is roughly $25 billion. The sectors in which MIGA has been most active are: financial services, manufacturing, infrastructure, mining, and oil and gas.

- At the close of WBFY 1998, MIGA's net exposure totaled $2.2 billion.

- During WBFY 1998, MIGA issued guarantees to support 55 new projects and issued its first guarantees to support FDI in Angola, Bolivia, Mozambique, Ukraine, and Uruguay.

Supporting U.S. Objectives

As preconditions for U.S. participation in a GCI, MIGA committed to actions in priority areas:

- Adopt contract language on core labor standards;

- Create an Inspection Panel, and

- Adopt environmental and information disclosure policies.

MIGA has moved quickly to adopt contract language prohibiting the use of forced labor and exploitative child labor and requires compliance with all national laws that protect core labor standards. MIGA has also drafted environmental and disclosure policies for Board consideration. However, little progress has been made on an Inspection Panel. Treasury will continue to seek resolution of this issue prior to participating in the GCI.

Inter-American Development Bank (IDB) Group

Ordinary Capital (OC)

($ in thousands)

	FY 1998 Actual	FY 1999 Estimate	FY 2000 Request
IADB - OC	25,611	25,611	25,611

For FY2000, the Administration is requesting $25.6 million for the U.S. contribution to the Ordinary Capital of the Inter-American Development Bank, which is the institution's primary lending window, lending at market-based rates. Under the terms of the 1994 capital increase (IDB-8), the U.S. agreed to purchase shares worth $153.66 million, with subscriptions to be provided in six equal installments over the 1995 to 2000 period. This request is for the sixth and final installment under IDB-8.

Key Facts

- The U.S. was a co-founder of the IDB, which was established in 1959.
- The U.S. is the largest single shareholder, with 31% of the shares and the votes in the institution at year-end 1998.
- IDB-8 was agreed on extremely favorable terms for the United States; our policy objectives were achieved, while additional payments came largely from other donors eager to expand their share in this influential organization.
- The IDB has been a major player in efforts to mitigate the impact of the international financial crisis on Latin America. In 1998, the Bank lent a record $9.3billion at market rates. In addition to its regular program of investment and sector loans, the Bank was authorized by its Board of Governors in December 1998 to undertake a one year special program of emergency lending to mitigate the impact of the global financial crisis on Latin America and the Caribbean.

Supporting U.S. Objectives

The IDB is involved in a wide range of activities with the central purpose of promoting sustainable economic growth that leads to increased standards of living and the reduction of poverty. Specific operations increasingly reflect an array of basic U.S. policy priorities.

Multilateral Assistance

- IDB financing for a private sector infrastructure projects is directly assisting the region's efforts at privatization. In 1998, $566million in loans were approved for this program, a significant increase from the $320 million approved in 1997.

- In the social sector, the Bank is placing special emphasis on the design and evaluation of projects that directly benefit the most vulnerable segments of the population, particularly through institutional and policy reforms. Social sector lending totaled $3.3 billion in 1998, up from $2.6 billion in 1997.

- Under IDB-8, a core focus of the Bank is social development, including education. The IDB has been at the forefront of efforts to increase access to educational opportunities and improve the quality of education provided in Latin America and the Caribbean.

- The Bank is increasing its efforts to promote environmental protection and conservation, both in stand-alone projects and through participation with other financiers. An ongoing process of consultations with representatives of local and international NGOs, civil society, and government authorities has substantially increased the array of views contributing to project and program development. This includes creating independent advisory committees for projects with substantial environmental issues.

- We continue to encourage the Bank to make a serious and concerted effort at combating corruption in procurement practices. If done properly, this effort will level the playing field for U.S. businesses bidding for IDB projects, and result in increased exports of U.S. goods and services.

Inter-American Development Bank (IDB) Group

Multilateral Investment Fund (MIF)

($ in thousands)

	FY 1998 Actual	FY 1999 Estimate	FY 2000 Request
IADB-MIF	30,000	50,000	28,500

For FY2000, the Administration is requesting $28.5 million for the U.S. contribution to the Multilateral Investment Fund (MIF) of the Inter-American Development Bank. This will clear a portion of U.S. arrears which total $98.75 million. To date, the U.S. has provided $401.25 million.

The MIF, administered by the IDB, assists Latin American and Caribbean nations with the investment reforms necessary to stimulate domestic investment and private capital flows to the region. Since its inception in 1993, 221 projects totaling over $400 million have been approved, including 68 projects for a total of $138.9million in 1998, a substantial increase over 1997. There is a significant degree of counterpart financing, the target being 40% of the project cost borne by local counterpart contributions.

Key Facts

- The MIF was established in 1992 as a key element in the Enterprise for the Americas Initiative.
- The U.S. is the largest contributor with Japan. Each pledged $500 million of the $1.15 billion fund. Japan has provided the full $500 million.
- In 1998, the MIF approved $139 million in projects, of which $93 million were grants.
- The MIF has played a key role in supporting the privatization process in Latin America and the Caribbean through provision of technical assistance on regulatory and legal reforms and re-training of the workforce.
- It also provides important support for microenterprises by funding financial intermediaries who serve themarket and providing advice on the appropriate regulatory and supervisory framework for such intermediaries.

Supporting U.S. Objectives

The MIF concentrates on three focal areas:

- *Technical assistance* for policy changes to liberalize the investment climate, including tax, privatization, and economic practices;

- *Human resources* required to increase investment flows and expand the private sector, including training of government personnel, and retraining of redundant employees of privatized firms; and

- *Enterprise development* for market-based financing and technical support to harness the region's informal economy through support for small and micro-enterprises.

In 1998, MIF technical assistance resources were used for activities including the development of a private sector health providers program in Peru, a capital markets development program in Nicaragua, and establishment of a water and sanitation sector regulatory agency in Haiti. In the area of human resources, the MIF funded programs such as a tourism, health, safety and resource conservation project for the Caribbean, an alternative dispute settlement project in Guatemala, and a regional labor union pension training project. In the area of small enterprise development, with support from the MIF, the world's largest non-profit conservation organization, the Nature Conservancy, signed a landmark agreement to create a new venture capital fund that will invest in environmentally responsible businesses in Latin America and the Caribbean.

In addition the MIF worked with USAID in Central America following the devastation of Hurricane Mitch to recapitalize financial intermediaries servicing microenterprises.

A number of MIF projects have reached or are soon to reach their completion point. We have pressed MIF management to provide us and other shareholders with a full evaluation of project results to date. In response, MIF management approved additional resources in the 1999 budget to do such analysis and issue detailed evaluation reports.

Inter-American Development Bank Group

The Inter-American Investment Corporation (IIC)

($ in thousands)

	FY 1998 Actual	FY1999 Estimate	FY 2000 Request
IADB-IIC	-	-	25,000

The IIC is a member of the Inter-American Development Bank Group. Established in 1984, the IIC was created to promote the development of private small and medium-size enterprises (SMEs) in Latin America and the Caribbean. Through direct loans and equity investments in SMEs as well as through lending to private local banks, the IIC helps such enterprises to access the capital necessary to start-up, expand, or modernize their operations. The SMEs that the IIC targets generally find it difficult to obtain long-term financing.

For FY2000, the Administration is requesting $25 million for IIC, which would fund the first U.S. payment under a proposed $500 million capital increase. Formal negotiations are now underway in which the U.S. is pressing for adoption of policy measures on worker rights, the environment, an inspection panel function, and public disclosure.

Key Facts

- The IIC invests in private sector projects, lends without a sovereign guarantee, and thus assumes standard commercial risks.

- Small and medium-size enterprises can generate significant employment, contribute substantially to GDP, and enhance the flexibility and competitiveness of a nation's economy. The IIC's equity investments in SMEs also serve to deepen capital markets in the region as the companies become listed on local exchanges. The IIC's lending operations to local private banks also help strengthen the participating banks' credit review and portfolio management functions.

- In FY97 the IIC's Board approved 25 projects in eleven countries totaling $150 million. Co-financing through IIC's B-loan program facilitated $409 million in additional lending from private commercial banks to SMEs. Since its inception the IIC has disbursed over $517 million in loans and equity investments to SMEs.

Multilateral Assistance

Supporting U.S. Objectives

Private sector development

- The IIC plays an important and valuable role in promoting the development of small businesses and financial intermediation to the SME sector in Latin America and the Caribbean, particularly in the Bank Group's lower income borrowers. The current international financial crisis demonstrates how important stable sources of official finance can be in maintaining and promoting continued private sector growth during times of market uncertainty.

Core labor standards

- As part of the GCI negotiations, the U.S. is pressing the IIC to adopt contract language on core labor standards that at a minimum prohibits use of forced labor and exploitative child labor and requires compliance with all national laws that protect core labor standards.

Transparency and Disclosure

- As part of the GCI negotiations, the U.S. is seeking commitments from IIC to adopt an information disclosure policy that will increase transparency of IIC operations to project-affected groups and the general public.

Asian Development Bank Group

Asian Development Bank (ADB)

($ in thousands)

	FY 1998 Actual	FY 1999 Estimate	FY 2000 Request
Asian Development Bank	13,211	13,222	13,728

The Asian Development Bank (ADB) is the hard loan lending window of the ADB Group, which promotes sustainable economic development, poverty reduction, and sub-regional cooperation in the Asia/Pacific region.

For FY2000, the Administration requests $13.7 million for our fifth and final annual scheduled paid-in contribution to our $66.6 million commitment for the 1994 General Capital Increase (GCI-4).

Key Facts

- The U.S. was a co-founder of the ADB, which was established in 1966.
- The U.S. is the co-largest shareholder with Japan. Each has a 16% share in the institution and 13.2% of the vote.
- In 1998, the Bank lent $5.0 billion at market or near-market rates to Asia's better-off developing nations. The bank provided $156 million in technical assistance.
- The ADB has been a major player in the international financial institutions' response to the Asian Financial Crisis.
- With the adoption of a graduation policy in 1988, Taiwan, Singapore, and Hong Kong are now officially recognized as ADB graduates. These three nations, along with South Korea, Malaysia, Indonesia and Thailand now contribute to the Asian Development Fund.

Supporting U.S. Objectives

As the co-largest shareholder with Japan, the U.S. plays a major role in shaping the ADB's lending and policy direction. Maintaining U.S. leadership at the ADB is critical to ensuring that our priorities are reflected in the institution, and the reforms which will lead to more efficient and equitable use of development resources are implemented. As with the other MDBs, the U.S. can leverage tremendous lending through our annual contribution. Our $13.2 million paid-in contribution over the last two years leveraged $7.8 billion in lending in 1997 and $5.0 billion in 1998.

- In a global economy, linked in innumerable ways, stability in our Asian trading partners is a prerequisite for growth of U.S. exports and continued long-term U.S. economic growth. The ADB has been a crucial part of the international community's response to the Asian financial crisis. Rapid assistance to South Korea, Thailand and Indonesia, in combination with other IFIs and bilateral donors, made a major contribution to containing the instability, and is directly supporting necessary structural reforms in areas such as corporate governance, banking, and capital markets. The ADB is also fostering reforms which include international best practices in accounting, auditing, and financial disclosure.

Strengthening Social Safety Nets

- The Administration has put increasing emphasis on the need for the MDBs to address needs in the social sector, particularly in Asia. Rural areas have been especially hard hit by the crisis. The ADB has responded with direct loans and policy assistance directed to the most vulnerable segments of society. The ADB has helped ensure that expenditures in basic health and education are not cut, while at the same time fostering greater accountability in the use of these funds. Improved operational policies also position the Bank to contribute to longer-term reforms to build transparency and participation. The Bank is also an active participant in the Social Development Network of experts across developmental institutions that seek to better address social development in developing societies.

Promoting U.S. Foreign Policy Goals

- U.S. participation in the ADB provides us with an influential platform to press for foreign policy objectives throughout Asia. In 1998, through U.S. leadership and cooperation with our G-7 partners, we were successful in postponing lending to India and Pakistan after those countries carried out nuclear tests, and have ensured that the regime in Burma does not have access to ADB funding. The ADB is an excellent tool for assisting former-Soviet countries and other transitional economies into the international arena. In 1998, the ADB welcomed Tajikistan as its 57th member.

Multilateral Assistance

U.S. encouragement and advice to transitional economies in the process of entering a global free market is made easier through our engagement with the MDBs.

Improving ADB Efficiency through Reforms

- The Bank is implementing a rigorous agenda of reforms that we believe are needed to ensure more efficient use of scarce resources. Addressing corruption and governance problems in Asia has been one of the most important objectives of the U.S. in recent years. As an extension of the ADB governance policy, the ADB approved a policy on anti-corruption in 1998 which will link lending levels to progress made in individual countries to fight corruption. It also will incorporate governance and anti-corruption analysis into Bank operations and programs.

Opportunities for U.S. Business

- In 1995-97, the U.S. ranked first among donor countries in terms of dollars of procurement bids won from ADB public sector loans. U.S. firms provide the materials, consultants and technical assistance that make ADB projects successful in its developing member countries. Each year, the ADB conducts Business Outreach Seminars in several U.S. cities in order to inform U.S. companies about business opportunities at the ADB, and to recruit new companies to bid on ADB projects.

Asian Development Bank Group

Asian Development Fund (ADF)

($ in thousands)

	FY 1998 Actual	FY 1999 Estimate	FY 2000 Request
Asian Dev. Fund	150,000	210,000	177,017

The Asian Development Fund (ADF) is the concessional lending window of the ADB Group, providing assistance and policy advice to the poorest countries in the region.

In FY2000, the Administration requests $177 million for the ADF. $100 million is for our third of four scheduled payments of $100 million, and $77 million is for arrears accumulated in FY1999. The FY2000 request would clear all arrears. The last U.S. contribution to ADF-7 is planned in FY 2001, and a new replenishment may be required by that time.

Key Facts

- At the ADF-7 replenishment negotiation, the U.S. reduced its commitment to the ADF by 41% from our previous commitment. We did so, while remaining the co-largest shareholder and maintaining lending at their previous levels.
- Two important U.S. agenda items from the ADF-7 agreement were completed in 1998: a graduation policy and a hardening of ADF terms.
- Under the new ADF terms, repayments are sped up, without seriously eroding the conditionality for the region's poorest.
- ADF resources address the severe poverty in Asia; nearly one billion people have incomes of less than $1 per day.
- Neither China nor India has access to ADF funds.

Supporting U.S. Objectives

Clearing U.S. Arrears: Clearing our remaining $77 million arrears in FY2000 is a high priority of the Administration. As a concessional lending window, donor contributions directly affect the ADF's ability to assist the poorest of Asia. It was critically important

that our $187 million in arrears were cleared in FY1999, as other donors explicitly link appropriations to the U.S. payment. With new members being added, an increased emphasis on the social sectors, and the depreciation of other donor currencies vis a vis the dollar, ADF commitment authority is dwindling ahead of schedule, thus making the clearing of our ADF arrears all the more important.

Lending Policies: ADF funds are primarily used for the Bank's projects in areas of health, environment, education, and social protection. The U.S. has rigorously advocated that only the neediest countries can access ADF, and in the ADF-7 negotiation, it was agreed again that neither India nor China would use ADF funds. In ADF-7, the U.S. reduced its commitment, largely because of increased participation of Asian donors, most notably, first time donors Thailand and Malaysia. Graduated members, Singapore, Hong Kong, and Taiwan, are also donors. Creating monitorable performance indicators to ensure that strong performers are awarded commensurate levels of concessional funds is a goal of the U.S., and we will press the ADF to improve its performance indicators in 1998.

ADB's Actions on Commitments as called for under ADF-7: During the ADF-7 replenishment agreement, the U.S. secured several key reforms which the Bank is now implementing. In 1998, the Bank adopted a policy which hardens ADF loan terms. This will increase the ADF's reflows, thus moving the Bank towards its goal of self-financing in half a generation and paving the way to a framework where borrowers will not have to rely solely on donor contributions. The Bank has also presented a new policy on graduation. Projects which have potential revenue generating capacity for the country will now have to be funded out of the ADB's hard loan window--this will be true for both the Bank's poorest members, as well as those which are better off. Clear cut-off points have been established so that the classification of members is as transparent as possible.

Lending to Support Social and Environmental Goals: The ADB lends over 40% of its resources to projects which have social or environmental goals as their primary or secondary objectives. In order to improve delivery of these types of projects, in 1998, the Bank adopted policies on NGOs, indigenous peoples, and gender and development. In 1999, the ADB will introduce several key policies which will help it further deliver its services to the poorest: policies on poverty reduction, microfinance, health, education, and nutrition will strengthen the Bank's approach and instruments for poverty reduction.

Worker Rights/Core Labor Standards: We continue to urge the ADB to strengthen its ties with the International Labor Organization (ILO), and to address core labor standards in its operations. In 1998, the ADB stipulated that sub-borrowers from the Bank's $1 billion export financing facility and Credit Enhancement Facility for Sri Lanka must not employ anyone under the age of 15.

Multilateral Assistance

- *Increasing Transparency and Information Disclosure:* Greater transparency and information disclosure are essential for equitable development. Largely through U.S. leadership, the ADB has approved an information disclosure policy which ensures that key documents are available to the public, particularly in areas affected by ADB operations. A public information center and expanded website (www.adb.org) have substantially improved the ADB's capacity to make key documents available to a broad segment of Asia's population and beyond. Public participation is fostered through the ADB's consultation process, in which Bank staff consult with affected populations to provide an opportunity for local input. The ADB's inspection panel allows groups which have been affected by ADB projects to voice their concerns before an independent panel.

Improving ADF Efficiency: The U.S. has been pressing the Bank to allocate its staff resources as efficiently as possible in order to carry out these new policies. Based on ongoing skills mix evaluation, the Bank will increase the number of staff allocated towards good governance, gender issues, and indigenous peoples, with costs offset by savings elsewhere.

The African Development Bank Group

African Development Bank (AfDB)

($ in thousands)

	FY 1998 Actual	FY 1999 Estimate	FY 2000 Request
African Dev. Bank	-	-	5,100

The African Development Bank lends at market-based rates to countries having 1997 per capita incomes greater than $925 and also to AfDF-eligible "blend" countries having some limited access to credit markets. The Bank's mission is to promote poverty reduction in Africa through selective infrastructure and human resource investments, support for market-oriented policy reforms, and technical assistance for project and policy development.

The United States has been a member of the Bank since 1983. We are the largest non-regional shareholder, currently accounting for about 5.6%. The Bank's shareholders recently came to closure on an agreement for a modest (35%) general capital increase designed primarily to strengthen key financial ratios and increase the ownership and influence of the non-regional members. Under the agreement, our share will increase to about 6.7%, requiring a total U.S. payment of $40.8 million, spread over 8 years. This translates into $5.1 million per year, the first installment of which is sought in this budget request.

Key Facts

- The Bank effectively leverages shareholder investments -- historically, for every dollar of U.S. paid-in capital, the Bank has loaned about $120.
- In the agreement on the fifth general capital increase (GCI-5), we achieved increased non-regional share ownership as well as important voting rule changes. The U.S. ownership share will rise from about 5.6% to about 6.7%.
- With strong U.S. support, the Bank has completed a comprehensive vision statement under which it is committed to particular focus on rural and agricultural development, human capital development, private sector development, good governance and gender and environment issues.

Multilateral Assistance

- AfDB is developing a formal Memorandum of Understanding with the World Bank designed to improve collaboration and selectivity in a number of areas, including: improving loan quality; operations evaluations; arrears clearance and debt relief; staff training; and, policy based lending programs.

- South Africa became a Bank Group member in 1995. By far the largest economy on the continent, we expect it will play an influential role in managing the Bank. South Africa is likely to join Botswana as the second regional contributor to the Bank's concessional arm, the African Development Fund.

- AfDB made new loan commitments of about $900 million in 1998, bringing total commitments to about $18.4 billion by the end of 1998.

- AfDB net income for its FY97 was about $158 million. About $22 million of this was transferred to reserves.

Supporting U.S. Objectives

Key among U.S. objectives at the AfDB is a wide range of reforms to make the AfDB Group a more effective and transparent institution.

AfDB Reform Program

After several years of intensive efforts by the U.S. and others to make fundamental changes in the institution, the Bank has overcome many of the management problems which troubled it. With our full support, an aggressive new President continues the most far-reaching and comprehensive restructuring and reform ever undertaken by an MDB. Reforms include:

- The poorest countries will have highly restricted access to non-concessional lending.
- A complete reorganization, retrenchment of staff by 14%, and replacement of 70% of managers.
- Senior officials, including Board members, are now subject to term limits.
- Independent units for Risk Management, Financial Control, Procurement, and Environment were created and staffed.
- The proportion of total arrears to outstanding loans was significantly reduced with the emergence from non-accrual status of Madagascar, Cameroon and Niger.
- The Private Sector Development Unit was upgraded; a Central Projects Department was created to handle cross-cutting issues.
- Major progress has been made in reforming the Bank's procurement system.

- An information disclosure policy, developed in partnership with NGOs, is in place.
- Release of new resources to the Fund is tied to reform implementation.
- As part of the Fifth General Capital Increase agreement, non-regionals will increase their ownership and influence over decision making.

These unprecedented reforms have put the Bank in position to make a substantial cost-effective contribution to development in Africa.

The African Development Bank Group

African Development Fund (AfDF)

($ in thousands)

	FY 1998 Actual	FY 1999 Estimate	FY 2000 Request
African Dev. Fund	45,000	128,000	127,033

For FY2000, the Administration requests $127 million for the African Development Fund (AfDF-8). This includes the initial U.S. payment ($100 million) toward our commitment to fund 10% ($300 million) of the $3.0 billion AfDF-8 replenishment agreed in January 1999. While larger than our unusually low pledge of AfDF-7 ($200 million), this new pledge supports the reforms of the Bank Group's new management.

Major Bank-wide reforms called for by the U.S. and other non-regional members and achieved in the past several years have resulted in other contributors releasing the bulk of their commitments to AfDF replenishments. The FY2000 request of $127 million includes $27 million to clear all our arrears under AfDF-7.

Key Facts

- An estimated 340 million people (about 45% of Africa's population) live in absolute poverty. AfDF lends to the poorest African countries on highly concessional terms.
- It was established to promote broad-based economic development and to alleviate poverty in the poorest countries in Africa through project-specific investments, policy advice and technical assistance.
- In 1998, the Fund approved loans of about $800 million for 42 projects.
- The U.S. is the second largest historical contributor to the Fund (following Japan), accounting for a cumulative contribution share of about 12.5%.
- AfDF's multilateral character allows it to lend $9 for every dollar in U.S. subscriptions, with total cumulative lending of about $12.3 billion.

Multilateral Assistance

Supporting U.S. Objectives

With substantial reforms now in place, the AfDF can make a unique contribution to the development of Sub-Saharan Africa. The vast majority of the Bank Group's clients (39 out of 53 African nations) borrow almost exclusively from the Fund. Sub-Saharan Africa is a region where, despite exceptions, conditions for sustained poverty reduction and private sector-led growth have not yet emerged. Key areas of progress on U.S. objectives include:

Performance-Based Allocations

- Increasing the effective use of scarce concessional resources to make a lasting impact on poverty in Africa by establishing a clear linkage between country performance and AfDF resource allocation.

- Establishing a comprehensive system of annual assessments of country performance based on macroeconomic policies, structural policies, policies for growth with equity and poverty reduction, governance and public sector performance, and implementation of existing projects.

Promoting Good Governance

- Promoting and monitoring good governance in borrowing countries, including through an array of indicators focusing on accountability, transparency, respect for human rights, fight against corruption, rule of law and participatory governance.

- Establishing a comprehensive governance policy for the 1999 Annual Meetings to formulate operational guidelines and establish a clear linkage between country allocation of AfDF resources and measurable assessments of governance.

- Mainstreaming governance issues in all Country Strategy Papers, resource allocation and project work.

Inspection Function

- Committing to establish an independent Inspection Panel, so that parties potentially affected by Bank operations will have clear standing to address complaints and concerns.

- The panel will examine violations of Bank policies, procedures, guidelines and loan agreements for projects under preparation and under implementation.

Multilateral Assistance

Sustainable Development

- Creating the proper policy environment for economic growth, which reduces the threat of civil conflict and eventually will boost U.S. exports and opportunities for investment in the region.

- Creating the proper balance between growth and environmental concerns to foster sustainable development.

- Promoting greater transparency in decision making through information disclosure.

- Making "investments in people," such as in primary education, preventive health care and micro-credit.

Private Sector Achievements

- Investing in physical infrastructure such as roads, power plants, sewers and telecommunications, which paves the way for private investment and regional economic integration.

- Increasing lending to the private sector to 25% of overall lending by 2005. The Bank has set this as a priority goal.

- Building an indigenous private sector by fostering capital markets development.

- Creating guidelines and a pilot program for lending to micro-enterprises.

Foreign Policy Achievements

- Participating with the Bretton Woods Institutions in the HIPC Debt Initiative to significantly reduce the debt burden of the Continent's best performing but highest debt-ridden countries.

- The AfDB and World Bank were successfully enlisted to support President Clinton's Africa Initiative, and both institutions are committed to emphasizing liberalization of trade and investment regimes for indebted countries.

European Bank for Reconstruction and Development (EBRD)

($ in thousands)

	FY 1998 Actual	FY 1999 Estimate	FY 2000 Request
EBRD	35,779	35,779	35,779

For FY2000, the Administration requests appropriation of $35.8 million in paid-in capital for the third payment under the capital increase agreement of the European Bank for Reconstruction and Development (EBRD).

Key Facts

- EBRD was established in 1991 to promote the development of free market economies in central and eastern Europe and the former Soviet Union.
- The U.S. is the single largest shareholder in the EBRD with a 10.4% share following the Bank's 1996 capital increase. Each dollar of U.S. paid-in capital leverages $100 in EBRD supported investments.
- EBRD is unique in its political mandate – recipient countries are expected to be "committed to and applying the principles of multiparty democracy, pluralism, and market economies." The Bank also has a mandate to promote environmentally sound and sustainable development.
- To date, the EBRD has approved over $17B, mobilizing in excess of $47 billion of investment into the region, with over 70% of operations in the private sector – in excess of the Bank's own 60% requirement.
- Despite the setbacks of the August 1998 Russian financial crisis, the EBRD continues to operate in all countries of the region, seeking out sound investment projects with a high transition impact. Going forward, there will be a renewed focus on institutional and legal reforms, including anti-corruption measures, in order to strengthen the investment climate.

Supporting U.S. Objectives

The EBRD effectively leverages scarce resources to further a number of U.S. priorities.

Private Sector Development

- EBRD promotes and supports private-sector led development and the transition of centrally planned state-controlled economies through its investment projects and technical assistance programs.

- EBRD promotes and provides financing for the development of small, medium and micro-enterprises throughout the entire region.

- EBRD invests in and promotes the development of strong financial institutions and local capital markets.

Democracy and Good Governance

- EBRD promotes democracy and human rights, including worker rights, through its lending conditioned on a country's commitment to be moving towards multiparty, pluralistic democracy.

Environment/Sustainable Development

- EBRD is committed to environmentally sustainable development and has developed special units to finance energy efficiency and environmental infrastructure investments. In addition, the Bank is committed to improving environmental conditions in all of its investment projects.

Efficient Use of Financial Resources

- The Bank has also become an efficient and cost-effective institution. The 1999 budget is the sixth consecutive budget with no real increase in costs, while productivity continues to improve. The EBRD is committed to maintaining tight budget control going forward, despite the increased demand for bank services. The EBRD recorded small profits from 1995 to 1997, but will report a loss for 1998 due to the fallout of the Russian financial crisis. Management remains committed, however, to restoring profitability in the near-term and the Bank remains on a sound financial footing.

Multilateral Assistance

Opportunities for U.S. Business

- U.S. companies continue to do well at securing business at the EBRD. In the private sector, U.S. firms secured over $650 million in funding in 1997, and cumulatively are involved in over 20% of EBRD projects. In the public sector through 1997, U.S. companies have secured over $180 million in procurement under EBRD public sector projects and consulting contracts.

Nuclear Safety

- EBRD also manages the Nuclear Safety Account (NSA) on behalf of the United States and other donor countries. The NSA provides grants to perform short-term safety improvements to the most dangerous reactors in the region linked with a commitment to their early closure. In 1997, the EBRD also agreed to manage the donor-funded $700 million Chernobyl Shelter Fund. This fund, which began to let contracts in 1998, will assist in providing a new and safe sarcophagus for the damaged Chernobyl nuclear reactors.

Debt Restructuring Programs

The Administration's debt relief programs fulfill two important and broad objectives. One, U.S. debt relief helps put the poorest heavily indebted countries on a sustainable path of economic growth and rising income. With required economic reform, debt relief unlocks resources for poverty alleviation, basic human needs, child survival and environment protection. Two, U.S. debt relief benefits the U.S. economy through expanded bilateral trade and opportunities for U.S. investors. Debt relief increases the capacity for poor countries to buy U.S. exports, and investment liberalization opens up opportunities for U.S. investors.

Activities Related to Heavily Indebted Poor Countries (HIPC):

- **Paris Club/HIPC/Africa Initiative** **Request: $20M**

The U.S. provides debt reduction through three programs: Paris Club, HIPC, and the Africa Initiative. U.S. participation in Paris Club debt reduction provides up to 67% debt reduction on eligible debt. Through HIPC, the Paris Club provides 80% reduction and more on eligible debt. Under the Africa Initiative debt program, the U.S. forgives concessional debt owed by strongly reforming Sub-Saharan African countries.

- **HIPC Trust Fund - World Bank** **Request: $50M**

The Heavily Indebted Poor Countries (HIPC) Initiative Trust Fund was established by the World Bank to help defray the cost of debt relief provided by multilateral institutions under the HIPC Initiative. The Trust Fund faces a $2 billion funding shortfall. With the exception of the U.S., all of the G-7 countries have pledged contributions. A U.S. contribution would catalyze additional contributions.

- **Debt Relief for Tropical Rainforest Countries** **Request: $50M**

Debt relief for tropical rainforest countries is a new program, called for under the Tropical Forest Conservation Act of 1998. This program, similar to Treasury's Enterprise for America Initiative (EAI), would provide resources to non-governmental organizations (NGOs) and recipient governments for tropical forest conversation programs. These resources would be generated through no-cost debt buybacks or swaps, and debt reduction, which would entail a budget cost.

Paris Club/HIPC/Africa Initiative

($ in thousands)

	FY 1998 Actual	FY 1999 Estimate	FY 2000 Request
Paris Club/HIPC	27,000	33,000	20,000

The U.S. provides debt relief through three programs: Paris Club, the Heavily Indebted Poor Countries (HIPC) Initiative, and the Africa Initiative:

- **Paris Club:** The U.S. participates with other creditors in providing multilateral debt relief to the poorest countries in the Paris Club. The Paris Club provides up to 67% debt reduction to the poorest countries on "Naples Terms." Under Naples Terms, the debtor country could receive 50% or 67% reduction of eligible bilateral official debt.

- **HIPC:** The HIPC Initiative provides debt relief by bilateral creditors, and, for the first time, by international financial institutions to the poorest countries with exceptionally heavy debt burdens. In support of HIPC, the Paris Club provides 80% or more debt reduction to eligible countries.

- **Africa Initiative:** Debt relief through the President's Africa Initiative, provides bilateral forgiveness of U.S. concessional debt owed by eligible strong reforming Sub-Saharan Africa countries. U.S. debt relief through this program builds on comprehensive Paris Club and HIPC debt relief to this region, and encourages further economic reform, including opportunities for U.S. investors.

Key Facts

- The Administration expects to provide "Naples Terms" debt relief to at least three countries during FY2000. We expect to commit to relieving over $10 million of outstanding debt.

- Through the HIPC Initiative, the Administration intends to forgive more than $30 million in U.S. debt owed by six Sub-Saharan African countries that are expected to become eligible for HIPC debt relief.

- The Africa Initiative debt reduction is expected to provide debt reduction of over $100 million to qualifying countries.

Supporting U.S. Objectives

- U.S. participation in Paris Club debt reduction encourages heavily-indebted poor countries to implement macroeconomic and structural reforms to promote economic growth, achieve sustainable debt servicing levels, and improve their living standards.

- U.S. participation in the HIPC program helps relieve countries with exceptional heavy burdens, and supports sustained economic and development reform to promote economic growth and poverty alleviation.

- The Africa Initiative debt program, a key element of the President's Partnership for Economic Growth and Opportunity in Africa, supports the U.S. objectives of advancing economic reform, freeing-up resources for needed social spending, building on multilateral debt relief, and encouraging bilateral trade.

HIPC Trust Fund - World Bank

($ in thousands)

	FY 1998 Actual	FY 1999 Estimate	FY 2000 Request
HIPC Trust Fund	-	-	50,000

For FY2000, the Administration is requesting $50 million for the U.S. contribution to the World Bank-HIPC Trust Fund.

The Heavily Indebted Poor Countries (HIPC) Initiative Trust Fund was established by the World Bank to help defray the cost of debt relief by the multilateral lending institutions under the HIPC Initiative. The HIPC Initiative provides comprehensive debt relief to severely indebted countries by bilateral and, for the first time, multilateral creditors. With the exception of the United States, all of the G-7 countries have pledged to the HIPC Trust Fund. However, the HIPC Trust Fund remains seriously underfunded. The Administration expects that a U.S. contribution would leverage contributions from other industrialized countries.

Key Facts

- With the exception of the U.S., all of the G-7 countries have pledged resources to this trust fund. In addition, 11 non-G-7 European countries have contributed.

- So far, countries have paid in $230 million and pledged an additional $70 million. Despite this level of donations, the HIPC Trust Fund is far from meeting the funding shortfall for the HIPC Initiative.

- The cost of HIPC debt relief by all creditors is estimated at $9.7 billion. The funding gap is estimated at least $2 billion for international financial institutions. Creditors have already pledged about $6 billion in debt relief to seven HIPC countries.

Supporting U.S. Objectives

- Provide financial assistance and catalyze further donor contributions to the HIPC Trust Fund so that HIPC-eligible countries are in a position to receive timely and comprehensive debt relief.
- Bolster HIPC's objective of encouraging sustained economic reform and poverty alleviation in eligible countries. HIPC is a key pillar in restoring severely indebted poor countries to economic growth, sustainable development, and adequate payment capacity of their debt.

Debt Relief for Tropical Rainforest Countries

($ in thousands)

	FY 1998 Actual	FY 1999 Estimate	FY 2000 Request
Tropical Rainforest	-	-	50,000

Debt Relief for Tropical Rainforest Countries will allow the Administration to support conservation of endangered tropical forests and promote economic reforms in eligible countries. This program is modeled after the Enterprise for the Americas Initiative (EAI) that supported conservation and child survival programs in Latin America. Treatment of U.S. concessional debt through buybacks, swaps, or debt reduction will leverage payment of local currency resources into funds to support programs to conserve tropical forests.

Key Facts

- This legislation received strong bipartisan support and was signed into law by the President in July 1998.
- The Administration received authorization starting in FY1998 to engage in no-cost debt buybacks. Several countries have expressed interest, and negotiations are expected to start during this year.
- The Administration will finance debt relief through its $50 million request to countries that have significant rainforest and conservation programs, and have a record of sustained economic reform.

Supporting U.S. Objectives

- The Tropical Forest Conservation program supports the Administration's objective of conserving tropical forests in developing countries. Local currency proceeds from debt buybacks or relief will flow into trust funds to finance conservation programs administered by a board of local government officials and participating NGOs.
- This program will support the U.S. objective of advancing economic reform in recipient countries. In order to qualify, countries must demonstrate they have a credible economic reform program, an open investment regime, and a democratic government. They must also demonstrate that they do not engage in terrorism, narcotics, or human rights violations.

Multilateral Assistance

- The Tropical Forest Conservation program will also encourage good governance in recipient countries by promoting cooperation between government and participating non-governmental organizations in addressing environmental problems in the tropical forests.

Technical Assistance Programs

Foreign Operations Resources

($ in thousands)

	FY 1998 Actual	FY 1999 Estimate	FY 2000 Request
TIATA	-	1,500	7,000

U.S. International Affairs Objectives

The Treasury International Affairs Technical Assistance program provides expert advisors to a select and limited group of countries in Asia, Africa, and Latin America that are in need of economic development and whose governments are committed to institutional reform. Treasury advisors work on an intermittent or residential basis with senior Finance Ministry or Central Bank counterparts in one of five core areas of government policy and management where Treasury has specialized expertise, including budget and macroeconomics; tax policy and administration; financial institutions; government debt issuance and management; and financial crimes law enforcement. Treasury's technical assistance programs are coordinated with the International Financial Institutions (IFIs) and complement their work. In addition, Treasury's technical assistance projects are coordinated with the State Department and USAID. The overall goal is to help governments implement the reform and adjustment measures associated with the broad policy goals that the U.S. Government seeks to advance: private sector-led economic growth, transparent public finances, and sound commercial banking systems.

Supporting Programs and Implementation Strategies

For FY2000, the Administration is requesting $7 million for technical assistance programs. This is independent of the monies Treasury receives under the Support for Eastern Europe Democracy (SEED) and the Freedom Support Act (FSA), which fund work in Central and Eastern Europe (CEE) and the Former Soviet Union (FSU). This request will expand the number of countries in which Treasury can provide technical assistance from the very small base created with the $1.5 million of funding received in FY1999. While the focus of the technical assistance will remain the same, Treasury intends to provide its expertise to countries in Asia, Africa and Latin America, particularly in response to the economic problems created by the economic crisis in Southeast Asia and the spreading of this economic contagion. In addition to its programs in the CEE and FSU, Treasury currently has small technical assistance programs in place

in Indonesia and South Africa that are funded under separate inter-agency agreements with USAID. In the future, these programs would be subsumed into the Treasury program and funded within this request.

Performance Evaluation

- Budget technical assistance has resulted in national budget laws and regulations in Estonia, Latvia, Moldova, Kazakstan, Bosnia, and Ukraine. Currently work is underway on pension reform in Hungary.

- Tax technical assistance in Russia has produced the draft tax code that is now before the Duma. Tax administration efforts include the Poznan pilot program in Poland to demonstrate functional administration with centralized direction.

- Financial Institutions technical assistance has helped direct the privatization of state banks in Hungary, and Poland. Currently work is underway to address bank insolvencies in Russia.

- Government Debt technical assistance helped establish primary markets for domestic government securities in Kazakstan, Moldova, Kyrgyz Republic, Ukraine, Armenia, Georgia, and Latvia. Technical assistance has also facilitated the Eurobond issues for Poland, Slovenia, Romania and Kazakhstan. In addition, government debt advisors assisted Bosnia in rescheduling their external debt, including arranging settlements with its London and Paris Club creditors.

- Enforcement technical assistance has resulted in financial disclosure requirements in Bulgaria, establishment of interagency financial institution fraud committee in Romania and anti-corruption initiatives in Bulgaria and Armenia.

International Financial Advisory Commission
International Monetary Fund Advisory Committee

($ in thousands)

	FY 1998 Actual	FY 1999 Estimate	FY 2000 Request
Commission/Committee	-	-	1,500

For FY 2000, the Administration is requesting $1.5 million to fund the International Financial Advisory Commission and International Monetary Fund Advisory Committee. The legislation calling for the establishment of these two new bodies (see below) did not provide funding or specify a funding level for them. The requested amount is based on the experience of other USG agencies in similar situations.

Key Facts

The Foreign Operations, Export Financing and Related Programs Appropriations Act of 1999 called for the Secretary of the Treasury to establish an International Financial Institution Advisory Commission (IFI Commission) and an International Monetary Fund Advisory Committee (IMF Committee).

The IFI Commission (11 members, appointed by Congress) is to submit a report within six months of its first meeting on the future mission(s) of the IFIs, as specified in the legislation.

The IMF Committee (8 members, appointed by the Secretary) will meet with the Secretary semi-annually for two years, to provide advice on the policies and practices of the IMF, especially on its implementation of reforms contained in the Act.

Supporting U.S. Objectives

For many reasons the United States has a clear interest in strengthening the international financial institutions (IFIs). The United States is a major contributor to these institutions, and our own economic well-being is profoundly affected by their performance. The IFIs play a crucial role in promoting international monetary and financial stability, poverty alleviation, economic growth, and a more open trading system. The IMF, for its part, is in the midst of a serious effort to examine, reform, and strengthen its policies and practices.

The advice of the IFI Commission and the IMF Committee will help inform policy work going on within the U.S. Administration (and more broadly) intended to strengthen the architecture of the international financial system.

International Organizations and Programs

Foreign Operations Resources:

($ in thousands)

	FY 1998 Actual	FY 1999 Estimate	FY 2000 Request
IO&P	294,500	292,000	293,000

International organizations and programs address many global challenges -- climate change, ozone depletion, aviation security, and humanitarian relief, to name a few -- whose solutions require international consultation and coordination. In some areas, such as protecting the ozone layer (Montreal Protocol) or safeguarding international air traffic (ICAO), solutions cannot be effective unless they are global. In other areas, such as the emergency provision of food (WFP) or aid to needy children (UNICEF), the U.S. multiplies the influence and effectiveness of its contributions through support for international programs.

Multilateral institutions support a wide network of international agreements in such diverse areas as human rights, biological diversity and trade in endangered species. Effective implementation of these agreements contributes enormously to global political and economic stability and the development of international standards that serve U.S. interests. The Organization of American States (OAS), for example, carries out a wide range of regional programs in this hemisphere that support democracy and the rule of law.

Nonpayment of U.S. arrears to multilateral institutions undermines these achievements, damages U.S. international credibility and leadership, and hurts U.S. efforts in continuing to shape an international community in which nations live up to their commitments. If U.S. credibility along with its political and financial relationship with the multilateral community is to be restored, payment of U.S. assessments, U.S. arrears and adequate support for voluntary programs must be provided.

UNDP has redirected its resources toward sustainable development programs that focus on poverty alleviation, job creation, the advancement of women and protection of the environment. With the removal of Cold War tensions, UNDP has used its vast field network and its access to human and technical expertise to assist developing countries in their efforts to end civil strife, build democratic institutions and become self-sustaining.

For many years, the American people have supported UNICEF because they recognize its importance as the premier intergovernmental organization that helps the most

vulnerable population groups: women and children. UNICEF's mission statement calls for long-term development and humanitarian assistance aimed at improving the welfare of children and mothers in developing countries. Its energetic American head, Carol Bellamy, is committed to strengthening programs for children through capacity-building for sustained program delivery. Implementing most of the recommendations of the 1994 Management Study by Booz-Allen and Hamilton, UNICEF has become more efficient and effective, and better positioned to implement field programs.

More than a decade ago, the scientific community developed compelling data that several man-made substances, such as chlorofluorocarbons (CFCs) were severely damaging the earth's ozone layer. This environmental catastrophe resulted in millions of additional cases of skin cancer and cataracts. With the adoption of agreements such as the Vienna Convention for the Protection of the Ozone Layer and the Montreal Protocol on Substances that Deplete the Ozone Layer, the global community is working collaboratively to resolve the problem. The Montreal Protocol Multilateral Fund, an outgrowth of these multilateral agreements, helps developing countries make the transition to the use of substitutes for the worst ozone-depleting substances, such as CFCs.

UNFPA is the leading multilateral organization providing critically needed voluntary family planning and reproductive health services in more than 160 developing countries and countries with economies in transition. UNFPA will be playing a leading role in assessing the results of national programs and identifying steps needed to fully implement the Program of Action of the International Conference on Population and Development.

To reflect the Administration's support for working globally and regionally to promote human rights, empower women, feed the malnourished and combat environmental threats, $293 million for the International Organizations and Programs (IO&P) account is requested.

Seventy percent of the IO&P budget request for FY 2000 will serve the broad U.S. strategic goal of economic prosperity, while 26 percent will focus on global issues such as a sustainable global environment and stabilization of world population growth. The remaining four percent serves U.S. foreign policy goal of promoting democracy and humanitarian assistance worldwide.

United Nations Development Program

Foreign Operations Resources:

($ in thousands)

	FY 1998 Actual	FY 1999 Estimate	FY 2000 Request
IO&P	98,000	100,000	80,000

U.S. International Affairs Objectives:

With programs in over 170 countries, the United Nations Development Program (UNDP) is the largest source of grant-based technical cooperation assistance in the UN system and is the chief coordinating mechanism for technical assistance implemented by UN agencies. UNDP is financed by voluntary contributions from UN member countries and provides grant assistance to the developing world, with increasing emphasis on assistance to the least developed countries and on building national capacity to manage development activities. Reforms promulgated by the Secretary-General in 1997 have strengthened the role both of UNDP resident representatives as coordinators of UN assistance at the country level and that of the UNDP Administrator, who chairs the United Nations Development Group (which includes the UN development agencies).

UNDP's priorities -- poverty alleviation, job creation, the advancement of women, environmental regeneration, and promotion of good governance (including anti-corruption) -- are fully consistent with U.S. foreign policy goals and complement U.S. bilateral efforts to promote sustainable development. In pursuit of these objectives, UNDP emphasizes economic reform, privatization, democracy and peace building. Its programs encourage the creation of open economies and stable, democratic societies receptive to U.S. values as well as to trade and investment. UNDP prides itself on near universality -- providing a positive and relatively inexpensive UN development presence -- and thereby U.S. influence -- in many places where the U.S. is no longer active.

Throughout its history, the U.S. has generally been the largest contributor to UNDP, which is based in New York. This leadership position has allowed us to retain a position on UNDP's Executive Board and promote development strategies and policies that reflect U.S. goals and values. Maintenance of a significant U.S. contribution remains essential to preserving U.S. influence over UNDP policies and programs and U.S. access to UNDP's extensive world-wide infrastructure.

Supporting Programs And Implementation Strategies:

The primary U.S. strategy is to engage the leadership of UNDP and its Executive Board to make UNDP as efficient, effective and accountable as possible. In Executive Board meetings, the U.S. will continue to press UNDP to take concrete steps to improve program delivery, increase staff accountability, and monitor and evaluate program performance. As part of the UN reform process, the U.S. will also continue to support UNDP's role in coordinating UN development assistance so that the UN system fosters a more prosperous, peaceful, democratic and stable world.

Other Donors: The U.S. FY 1998 contribution of $98.00 million made the U.S. the top contributor to the organization for 1998 and accounted for approximately 13 percent of total core contributions. The other top contributors were: Denmark ($84.55 million), the Netherlands ($82.34 million), Japan ($79.90 million), Norway ($74.59 million), Sweden ($59.97 million), Germany ($56.83 million), the United Kingdom ($50.00 million), Switzerland ($41.79 million), and Canada ($29.29 million). Preliminary data for 1999 indicates that the U.S., with a contribution of $100 million, will be at or near the top of the donor list, as the result both of cuts by other major donors and the relative increase in the value of the U.S. dollar.

Performance Evaluation:

UNDP is aggressively promoting broad U.S. objectives as well as specific U.S. reform goals at the UN, such as greater efficiency, results-based budgeting and the elimination of expensive and inefficient pledging conferences.

UNDP has been instrumental in operationalizing the reform agenda in the UN. The UNDP Administrator has been at the forefront of implementing UN development reforms in his role as Head of the UN Development Group. He has championed greater field-level coordination of UN activities through the resident coordinator system and new UN Development Assistance Frameworks designed to set priorities and avoid duplication. As the funder and manager of the UN resident coordinator system, UNDP has recently instituted independent assessments for the competency-based selection of resident coordinators, representing a major shift in UN practice.

UNDP has changed significantly over the last five years, in line with U.S.-backed reform initiatives. The organization has undergone major changes in mandate and profile and realignments on the management side. At the urging of the U.S. and other donors, it has made a major commitment to move towards a strategic results framework, which will integrate resource allocation procedures and evaluation of results. Among the more notable internal reforms the organization has undertaken are decentralization with a reduction in headquarters staff, greater focus on areas of "comparative advantage" and advocacy of key global objectives such as poverty alleviation and good governance, a move away from pure entitlement to incorporation of some performance-based criteria

for country allocations, and greater local capacity- building through national implementation of programs.

Despite the constraints on the IO&P budget for FY 2000 and commensurate reduction in the Administration's request for this activity, support for UNDP remains vital to U.S. interests. The U.S. must demonstrate continued strong support for the organization as it proceeds through a critical phase of the reform process.

Performance Indicators:

- Implementation of a Multi-year funding "Strategic Results Framework;"
- Continued strengthening of the Resident Coordinator System and further improvements in coordination of programming by UN development agencies at the country level;
- Further implementation of the UN Development Assistance Framework;
- A more effective and targeted communications strategy;
- Continued emphasis on personal accountability of staff and full establishment of improved systems for program monitoring and evaluation.

United Nations Children's Fund (UNICEF)

Foreign Operations Resources:

($ in thousands)

	FY 1998 Actual	FY 1999 Estimate	FY 2000 Request
IO&P	100,000	105,000	101,000

U.S. International Affairs Objectives

The United Nations General Assembly created the United Nations Children's Fund (UNICEF) in 1946 as an emergency program to aid impoverished children left in the wake of World War II. Since then, UNICEF has evolved into a long-term development fund aimed at improving the welfare of children and mothers. UNICEF provides goods and services to help meet basic needs in maternal and child health care, sanitation, clean water, nutrition, primary education and social services. In coordination with the UN Office for the Coordination of Humanitarian Affairs, the agency provides emergency assistance to countries destabilized by civil strife or natural disasters. Through a highly effective and decentralized field network, UNICEF operates programs in 145 countries.

The UNICEF Executive Board continues to emphasize three program objectives for UNICEF operations that complement UNICEF's overall goal of sustainable child survival, development and protection: (1) strengthening programs for children through national capacity-building; (2) supporting the delivery of social services; and (3) empowering children and women through development of knowledge and skills, and ensuring that women participate in decision-making in civil society. All UNICEF programs relate directly to the welfare of children and mothers, and have a widespread impact on the well-being of the world's neediest, most vulnerable population groups. UNICEF programs involve local communities and strive to use equipment and materials which can be locally obtained and maintained. Their projects are coordinated with activities of other donors, including USAID. Ensuring continued effective program delivery is a key objective of U.S. participation on the Executive Board. These programs are consistent with U.S. international affairs strategic goals for health and population.

UNICEF has a small emergency unit that plays a key role in many international relief efforts, including Bosnia and the Great Lakes region of Africa. It works in close coordination with the UN Office of the Emergency Relief Coordinator, the UN High Commissioner for Refugees, and USAID's Office of Foreign Disaster Assistance, among other agencies, on humanitarian assistance in emergencies, and traditionally holds sectoral responsibility for medical supplies, child needs, nutrition, and water/sanitation

work. UNICEF reports expenditures of $129 million on emergency efforts during 1997, and emergency program expenditures are expected to continue at high levels in the next few years. These programs are consistent with U.S. international affairs strategic goals for economic development as well as for humanitarian assistance.

UNICEF's Executive Director has always been an American. Since her appointment in 1995, UNICEF's fourth and current Executive Director, Carol Bellamy, has given top priority to reform within the organization and within the UN system. She has placed strong emphasis on both the recommendations of the 1994 UNICEF Management Study by Booz-Allen and Hamilton and the Secretary General's 1997 reform package. The U.S. is keenly interested in furthering these management reforms at UNICEF, both internally and within the UN system.

Within the UN system, UNICEF continued to implement the Secretary General's reform proposals. Country-level coordination between UNICEF and the other UN development agencies has been strengthened by implementation of a joint country program framework, increased use of common premises, harmonization of budgets and program cycles, and strengthening of the resident coordinator system. UNICEF also increased coordination with the World Bank to better leverage available resources and to achieve greater results in health and education programs.

Supporting Programs And Implementation Strategies:

The United States has always played a global leadership role within UNICEF and historically has been the top UNICEF donor to UNICEF's core resources, consistent with the humanitarian ideals of the American people, who have supported UNICEF generously through private donations over the years. Moreover, UNICEF's development work complements USAID's Child Survival Program and the Center for Disease Control's polio eradication program. There is a close dialogue between the U.S. and UNICEF on technical matters of common interest, and strong cooperation in field activities.

Through a FY 2000 contribution of $101 million to UNICEF's core resources, the U.S. strategy is to promote continued improvement in project delivery at UNICEF, to support implementation of the internal management reform, known as the Management Excellence Program, and to encourage continued cooperation between UNICEF and the other UN development agencies under the Secretary General's reform program.

Completion of phase one of the Management Excellence Program in 1998 has created the conditions necessary to strengthen programs through improved planning and decision-making processes, clearly defined accountabilities for program performance, updated management systems and tools, more efficient work processes and enhanced performance

standards. UNICEF continues to upgrade information systems both at headquarters and in field offices to improve program and financial management. On UN reform, UNICEF chaired the working group responsible for developing the pilot phase of the UN Development Assistance Framework, a joint UN development agencies' approach to country programming. In 1998, UNICEF, along with the other UN agencies, implemented the framework in eighteen pilot countries. An assessment of the pilot phase is underway to review the process and to evaluate its effectiveness. UNICEF continues to chair a working group on accelerating the move toward common premises. In addition, child protection issues are receiving more attention, with UNICEF taking a leadership role in addressing the problems of child labor and sexual exploitation of children.

Other donors: The U.S. contribution of $100 million for FY 1998 represented 28% of $358 million in total government contributions to UNICEF's general resources. Other major donors are Norway-$39 million (11%), Sweden-$37 million (10%), Netherlands-$29 million (8%), Japan-$28 million (8%), Denmark-$26 million (7%), United Kingdom-$14 million (4%), Finland-$13 million (4%), and Switzerland-$12 million (3%).

Performance Evaluation:

UNICEF achieved great progress in an area of great importance to the United States, that of reform. Implementing most of the recommendations of the 1994 Management Study by Booz-Allen and Hamilton, UNICEF has become more efficient and effective, better positioned to implement field programs and to move the organization into the twenty-first century. Concrete examples of UNICEF's achievements include a consolidation of headquarters' division from 19 to 15, institution of an integrated financial management system, streamlined processing for development of country programs, decentralization of decision-making to the country level, and a clear and well-defined framework prescribing the roles, responsibilities, and accountabilities for performance monitoring and oversight for the country, regional and headquarters levels. An upgrade of information systems both at headquarters and in field offices is nearing completion and will improve financial and supply management.

Within the UN system, UNICEF and the other development agencies implemented the UN Development Assistance Framework in 18 pilot countries and are in the process of assessing the results. Country-level coordination also has been improved through increased use of common premises and by harmonization of budgets and program cycles. UNICEF also finalized a memorandum of understanding (MOU) with the World Food Program to improve nutritional programming and delivery.

Performance Indicators:

- Improvement in key health indicators (e.g., reduction/eradication of disease, improved nutrition, reduction in child mortality rates, improved sanitation for children and mothers).
- Better education for children (e.g., primary school enrollment, literacy rates).
- Effectiveness in emergency situations--lives saved and relief provided.
- Implementation of key aspects of proposed management reform:

1. Completion of information systems upgrade.

2. Assessment of pilot phase of implementation of the UN Development Assistance Framework.

United Nations Development Fund for Women (UNIFEM)

Foreign Operations Resources:

($ in thousands)

	FY 1998 Actual	FY 1999 Estimate	FY 2000 Request
IO&P	1,000 [1]	1,000	1,000

U.S. International Affairs Objectives:

UNIFEM's overall goal is to improve significantly the status of, and opportunities for, women in the least developed countries through greater participation in political, economic, and social life.

UNIFEM's mandate to promote investment in women contributes directly to U.S. global priorities, particularly U.S. interest in sustainable development. Social investments in women -- in their health, education, and economic access -- are a key component of sustainable development. The more education women have, the more likely they are to be economically productive and engage in public life. They are also more likely to begin childbearing later in life, to educate their children, and to have healthier children -- passing the advantages they have gained on to the next generation.

UNIFEM is the only UN voluntary fund whose primary concern is the integration of women into the national economies of their countries. UNIFEM plays a unique role in showing how increased access by women to sources of business finance, technology, and related services can be a powerful and effective tool for private sector development.

The appropriation request for UNIFEM is consistent with several international affairs strategic goals: economic development, democracy and human rights, and global growth and security.

Supporting Programs And Implementation Strategies:

UNIFEM has adopted a program strategy based on promoting women's human rights, opportunities, and capacities. Within this framework, UNIFEM focuses on three areas of immediate concern: strengthening women's economic capacity,

1 For 1998, the actual PKO appropriation totaled $77.5 million. Of that amount, $4, 945,800 was transferred pursuant to FAA Section 610 from PKO to ESF to support the Lockerbie trial.

engendering governance and leadership, and promoting women's human rights. UNIFEM's implementation is based on its comparative advantages:

- building the capacity of women's organizations and networks;
- leveraging political and financial support for women from a range of stakeholders in the development process;
- forging new synergies and effective partnerships between women's organizations, governments, the UN system, and the private sector;
- undertaking pilot and demonstration projects to test innovative approaches to women's empowerment; and
- building an operational knowledge base to influence mainstreaming.

Performance Evaluation:

UNIFEM has been successful in building stronger women's organizations and networks in developing countries so that women themselves will be able to gain the power to negotiate new and better policies with their governments. UNIFEM has also been successful in providing technical support to governments and in promoting dialogue between governments and women's organizations. The lessons UNIFEM has learned at the community level are shared with policy makers, program managers, and international agencies in order to bring about more gender-sensitive development policy, budget allocations and practice.

Performance Indicators:

- Focus upon those areas where UNIFEM has a comparative advantage.
- Define goals UNIFEM can accomplish within its budgetary constraints with maximum impact and sustainability and benefiting the largest number of beneficiaries.
- Set clear criteria for supporting projects with the potential to leverage large changes in the status quo rather than the delivery of benefits directly to targeted individual women. To this end, projects should be identified with the purpose of advocacy, brokerage - especially with governments and civil society - and constituency building.
- Continue strengthening UNIFEM's organizational and financial controls.

Organization of American States (OAS) Development Assistance Program

Foreign Operations Resources:

($ in thousands)

	FY 1998 Actual	FY 1999 Estimate	FY 2000 Request
IO&P	6,500	6,500	6,500

U.S. International Affairs Objectives:

The appropriation requested is for the U.S. contribution to the development assistance programs of the OAS's Inter-American Council for Integral Development (CIDI). Through the identification of priority areas for policy reform and technical cooperation programs that promote exchange of information on best practices and experiences, CIDI contributes to the economic development of the hemisphere and addresses global issues such as the environment in seeking to achieve the sustainable development goals of the Bolivia Summit on Sustainable Development and humanitarian assistance through natural disaster mitigation.

Supporting Programs And Implementation Strategies:

The basic U.S. objective of streamlining the OAS intergovernmental process of technical cooperation by consolidating the two prior OAS technical assistance councils into the Inter-American Council for Integral Development has been met. The new process resulted in much greater efficiencies and improved quality of programs. Further review and analysis revealed that the current management and financing structure of the OAS technical cooperation programs also required substantial reform. The United States has presented a proposal to create, under the OAS umbrella, an OAS Development Agency that would improve and strengthen program execution and fundraising from external sources. This entity will have greater autonomy to negotiate and execute technical cooperation programs and will strengthen the capacity to analyze how individual projects contribute to the implementation of the Strategic Plan for 1998-2001.

The OAS program is one of the largest pools of grant resources available in the hemisphere and is ideally suited for the type of multinational projects that have emerged from the recent Summits. The level of funding that the United States contributes is used as a barometer of U.S. commitment to the development of member states. Smaller economies count on the OAS for cooperation which larger organizations cannot provide.

Multilateral Assistance

Support for other U.S. political initiatives is often influenced by U.S. commitment to these programs.

The OAS has strengthened the requirement that member states must be current in their voluntary payments in order to benefit from technical cooperation programs. Member states must pay in full the amount pledged before projects are submitted for recommendation by a panel of outside experts. This is a unique feature among international organizations.

The new method of technical cooperation called "Partnership for Development" has shifted OAS programs from a donor-recipient mode to one in which all member states participate, but only the smaller economies are direct beneficiaries. The emphasis is on designing projects in which the larger member states share best practices and experiences with the smaller economies.

The OAS continues to develop programs in which it can perform better than other institutions. The new requirement of substantial counterpart funding has allowed the OAS to leverage its resources into partnerships with international lending institutions and domestic institutions in the larger member states. The OAS has a comparative advantage over other institutions in the following areas:

- Design and implementation of multinational projects at a lower cost by utilizing existing OAS infrastructure to implement training and educational development programs, particularly in small member states where larger assistance organizations are not able to carry out small-scale programs;

- Identification with member governments of priority areas for policy reform, i.e., trade liberalization, environmental management, labor markets and regulations, and the exchange of experiences in the implementation of such reforms;

- Use of established networks for cooperative multinational programs in areas such as social and educational development, environmental protection, port administration, and science and technology.

- Assisting smaller economies with formulation of national projects that promote institution and infrastructure-building to allow better access to multinational cooperation.

- A separate proposal will review the lessons learned from Hurricane Mitch and recommend what role the OAS can play in disaster preparedness and mitigation through its own programs as well as improving existing coordination mechanisms for disaster assistance.

Performance Evaluation:

Delegations continued to improve the criteria for project eligibility and evaluation that facilitated the task of outside evaluators who recommended which projects should be funded. Mid-term reports were instrumental in rejecting continuation projects that had not performed to expectations. The reports of outside evaluators concluded that a considerable improvement in project presentation and implementation had taken place.

Although much progress was noted, delegations concurred with the United States that further improvement necessitated a change in the current structure to give greater autonomy to the CIDI to conclude agreements with other technical agencies and obtain funding from outside resources. The United States delegation has presented a proposal to address this need.

Performance Indicators:

- Restructuring and initial implementation of the OAS technical cooperation programs will be approved for the year 2000.

- Analysis, evaluation and recommendations contained in the report on the implementation of the CIDI Strategic Plan that identifies priority areas for OAS development activity.

International Fund for Agricultural Development (IFAD)

Foreign Operations Resources:

($ in thousands)

	FY 1998 Actual	FY 1999 Estimate	FY 2000 Request
IO&P	5,000	2,500	2,500

U.S. International Affairs Objectives:

The International Fund for Agricultural Development (IFAD) is the UN specialized agency and multilateral lending institution whose single mandate is alleviating rural poverty in developing countries. By financing loan and grant projects designed to increase food production and security levels, IFAD has contributed to improving the capacity of the poor to produce food as well as to increase their incomes. Since its inception in 1977, seventy percent of IFAD's projects have benefited African and Asian countries, while the remaining thirty percent has been divided among Latin America, the Near East/North Africa and Central and Eastern Europe.

Support for IFAD reflects the U.S. commitment to increasing food security among those most at risk. It is also an investment in crisis prevention. IFAD seeks to make poor rural people more capable of withstanding natural and man-made disasters -- the sudden shocks that can disrupt development and can lead to large demands for humanitarian assistance from donors.

IFAD's principles for assisting the rural poor have now become a part of the standard development policy of most major bilateral and multilateral donors. But while larger institutions have absorbed the ideas, and have more money to spend, the majority do not have IFAD's depth of experience in rural poverty. Based on the reputation its projects enjoy, IFAD has been able to mobilize increased resources in a dynamic coalition of IFIs, UN agencies, NGOs, the private sector, governments and the poor themselves. IFAD is therefore in the process of re-engineering itself as a "Knowledge Organization" to make its experiences more widely available.

Financial support for IFAD has also undergone marked change. OPEC donors, once contributing more than forty percent of IFAD's funding, will contribute less than 15 percent of the financing for the Fourth Replenishment. At the same time, IFAD generates considerable resources for new projects from its loan repayments and investment earnings.

Supporting Programs and Implementation Strategies

As a result of a re-engineering program begun in 1995, IFAD is taking a more strategic approach to the types of projects it funds. Many are small, experimental and implemented in conjunction with NGOs. Previously successful pilot projects are being expanded. IFAD is working with other institutions, such as the World Bank/IDA, to obtain increased financing. And IFAD is focusing on the following subsectors where it has proven expertise: research and extension; environmentally-sound, small-scale irrigation and livestock management; micro-enterprises; and expanding marketing opportunities and access to financial services.

Performance Evaluation:

Although IFAD has made good progress in implementing the changes that the United States and other members have requested, there is room for improvement. In particular, allocation of projects among countries and regions should be more strategy-driven. Also, the replenishment system should be replaced with a funding mechanism better suited to an institution that relies most heavily on OECD donors. IFAD's Governing Council will establish a "consultation" on future financial requirements and funding mechanisms at its February 1999 session.

On the plus side, IFAD has cut administrative costs by more than 23% since 1994, while preventing personnel growth during the last five years. IFAD provides worldwide coverage with 126 professional staff. It has proven effective in pursuing the U.S.'s development agenda on agricultural projects, grassroots democracy, and women's and environmental issues at a relatively low cost, and in areas of the world where it is difficult for the U.S. government to work. There is a consensus among members that IFAD is a well-managed, useful, and competent organization with an important mission--development assistance for the rural poor--which is not as effectively addressed by other agencies.

Performance Indicators:

- Increase in beneficiary income attributable to IFAD projects;
- Increase in nutrition levels among beneficiaries attributable to production/income gains from IFAD projects;
- Percentage of project funding directly benefiting participants (versus amount going to recipient government agencies and overhead).

International Civil Aviation Organization (ICAO) Aviation Programs

Foreign Operations Resources:

($ in thousands)

	FY 1998 Actual	FY 1999 Estimate	FY 2000 Request
Aviation Security Fund	100	100	200
Aviation Safety	-	200	100
IO&P Total for ICAO	100	300	300

Aviation Security Fund

U.S. International Affairs Objectives:

ICAO's Aviation Security Trust Fund (AVSEC) directly supports foreign affairs strategic goals related to open markets, counterterrorism and protection of American citizens. The AVSEC strengthens aviation security with the goal of preventing terrorism and unlawful interference with civil aviation and its facilities. The objective is to achieve maximum implementation of ICAO Standards and Recommended Practices (SARPS) in aviation security, and the self-sufficiency of states in basic aviation security and training.

The AVSEC Fund was established following the destruction in December 1988 of Pan Am Flight 103 over Scotland. At that time, the United States and other states urged ICAO to strengthen its aviation security role and establish the AVSEC Fund. The destruction of UTA flight 771 over Niger in September 1989 further emphasized the urgency of the situation. In the wake of the tragic 1997 TWA 800 plane crash near Long Island, the U.S. urged ICAO to accelerate the establishment of additional heightened security measures at airports.

The improvement of security for international air travel is of great importance to the United States. As the nation responsible for nearly half of the world's air traffic, the United States is especially vulnerable to illegal acts directed against civil aviation. The United States has played the prominent role in strengthening the Fund's activities to provide assistance to countries to meet basic ICAO security standards. Such assistance can make a crucial difference, especially in countries with poorly developed security systems, many of which are extremely vulnerable to interference with civil aviation and its facilities.

Multilateral Assistance

Supporting Programs And Implementation Strategies:

Since 1990, the AVSEC has been highly successful in rendering assistance to states in the implementation of ICAO aviation security standards, with focus on the following: a) aviation security program development, including national legislation; b) training program development and implementation; c) pre-board screening of passengers; d) passenger and baggage handling/reconciliation; e) control of access and protection of aircraft; f) assessment and dissemination of threat; and g) contingency planning and management of response to acts of unlawful interference.

In 2000, ICAO will continue its evaluation visits to countries that have requested assistance, as well as follow-up missions, advice, and workshops and specialized training, including on specifically focused topics to meet deficiencies in programs and procedures.

The additional $100,000 requested for AVSEC in FY 2000 will be applied to the development of Standardized Training Packages which comprise parts of the ICAO AVSEC training program. ICAO will also provide model training courses for aviation security personnel to enable states to achieve self-sufficiency in basic aviation security implementation and training.

Performance Evaluation:

Of 131 countries that have requested assistance, 106 have been visited to date and 29 follow-up visits to monitor progress have been undertaken. A total of 96 training events have been held through 1998. In a number of countries deficiencies have been evident in the area of organization at national and airport levels on security issues, as well as in the implementation of relevant security programs. Many of those states have minimal aviation security infrastructure and expertise and ICAO expects to give greater emphasis on direct practical assistance in the future.

Performance Indicators:

- Evaluation visits to countries requesting assistance and follow-up missions.
- Workshops and training activities and other assistance that targets specific deficiencies in programs and procedures.
- Stepped-up implementation of ICAO Standards and Recommended Practices on aviation security.
- Self-sufficiency of states in basic aviation security and training.

Multilateral Assistance

Aviation Safety

U.S. International Affairs Objectives:

ICAO has been mandated to address identified deficiencies in the use of the English language and phraseology in air traffic communications. The inadequacies in English language proficiency of flight crews and air traffic controllers has been identified as contributing to major air accidents, most recently in Colombia and India. Improved communication procedures should directly lead to the greater safety of air travel and benefit U.S. strategic goals regarding open markets and protection of traveling American citizens.

As the world's leading aviation power, the United States has played a prominent role in strengthening ICAO's aviation safety activities. The improvement of safety for international air travel is of great importance to all countries. The United States especially benefits from enhanced safety of international air travel since Americans account for about 40% of all international air passengers.

Supporting Programs And Implementation Strategies:

ICAO will carry out a comprehensive review of the existing provisions concerning all aspects of air traffic communications aimed at the identification of deficiencies. ICAO will develop provisions concerning standardized English-language testing requirements and procedures and minimum skill level requirements in radiotelephony communications in the English language. ICAO has identified the need for a total of 39 professional work-weeks, including 13 weeks in the year 2000, to develop and validate the guidance.

Performance Indicators:

- Completion of a comprehensive review of English-language proficiency standards with deficiencies identified.
- Creation of guidance material and standards for use in air traffic communications.
- Maximum implementation of ICAO Standards and Recommended Practices on English-language proficiency.

United Nations Environment Program

Foreign Operations Resources:

($ in thousands)

	FY 1998 Actual	FY 1999 Estimate	FY 2000 Request
IO&P	9,000	13,000	13,000

U.S. International Affairs Objectives:

UNEP, which was established in 1972 in response to a U.S. initiative, is the United Nations' principal environmental organization. It deals with environmental issues on a global scale. The United States recognizes that its ability to advance national interests around the globe is linked to management of the earth's natural resources. Environmental problems that transcend borders directly threaten the health and job prospects of Americans. Addressing natural resource issues in other countries is critical to achieving the necessary political and economic stability the U.S. requires for its long-term prosperity and peace and is consistent with the international affairs strategic goal of attaining a sustainable global environment.

UNEP is a principal avenue for advancing U.S. international environmental interests in a multilateral context. UNEP provides an important forum for catalyzing and coordinating international responses to global environmental problems. It provides experienced guidance by identifying environmentally sound development practices and supports the collection, assessment and dissemination of environmental information to governments and the private sector. UNEP also facilitates the use of and response to this information by providing governments with advice and training, upon request, in environmental assessment, management, legislation and regulation.

Continued U.S. leadership in UNEP is crucial if UNEP is to fulfill its role in promoting environmental protection. UNEP's role in monitoring and assessing global environmental trends and alerting the international community to the need for action is essential if rapid economic growth, urbanization and overpopulation are to be countered. Specifically, UNEP provides the U.S. with a global forum to discuss international environmental issues and provides a platform from which to launch cooperative efforts, like the Montreal Protocol on Ozone-Depleting Substances. In addition, U.S. involvement in UNEP allows the United States to protect and promote the economic and trade interests of U.S. industry that are directly affected by evolving international environmental standards.

UNEP's concentration on five broad priority areas overlaps with those issues that the U.S. has identified as important for U.S. foreign policy. UNEP works on: land resource degradation, including desertification and deforestation, and loss of

biodiversity; oceans and coastal areas, especially regional seas; toxic chemicals and hazardous wastes; fresh water supply and quality; and atmospheric issues, especially ozone depletion and acid rain. The U.S. has worked with UNEP to sponsor international negotiations on toxic chemicals and pesticides and land-based sources of marine pollution. UNEP's programs often reflect U.S. interests and priorities. Through U.S. participation in multilateral agencies such as UNEP, successes have been achieved that may not have been possible through bilateral diplomacy.

Supporting Programs and Implementation Strategies:

As in FY 1999, $13 million is being requested for FY 2000 to support UNEP and a range of international environmental programs that it oversees or administers. This request level is essential for achieving several important U.S. objectives for UNEP.

UNEP sponsors ongoing negotiations on global agreements affecting U.S. national interests. For example, UNEP will continue to sponsor important global negotiations dealing with the use of persistent toxic chemicals and pesticides - such as DDT and PCBs which are transported long distances through the atmosphere and oceans, affecting populations far from their region of use. Banned in the U.S. long ago, the use of these substances in other countries poses continuing health risks to U.S. citizens. It is expected that an agreement to minimize or eliminate the use of such substances, which are commonly known as persistent organic pollutants (POPs), will be completed under UNEP auspices in 2000. UNEP will also remain active in the implementation of the recently concluded Convention on Prior Informed Consent (PIC) regarding the trade in toxic chemicals and pesticides.

UNEP likewise has taken the lead in international efforts to implement the results of the U.S.-hosted Washington Conference on Land-Based Sources of Marine Pollution. Because land-based sources represent the greatest source of pollution in the marine environment, the U.S. has placed a high priority on international action in this area. Similarly, the U.S. is a strong supporter of UNEP and other international efforts to deal with the threats to coral reef ecosystems, which are under stress in regions throughout the world. UNEP's regional seas programs, such as the Caribbean Environment Program, provide an important vehicle for addressing these problems in all parts of the globe.

The contribution to UNEP provides funding for the Secretariats of several important international environmental agreements. These include the Vienna Convention and Montreal Protocol on Substances that Deplete the Ozone Layer, which has successfully led to a global phase out of most ozone-depleting substances, and the Basel Convention on the Transboundary Movement of Hazardous Wastes, which has been instrumental in curbing the practice of illicit waste dumping.

Multilateral Assistance

Equally important is UNEP's work to monitor and assess the state of the global environment. UNEP is uniquely placed to carry out this function given its broad-based program of work in fields such as land resource degradation, desertification and deforestation, loss of biodiversity, oceans and coastal areas, toxic chemicals and hazardous wastes, fresh water supply and quality, and atmospheric pollution.

The U.S. contribution to UNEP will also allow us to support the current managerial and administrative reform process at UNEP, which resulted from a concerted U.S. initiative over the past three years. Demonstrable progress has been made on reform issues during this time. In 1997, the Governing Council produced a new streamlined mandate (the Nairobi Declaration) which tracks closely with U.S. priorities for UNEP. It also created a new intersessional body, the High-Level Committee of Ministers and Other Officials, to provide policy guidance and lead the reform process. In addition, a new Executive Director, former German Environment Minister Klaus Topfer, was appointed by Secretary General Kofi Annan in 1998. However, the U.S. must continue to provide leadership on several fronts in order to ensure that UNEP can meet these demands. UNEP now operates with a significantly reduced budget, brought about in part by the sharp drop in level of the U.S. contribution. U.S. support, at current request levels is needed to maintain activities of particular interest to the United States.

Performance Evaluation:

UNEP's performance over the past year has met expectations in most areas of importance to the United States. UNEP successfully sponsored the completion of a global agreement (the PIC Convention) to regulate the trade in the most hazardous toxic chemicals and pesticides, and it initiated important new global negotiations to deal with the threat posed by persistent organic pollutants (POPs) such as DDT and PCBs. UNEP's regional seas programs expanded their efforts to address land-based sources (LBS) of marine pollution and, in support of a U.S. initiative, UNEP established a new clearinghouse for the LBS Global Program of Action. In 1998 UNEP also provided additional resources and emphasis on monitoring and assessment, for example, through the Global Environmental Outlook report.

UNEP's effort to promote managerial and administrative reform has also been promising. The new Executive Director has expressed his commitment to the reform process and has worked closely with the United States and other concerned governments on these issues. While continued progress will be encouraged, these efforts have led to a tangible improvement in UNEP's performance over the past year.

Multilateral Assistance

Performance Indicators:

- Identification and communication of emerging environmental trends.
- Furtherance of international negotiations and discussions on major environmental problems, in particular in the field of chemicals.
- Continued progress in dealing with regional marine pollution and freshwater issues, in particular land-based sources of marine pollution and coral reefs.
- Improved budgeting process and financial systems.
- Continuation of the administrative and managerial reform process.

Multilateral Fund for the Protection of the Ozone Layer

Foreign Operations Resources:

($ in thousands)

	FY 1998 Actual	FY 1999 Estimate	FY 2000 Request
IO&P	28,000	34,450	34,450

U.S. International Affairs Objectives:

The Montreal Protocol is the world's program to repair the ozone layer. U.S. support of the Protocol benefits U.S. citizens, the world community, and the global environment. Certain man-made chemicals classified as ozone-depleting substances (ODSs) emitted into the atmosphere, have led to the depletion of the stratospheric ozone layer. Currently, there is only part-year ozone layer protection over the Antarctic and Arctic regions. Without repairing the ozone layer which shields the earth, dangerously high levels of ultraviolet (UV) light reach the earth's surface. The increasing UV radiation has been linked to higher rates of skin cancer and cataracts and the suppression of the immune systems in humans and other animals and to dangerous alterations in global ecosystems.

In 1991, the Multilateral Fund was created by Parties to the 1987 Montreal Protocol on Substances that Deplete the Ozone Layer. The Montreal Protocol, technically a part of the 1985 Vienna Convention for the Protection of the Ozone Layer, has eclipsed the Vienna agreement in ozone layer protection efforts, due to the work of the Multilateral Fund. The Multilateral Fund began operating on an interim basis in 1991 and permanently in 1993. The Montreal Protocol Multilateral Fund, through developed countries' contributions, provides funding to developing countries of the Protocol to carry out the prime objective of the Protocol: reversing the human-created damage to the ozone layer done by emissions of ODSs. If the United States and other developed countries provide adequate support, the Multilateral Fund can ensure that ozone-depleter phaseout schedules are met. Maintaining financial support to the Multilateral Fund protects the costly efforts the United States has taken domestically to phase out ODS. Since ozone depletion is a global problem, U.S. efforts would be undermined and U.S. resources ill-spent if other countries continue or increase their use of ODSs.

In the eleven years of the Montreal Protocol's existence, the overall production of ODSs has declined more than 75 percent from the base-year 1986. The Montreal Protocol is roundly cited as an example of a successfully functioning, stable multilateral

environmental agreement. Since 1991 when projects to phase out ozone-depleters in the developing world were begun, Fund projects have provided excellent opportunities for U.S. industries to export technologies and for U.S. technical experts to provide consulting services.

Simply put, U.S. trade has grown as the U.S. has striven through U.S. diplomatic, technical and scientific assistance to further vital environmental objectives. Specifically, because the United States is a leader in ozone protection technologies, it has captured a significant portion of the sales/technology transfer opportunities created by Multilateral Fund projects. Revenues to U.S. enterprises have exceeded U.S. contributions to the Fund.

FY 2000 objectives remain fixed: mitigating stratospheric ozone depletion by ensuring that projects receiving Fund resources successfully phase out the wide range of ODSs; maintaining U.S. leadership in the Fund's supervision; and strengthening cooperative efforts to reduce global smuggling of chlorofluorocarbons (CFCs). In 2000, the Multilateral Fund begins a new triennial budgetary cycle for 2000-2002. During 2000 and beyond, the Fund will need adequate resources to effect negotiated settlements with developing countries for the closure of their chlorofluorocarbon producers; to create projects that can effectively regulate the CFC usage of small and medium enterprises in developing countries; and to ensure a non-disruptive, successful transition to methyl bromide alternatives. The United States is a permanent member of the Executive Committee which oversees the work of the Protocol's Fund. The U.S. currently chairs the Executive Committee.

Supporting Programs And Implementation Strategies:

The vigorous work program of the Multilateral Fund, accomplished through four implementing agencies, can proceed on schedule, if the U.S. maintains its financial commitment. Fund-supported projects to phase out ozone-depleting activities around the globe can be implemented, per UN regulations, only if the Fund secretariat has donor nation contributions in hand. Consequently, a weakening of U.S. financial support would negatively affect the Fund's ability to initiate ODS reduction projects as early as possible, thereby prolonging the ozone layer's degradation and undercutting or negating considerable U.S. domestic efforts. Analyses show clearly that, in almost all countries, early project implementation will mean less eventual demand on Fund (and U.S.) resources. Since approval of the Fund's 1994-1996 budget, the number of eligible recipient countries has more than doubled to over 100, implementing agencies have moved faster than expected in the preliminary phases of their work, and some countries have accelerated their preparations to ensure receiving Fund assistance.

Multilateral Assistance

The U.S. will strive to keep the Fund Executive Committee focused on best achievable resource management, concentrating on reducing the global quantities of substances with ozone-depleting potential. Further, the U.S. will maintain or expand membership on all Fund groups with resource allocation impact. In so doing, the U.S. will more effectively be able to influence decisions in line with national interests that will not inequitably burden its trade and economic well being while safeguarding U.S. citizens and the world's health. Finally, through institutional-strengthening activities of the Fund, developing country environmental management entities will be more effective.

Performance Evaluation:

Since 1998, the U.S. has worked successfully through the Montreal Protocol Multilateral Fund Executive Committee to raise the level of efficiency and performance of the four UN-related implementing agencies which carry out Protocol goals (UNEP, UNDP, UNIDO and the International Bank for Reconstruction and Development (World Bank). Fund performance improvement flowed, inter alia, from instituting cost-effectiveness guidelines, from Executive Committee review of draft business plans of the agencies, and from requiring implementing agencies to incorporate uniform performance criteria in their annual performance reports to the Executive Committee. The U.S. early on advocated cost-effectiveness guidelines. All projects submitted for approval are evaluated by their cost per ton to reduce or prevent tons of ozone-depleters from the atmosphere. Through the review of draft business plans, Protocol Parties can orient the implementing agencies to the highest Protocol priorities, such as formulating projects in sectors which have been resistant to easy phase out.

In late 1997, the U.S. led the Protocol ad hoc working group that successfully negotiated with China the shutdown of its halon (fire-suppression material) production sector. In late 1998, as part of a broad-based, comprehensive strategy to prevent CFC smuggling, all Parties to the Protocol established national points of contact to coordinate international law enforcement efforts combating CFC smuggling. The FY 2000 contribution will further activities in developing countries to install a global CFC licensing system, agreed at the 1997 meeting of the Parties.

Performance Indicators:

- Amount of metric tons (tons) of ozone-depleting substances averted from the atmosphere matches or exceeds historical average annual quantities of tons averted from emission.
- Complete negotiations with developing countries for an end of production by their chlorofluorocarbon producers.
- Create innovative projects that can effectively regulate the CFC consumption by small and medium enterprises in developing countries.
- Implement pilot methyl bromide alternatives demonstration projects.
- Within the CFC licensing project that aids law enforcement authorities in reducing CFC smuggling: the amount of tons of CFC seized, the number of illegal enterprises closed, and the number of criminal transactions broken up.

International Conservation Programs

Foreign Operations Resources:

($ in thousands)

	FY 1998 Actual	FY 1999 Estimate	FY 2000 Request
IO&P	3,750	6,000	6,000

U.S. International Affairs Objectives:

The United States currently supports several international conservation programs, the World Conservation Union (IUCN), the International Tropical Timber Organization (ITTO), other key international forest initiatives such as the UN Commission of Sustainable Development's Intergovernmental Forum on Forests (IFF) and the G-7 Pilot Program to Conserve the Brazilian Rain Forest (PPG-7), the Convention on International Trade in Endangered Species (CITES), and the Ramsar Convention on Wetlands and through IUCN, Ramsar and CITES, the International Coral Reef Initiative. While each organization and program is unique, all are essential to conserving the world's wildlife and natural habitats. As the world continues to grapple with the growing effects of population growth and concomitant environmental degradation both on land and in the seas, strengthening of the modest U.S. expenditures to support these key organizations and initiatives takes on ever greater importance.

The United States, long a leader in conservation policy, is an influential participant in these programs. An increased understanding of the critical interdependence of global natural systems has placed the sustainable use of natural resources and protection of the environment squarely within U.S. foreign policy agenda. The United States leadership in this area is reflected in increased support for these programs, each of which has a proven record in implementing the principle of sustainable development, striking a balance between preservation of resources and their responsible use for legitimate development needs.

In 1998, IUCN marked 50 years of service in preserving the global environment. IUCN has 855 members in 134 countries, including six U.S. Government Agencies, and is divided into six Commissions with more than 9000 volunteer experts worldwide. The mission of IUCN is to encourage and assist societies throughout the world, through provision of sound scientific and technical advice, to conserve the integrity and diversity of nature and to ensure that the use of natural resources is equitable and ecologically sustainable. International environmental conventions often rely on IUCN technical expertise. Under a new Executive Director, IUCN continues its attention to

organizational streamlining and decentralization to become more responsive to local environmental issues.

The ITTO is the only international forum in which both producing and consuming countries of tropical timber can participate in efforts to address all aspects of the tropical timber economy and its environmental impacts. The U.S. is one of the world's largest importers of tropical timber. The ITTO administers the 1994 International Tropical Timber Agreement (ITTA 1994), whose 51 parties represent 95% of world trade in tropical timber. ITTO's recognition of the timber market's dependency on sustainable harvesting links U.S. trade interests with U.S. priorities for sustainable forest management. The ITTO helps us achieve the U.S. global environmental objective of slowing and eventually reversing the rapid destruction of the world's tropical forests, which has contributed to loss of biodiversity, global warming and forest fire disasters on a regional scale. ITTO also contributes to the U.S. objective to have a long-term supply of tropical wood from well-managed forests. In addition to promoting sustainable forest management through the ITTO, the U.S. shares its experiences in forest management with key tropical forest countries. As part of the successful negotiation of ITTA 1994, which entered into force in January 1997, the U.S. committed itself to the "national goal of achieving sustainable management of U.S. forests by the year 2000." The Intergovernmental Forum on Forests (IFF) is an important forum for the U.S. to advance its goal of sustainable management of the world's forests.

The G-7 Pilot Program to Conserve the Brazilian Rain Forest (PPG-7) is a joint undertaking of the international community to work towards sustainable forest management in the tropics. The PPG-7, first proposed at the 1990 Group of Seven (G-7) industrial countries in Houston, is one of the single most important initiatives to date in implementing Agenda 21 of the Rio Conference on the Environment. Brazil holds the lion's share of the Amazon Basin, the largest, richest and most threatened tropical forest in the globe, a key global ecosystem for biological diversity, that regulates hydrological and carbon cycles at regional and global scales. The program supports a wide spectrum of projects including: sponsored scientific research, support of Amazon science centers, delineation of indigenous and extractive reserves, and the support of Brazilian environmental NGOs working in the Basin. This program is a prime example of concerted international cooperation to address problems of conservation and sustainable development.

CITES is a highly effective international convention that protects species in peril by restricting international trade in certain plants and animals. The United States provided the impetus for the negotiation of the treaty which was signed in Washington, D.C. in 1973. CITES allows for trade in some species through a system of permits, enabling such activities as research and education and such commercial activities as big game hunting and alligator farming. Besides affording these tangible economic benefits, CITES provides an important international political forum at its biennial or triennial

Multilateral Assistance

Conferences of the Parties (COPs), the next of which will be in FY 2000, at which U.S. environmental leadership is well-known, respected and influential. As a result, modest U.S. contributions are multiplied whenever CITES adopts and implements policies and activities that support U.S. conservation and sustainable use goals.

The Ramsar Convention on Wetlands continues its 28 years of commitment as a pioneer in wetlands conservation with its Seventh Conference of the Parties in 1999 in Costa Rica. This convention strongly complements and supports U.S. goals with respect to waterfowl conservation on U.S. own soil and the protection in the Western Hemisphere of important habitat for U.S. migratory species by providing a framework for international cooperation in the conservation of wetland habitats. Signed in 1971, it is the oldest global environmental treaty, yet it is a pioneer in modern techniques to assist member states to balance development needs with wetlands preservation. Having expanded its mandate to cover broader water issues, Ramsar increasingly recognizes the importance of wetlands to the health of coastal and marine habitats such as coral reefs.

The International Coral Reef Initiative (ICRI) is an innovative voluntary partnership of nations and other stakeholders in coral reef protection. It has a rotating voluntary secretariat and no permanent staff. ICRI recognizes that marine environments have recently been impacted by massive coral bleaching events which have compromised coral reef health around the world. This exacerbates the known major effects of overfishing and destructive fishing, removal of live fish and live coral in trade, and land-based pollution. CITES and its work in coral trade, the Ramsar Convention with its coastal mandate, the coral reef protection projects supported by IUCN, and the International Coral Reef Initiative (ICRI) all play key roles in the efforts made by the U.S. to conserve reefs and other critical coastal and marine resources.

The North American Bird Conservation Initiative (NABCI) was launched in Mexico in late 1998 with the participation of over 100 migratory bird experts, NGOs and the governments of Mexico, the United States and Canada, assisted by the Commission for Environmental Cooperation in Montreal. NABCI's goal is improved integration of bird conservation efforts in and between the three countries, to coordinate the use of scarce funds for cross-border bird conservation projects and to reduce obstacles towards achieving shared habitat-based objectives. NABCI encompasses the game-related North American Waterfowl Management Plan as well as non-game efforts such as Partners in Flight. Priority projects would establish joint ventures in critical areas straddling the U.S.-Mexico border and the U.S.-Canada border.

These programs provide significant environmental and economic benefits to the United States. CITES, IUCN, and Ramsar all have domestic conservation activities that directly benefit U.S. taxpayers. For example, eighteen significant wetlands sites have been designated as Ramsar sites in the U.S., most often at the request of local governments, communities and conservation groups. Sites designated in Central and South America are

critical as wintering and stopover areas for waterfowl and non-game bird species of importance to the U.S. The international designation helps to heighten awareness of wetland conservation values and fosters greater public concern and action to protect their remaining wetlands. The U.S. utilizes these mechanisms to promote international environmental goals that further U.S. policy interests and initiatives.

Supporting Programs And Implementation Strategies:

IUCN: The U.S. is a major contributor to IUCN and plays an active role in promoting U.S. environmental interests by channeling U.S. contribution towards key issues to maximize and leverage its impact. Six USG agencies are members of IUCN and each plays an active role with IUCN in promoting U.S. environmental objectives and projects in areas such as the species survival commission and its species specialist groups, marine and coastal conservation, and monitoring of wildlife trade. By targeting funding to priority areas, the U.S. helps to shape IUCN's priorities on forests, protected areas and marine resources such as coral reefs and sea turtles, desertification, ecosystem management and endangered species. The U.S. wants IUCN to be a dynamic partner in a new initiative to develop an Indian Ocean Sea Turtle Conservation Agreement aimed at protecting sea turtles in that geographical area.

ITTO: The U.S. focuses its voluntary contributions to the ITTO on projects that help tropical timber-producing countries implement appropriate policies to conserve and sustainably manage their forests, while generating significant global environmental benefits and assuring U.S. importers a long-term supply of tropical wood. Each year, a modest U.S. contribution to ITTO leverages several millions of dollars in project co-funding from Japan, Switzerland, the Netherlands, the United Kingdom and other contributors to the ITTO. Because of its active and consistent support of ITTO projects and activities, the U.S. also plays an influential role in shaping the outcome of the twice-yearly ITTO Council meetings. Through support of the Intergovernmental Forum on Forests, the U.S. is building practical activities that counter the push for a global forest convention.

PPG-7: The current Pilot Program project financing, including financing which has been contracted and pledged to the year 2002, is projected to be $278 million by the World Bank. Since 1992, when the project was first established, the bulk of this funding has come from Germany, the European Union, Brazil and the UK, in that order. The U.S., with only 18% of the funding, is trying to raise its profile by highlighting its numerous bilateral aid programs in the Brazilian Amazon and characterizing them as PPG-7 associated projects.

Brazilian currency devaluation and budget austerity measures may make Brazilian contributions to the program increasingly difficult. This makes U.S. contributions

critical to the program viability and necessary for the USG's strategy to foment sustainable development through sustainable forest management practices in one of the world's most important and threatened tropical ecosystems.

CITES: As a major donor to the Convention, the U.S. enjoys strong influence. After the next Conference of Parties in April 2000, the U.S. will again be a member of the Standing Committee, CITES's leadership body which meets between the Conference of Parties (COP). In addition to the voluntary contribution to the CITES Trust Fund, the U.S. actively supports CITES law enforcement and training efforts and helps member countries build capacity for implementation and enforcement of CITES regulations. Implementation of domestic U.S. laws such as the Endangered Species Act and the Marine Mammal Protection Act are also supported by CITES activities. The U.S. has also traditionally enjoyed good relations with the CITES Secretariat. As a leading member of the CITES Animals and Plants Committees, a member or observer on the Standing Committee, and a member of the Timber Working Group, the U.S. has been very influential in developing and implementing international wildlife trade policy. The U.S. consults closely with the states and NGOs and seeks to be responsive to the public's concern for effective international wildlife conservation. As one priority goal, the U.S. would like to see projects developed for CITES external funding that will help curb global coral trade which is highly destructive to coral reefs.

Ramsar: With major U.S. support of Ramsar, the U.S. maintains significant influence over its policy and planning activities. The U.S. supports Ramsar activities in the preservation of habitats for plant and animal species and the role of wetlands in the purification of water supplies, flood control, and maintaining biodiversity. The U.S. played a strong supportive role in the Seventh COP held in Costa Rica in 1999, helping to ensure that this first developing country COP was a success. The location of the COP strongly supports the United States' particular focus on training of wetlands managers in Latin America and the Caribbean where effective management directly affects the health of bird populations of importance to U.S. citizens. Long-term U.S. support of the "Wetlands for the Future" program which is administered by the Ramsar Bureau exemplifies U.S. commitment. The goal of renewed U.S. support of the Small Grants' Fund is to support wetlands conservation projects globally, including those that are targeted at maintaining and protecting coral reef ecosystems, as part of the U.S. contribution to the International Coral Reef Initiative.

North American Bird Conservation Initiative: The U.S. funding priority is to support on-the-ground priority projects starting with the establishment of bird conservation delivery units patterned after the successful Joint Ventures of the North American Waterfowl Management Plan. These units would comprise both the public and private sectors, local communities, NGOs and governments. Some priority areas are along the United States-Mexico border such as the Tamaulipan Plain-Gulf Coast, the Chihuahua Desert and the Sonoran Desert.

These delivery units will discuss and propose specific, targeted priority conservation projects. The U.S. will be working closely with the Steering Committee to establish the proper mechanisms for handling U.S. funds, project review, audits and reports.

Performance Evaluation:

IUCN: As the projects funded by IUCN are of interest to various federal agencies, a interagency group meets to discuss priority areas for funding. The Department works closely with IUCN's Washington office to discuss these priorities and to establish reporting criteria for how U.S. funding is spent and what specific project results have been achieved. Strong support from IUCN for a U.S. sponsored Forest Protected Areas Workshop for the IFF process was helpful in advancing a major U.S. initiative. IUCN also contributed towards developing a sea turtle conservation strategy for the Indian Ocean which is a key U.S. marine conservation initiative. IUCN's continued decentralization and proposed streamlining of the World Conservation Congress has produced a more efficient organization.

ITTO: The ITTO has adopted the first-ever guidelines for sustainable management of natural tropical forests, plantation management, and the conservation of biological diversity in production forests, as well as specific criteria and indicators for sustainably managing tropical forests. Based on these guidelines and criteria, each member tropical country develops its own criteria and indicators that are most appropriate to its specific situation. Member countries also prepare progress reports on their efforts to achieve sustainable forest management. The ITTO has also made significant strides in further streamlining its already lean organizational structure to improve its efficiency and effectiveness under the ITTA 1994. U.S. Chairmanship of the ITTO Council in 1998 provided a unique opportunity for the U.S. to positively influence the future direction of the organization by shaping its policy agenda. The IFF has moved ahead with a series of intersessional activities in support of sustainable forest management which support U.S. action-oriented vision of IFF final outcomes.

CITES: In more than two decades of work to protect endangered wildlife and plant species, CITES has achieved notable successes, including, establishing mechanisms for international monitoring and control of trade in endangered flora and fauna, effective trade control of ivory (which has benefited elephant populations and led to a 1997 decision to allow limited resumption of ivory trade in 1999 if certain conditions are met), and, improved cooperation and information exchange on trade in endangered species, such as elephants, tigers, rhinos, pandas, crocodilians, exotic birds and plants. A period of personnel turmoil is expected to abate with the appointment of a new Deputy Secretary-General in 1997 and a new Secretary General in 1999. The U.S. has consistently supported institutional reform at the Secretariat. The CITES leadership and parties recognize that for the treaty to be effective, member countries must demonstrate

political will at the highest levels, have adequate national legislation, adequate customs controls, coordination of law enforcement efforts, training, and adequate resources.

RAMSAR: Ramsar's initiatives continue to shape human use of wetlands so that there is continuous benefit to present generations while the natural properties of ecological processes are maintained for future generations. Ramsar's focus on wetlands and waterbirds now encompasses broader water resource concerns and international water initiatives. A concerted effort at increasing the membership has resulted in a gain of 20 members since 1996 to a total of 113 today. The Ramsar Bureau, which consists of the professional staff and leadership, helped develop a strategic plan with specific goals and objectives that lay out benchmarks by which to measure its accomplishments over the 1997-2002 period. The "Wetlands for the Future" program which is funded under this account, is administered by the Ramsar Bureau with assistance from the U.S. Fish and Wildlife Service and the Department of State. It focuses on training of wetlands managers and capacity building in the countries of the Western Hemisphere. It has had increasing positive impact since its inception in 1994.

Performance Indicators:

IUCN:

- Increase delivery of the scientific and technical expertise that supports sound environmental decision-making in marine, coastal and terrestrial areas.
- Improving the global compilation of data on the status of species and the facilitation of monitoring of international wildlife trade will assist U.S. national efforts toward sustainable wildlife trade.
- Specific attention to forest issues and marine and coastal matters such as coral reef protection, marine protected areas and sea turtle conservation should help support U.S. policy interests.

ITTO:

- Implement ITTO's first ever Work Program, which contains a comprehensive list of actions ranging from improving market transparency to promoting the increase of tropical timber from sustainable sources.
- Market access issues, streamlining the policy and project work of its committees and strengthening its participation in IFF and related activities.
- Provision of practical capacity building, opportunities for technology information exchange in support of capacity building and guidance to countries working to achieve sustainable forest management.

Multilateral Assistance

PPG-7:

- Stabilization of deforestation rates in the Amazon.
- Progress in the improvement of Brazilian infrastructure to prevent and manage large-scale wildfires such as those that affected the State of Roraima during the first three months of 1998.
- Success in bolstering Brazilian governmental and non-governmental agency involvement in different aspects of this program.

CITES:

- Implementation of the African elephant ivory trade decision.
- Control of trade in sturgeon products (i.e., caviar).
- Examination of the coral trade (relevant to the International Coral Reef Initiative).
- Continued strong U.S. role in CITES law enforcement training and capacity building for member countries.
- A more disciplined and conservation-minded Secretariat, led by a tough manager at the top.
- Conservation issues are the focus of CITES's agenda when parties meet.
- Better implementation by member countries of the treaty's requirements for a controlled and sustainable wildlife trade.

Ramsar

- The Seventh COP in San Jose Costa Rica in 1999 successfully showcased U.S. conservation efforts in the Western Hemisphere and will give an impetus to greater conservation throughout Latin America.
- Funding for the Small Grants Fund will have a global impact on wetlands conservation. More projects funded by the Ramsar's Small Grants Fund and the Wetlands for the Future Initiative will reflect Ramsar's broader marine and coastal areas mandate and will focus on coral reef protection.

North American Bird Conservation Initiative:

Accounting and reports from the North American Bird Conservation Initiative has established a Steering Committee Support Subcommittee which deals with the financial and institutional requirements on how U.S. funds are utilized and project results and development of inventory capability to support trend analysis for Mexico.

UN Framework Convention Climate Change and Intergovernmental Panel on Climate Change

Foreign Operations Resources:

($ in thousands)

	FY 1998 Actual	FY 1999 Estimate	FY 2000 Request
IO&P	5,000	6,500	8,000

U.S. International Affairs Objectives:

The UN Framework Convention on Climate Change (UNFCCC), along with the Intergovernmental Panel on Climate Change (IPCC), represent the front line of the global defense against the threat of climate change, considered by many to be the single, most serious environmental threat facing the planet. The UNFCCC has united over 170 countries in a global response effort to achieve the ultimate objective of stabilizing concentrations of greenhouse gases in the atmosphere at a level that would prevent dangerous human interference with the climate system. Success depends on a long-term commitment by all nations, including developing countries and the so-called "economies in transition" -- countries of Eastern Europe and the former Soviet Union, to take steps to mitigate climate change.

The Parties to the UNFCCC, at their Fourth Conference (COP-4) in November 1998, agreed to the Buenos Aires Plan of Action. The Action Plan outlines a process that seeks to elaborate the rules for international, market-based implementation mechanisms (i.e., emissions trading, joint implementation and the Clean Development Mechanism), the underlying compliance regime, the treatment of carbon sinks and other key U.S. climate change objectives. The Action Plan will guide the international negotiations under the UNFCCC with a view to completing work on many issues by late 2000.

The Intergovernmental Panel on Climate Change (IPCC), begun in 1988 as a joint effort of the World Meteorological Organization and the United Nations Environment Program, is the single, most authoritative, international scientific and technical assessment body with respect to climate change. The Panel's assessment efforts are crucial to establishing the scientific and technical underpinnings of domestic and international policy responses to combat the threat of global climate change, and its findings strongly influence policy debates within and between nations.

The U.S. has strongly supported the work of the IPCC since its inception. U.S. leadership on scientific matters is well recognized by other nations that participate in

the IPCC. The U.S. must ensure that the IPCC adequately supports the Climate Convention process -- without adequate funding, the IPCC may not be able to deliver requested technical papers, special reports and other assessments which provide policy makers with sound scientific and technical guidance. The primary goal of the U.S. is to help preserve the reputation of the IPCC and its assessments as the most comprehensive and authoritative source on the science of climate change. To that end, the IPCC must complete its reports in a timely fashion and in accordance with established procedures.

Supporting Programs And Implementing Strategies:

As the fourth nation and the first industrialized country to ratify the UNFCCC, the U.S. has demonstrated its commitment to addressing the threat of climate change. The U.S. has striven to exercise leadership in the international negotiations, most recently through signature of the Kyoto Protocol in November. In meeting the emissions target, the U.S. intends to engage in a number of actions, including flexibility mechanisms such as emissions trading, joint implementation, and the Clean Development Mechanism.

Coming out of COP-4, the U.S. will focus its efforts on developing rules, guidelines and modalities for the international mechanisms that can provide the greatest environmental benefit at least cost; and on building a compliance regime based on transparent and effective monitoring, measurement and reporting systems. The U.S. will also continue to fulfill existing obligations under the UNFCCC, working through the Subsidiary Bodies for Implementation and Scientific and Technological Advice (SBI and SBSTA). The U.S. will also utilize meetings of the SBI and SBSTA to secure the meaningful participation of key developing countries in the global effort to address climate change. The Administration has made it clear that the President will not submit the agreement for Senate advice and consent to ratification until there is meaningful participation by key developing countries.

Through the Buenos Aires Plan of Action (i.e., a set of COP-4 decisions), the Parties have posed numerous requests to the UNFCCC Secretariat, increasing its already substantial workload. The new activities include organizing workshops, synthesizing Parties' submissions on over 10 different issues, and preparing original papers on many of the same issues. The UNFCCC Secretariat has proven itself a competent organization in supporting the work under the Climate Convention. The FY 2000 budget request for the UNFCCC reflects this increase in responsibilities. It also factors in anticipation of the possibility that the UNFCCC Parties will need to assume their own conference servicing expenses, and that these will cease to be paid from the UN regular budget.

Multilateral Assistance

Funds will be used to support the UNFCCC administrative budget as well as further U.S. voluntary contributions to the two trust funds established by the Conference of the Parties to support participation in the Convention and meet extrabudgetary needs of the Secretariat.

The work of this second trust fund is likely to expand significantly as the Secretariat is directed by the Parties to undertake such critical tasks as to work on compliance and the flexibility mechanisms, enhance consideration of technology transfer issues, and facilitate the first review of developing country communications, among others.

At its Fourteenth Plenary, held in Vienna in September 1998, the IPCC officially launched its Third Assessment Report (TAR). The U.S. chairs the IPCC and co-chairs its Working Group II on impacts, adaptation and mitigation. The U.S. will seek to guide the formulation and review of special and technical reports requested of the IPCC by the UNFCCC and the IPCC Plenary. In addition, the U.S. will participate in technical meetings and the IPCC plenary session in that time frame.

In FY 2000, the IPCC will move forward with work on the TAR, with the goal of completing it late in 2000. It is also expected to publish three special reports on technology transfer, emission scenarios, and land use change and forestry issues. All of these assessments will necessitate a significant increase in its budget due to the broad range of complex issues to be considered, the administrative structure needed, and the personnel involved in the effort. The IPCC is also participating in an international effort involving SBSTA and the Environment Directorate of the Organization of Economic Cooperation and Development (OECD) to develop "good practices guidelines" for conducting emissions inventories through expert meetings and workshops.

Performance Evaluation:

In FY 1998, the U.S. achieved its primary UNFCCC objective – the adoption of the Kyoto Protocol that largely reflected U.S. ideas and approaches. In FY 1999, the U.S. has begun to make progress in seeking greater developing country involvement in the global solution to climate change. At COP-4 in November 1998, the Parties to the UNFCCC launched a two-year process to reach closure on rules for emissions trading, joint implementation and the Clean Development Mechanism and agreement on a compliance regime. In addition, Argentina and Kazakhstan pledged to take on binding emissions targets, thereby signaling a breakthrough in developing country participation.

For FY 1998 and FY 1999, the U.S. has succeeded on the IPCC front, with the smooth launch of the Third Assessment Report – lead authors have been identified and their work is underway. In addition, the IPCC will have issued two special reports on

aviation and the regional impacts of climate change and one technical paper on implications of proposed CO2 emissions limitations.

Performance Indicators:

- In FY 2000, the U.S. will have achieved its UNFCCC objectives if Parties continue to move forward on the Buenos Aires Action Plan and if more developing countries volunteer to take more serious steps on climate change, including emissions targets.

- In FY 2000, the U.S. will have achieved its desired IPCC outcomes if work on the Third Assessment Report proceeds smoothly and if the requested technical and special reports are satisfactorily completed in a timely manner. The U.S. will also await the results of the work on "good practices guidelines" for inventories.

International Contributions for Scientific, Educational & Cultural Activities (ICSECA) Including the World Heritage Convention

Foreign Operations Resources

($ in thousands)

	FY 1998 Actual	FY 1999 Estimate	FY 2000 Request
IO&P	2,250	2,250	2,250

U.S. International Affairs Objectives:

The ICSECA account supports U.S. international affairs strategic efforts to secure a sustainable global environment and to promote democratic practices and respect for human rights.

Participation in selected UNESCO-related international scientific, educational and cultural activities is considered essential to U.S. interests. Such participation enables the U.S. to take initiatives within UNESCO multilateral programs that serve the interests of the American educational, scientific, cultural and communications communities that are not otherwise available to it. (The U.S. withdrew from UNESCO in December 1984.)

Supporting Programs And Implementation Strategies:

The programs proposed for funding seek to:

- promote the advancement, transfer and sharing of scientific knowledge;
- foster understanding and protection of the global environment;
- support literacy, human rights and democracy education, free flow of ideas, and ocean and conservation research support activities;
- develop international electronic networks of scientific and other information exchange, storage and retrieval;
- enable the U.S. to maintain influence and leadership in high-priority UNESCO activities such as the Intergovernmental Oceanographic Commission (IOC).

Several of the programs proposed for support were U.S. creations within UNESCO that play an important role internationally but need continued U.S. intellectual and financial support to function effectively. Among the most important are the Intergovernmental Oceanographic Commission (IOC), the Man and the Biosphere Program (MAB), and the World Heritage Convention.

Multilateral Assistance

The Convention merits particular note in that it is an extension to the international level of the U.S. National Park concept and a product of American initiative and leadership. This conservation landmark is among the most effective international tools for the protection of ecosystems and, in situ, biological diversity. The United States was the first of 150 nations to ratify this convention, now well on its way to universality. Its objectives, and U.S. goals as a State Party, are:

- to identify and list natural and cultural sites considered of exceptional interest and universal value; (in requesting inscription of sites, States commit themselves to protecting them and to monitor their status).
- to assist States Parties, at their invitation, to meet their commitment to protect sites through technical and financial aid made available through intergovernmental and NGO networks.

The Convention has no role or authority beyond listing sites and offering technical advice and assistance.

Strategies:

The need for understanding the planet has motivated the scientific community to develop major international programs to provide policy makers with the best available scientific knowledge for setting strategies for sustainable human development. The ICSECA account facilitates flexible, collaborative partnerships between international governmental and nongovernmental organizations concerned with the advancement of science and technology, the understanding of global environmental problems and the improvement of the human condition.

Thus, ICSECA provides funds -- through a grant to the National Academy of Sciences (NAS) -- to the International Council of Scientific Unions (ICSU) in support of programs that address global environmental change, biodiversity, natural hazards reduction, and scientific capacity building. This grant also provides funds for a number of small catalytic subgrants in support of specific programs in microbiology, the chemical sciences, and the international social sciences that would have been supported by UNESCO were the U.S. still a member.

The ICSECA account also provides a voluntary contribution to the IOC that permits continued U.S. participation in a leadership capacity, to the U.S. Geological Survey for international hydrological programs, to the U.S. Commission on Libraries and Information Science (NCLIS) to promote electronic information storage and retrieval, and to UNESCO in support of a free press, literacy, democracy and human rights education, the Man and the biosphere Program and other environmental activities and activities.

Multilateral Assistance

To pursue its World Heritage conservation goals, the U.S. will work through the 21 member World Heritage Committee and as an active participant at all World Heritage meetings. The Committee recently adopted new U.S.-inspired operating guidelines, selection criteria and a natural heritage training program. Training will address both marine and terrestrial site resource management, sustainable tourism management and community cooperation.

Performance Evaluation:

The ICSECA contribution had a significant and tangible positive impact in support of USG goals. U.S. leadership at the World Heritage Committee led to constructive new Ecuadorian legislation to protect the Galapagos islands. The contribution provided leverage for a leadership role in successfully seeing adopted at the UN a UNESCO bioethics declaration that protected U.S. interests and conveyed fundamental principles of human rights. The U.S. maintained leadership in the IOC through an effective role in selecting new leadership, and had considerable influence in shaping the planning for the UNESCO Science Conference (Budapest June 1999). Finally, ICSECA contributions enabled UNESCO to promote democracy and human rights through organization of a CIVITAS-related training seminars.

Performance Indicators:

- Strong influence in IOC policy formulation and program design maintained;
- Continued opportunities offered to the U.S. to participate in key UNESCO science programs (MAB, IHP, Bioethics; follow-up to Budapest Science Conference);
- Free press infrastructures in Bosnia, Eastern Europe and selected developing countries strengthened;
- Promotion of Democracy/Human Rights Education at UNESCO;
- Overall World Heritage Committee review of operational procedures with a view toward strengthening the committee's ability to promote key conservation goals (e.g. Kakadu National Park in Australia).

World Meteorological Organization Voluntary Cooperation Program (WMO/VCP)

Foreign Operations Resources:

($ in thousands)

	FY 1998 Actual	FY 1999 Estimate	FY 2000 Request
IO&P	1,500	2,000	2,000

U.S. International Affairs Objectives:

Since its inception at U.S. behest in 1967, the World Meteorological Organization's Voluntary Cooperation Program (WMO/VCP) has provided training and equipment to help developing countries participate in WMO programs, particularly the World Weather Watch (WWW) which provides continuous, vital atmospheric and oceanic data and products to: 1) give the U.S. and other nations the basic information needed to forecast severe weather events and assist with critical information on natural and man-made disasters that affect life, safety, water use, and crop yields around the globe; 2) support civil aviation, marine navigation, and basic global data needs for industry and many U.S. agencies, including the Department of Defense; and 3) monitor changes in climate, in the cleanliness of the atmosphere, and on freshwater availability due to human interactions with the natural environment.

Supporting Programs And Implementing Strategies:

For FY 2000 VCP programming will continue to support the installation and implementation of the ICAO/WMO World Area Forecast System (WAFS), a major six-year project to upgrade the existing antiquated meteorological telecommunications systems to a satellite-based system for the Americas and the Pacific Rim. This system will significantly improve two-way communications with Meteorological Services of other countries, will increase the flow of critical data to the U.S., and will improve early warning capabilities in the Americas. In addition to assisting the U.S. in tracking and forecasting tropical cyclones, the new telecommunication data linkages will underscore a key U.S. foreign policy goal: the need for free and unrestricted exchange of meteorological and related data and products internationally.

VCP funds are also used for:

- Contributions of U.S. manufactured meteorological and hydrological equipment to increase the capacity and ability of developing countries to provide weather data

observations. This, in turn, creates a market in the recipient countries for future purchases of U.S. spare parts and supplies.

- Training at the U.S. National Weather Centers for Environmental Prediction for developing country meteorologists in the application of regional weather information disseminated by the U.S. This training program benefits the U.S. by improving the information through using the local expertise of the foreign meteorologists. The return of trainees to their countries, in positions of influence, in turn leads to better cooperation and support for U.S. meteorological and hydrological interests.

VCP activities are coordinated with donor organizations such as ICAO, IMO, FAO, World Bank, the European Union, as well as regional and bilateral partners, to avoid duplication and to take advantage of synergistic opportunities.

Performance Evaluation:

The installation of the ICAO/WMO World Area Forecast System (WAFS) will be completed in FY 2000.

In FY 1998 and 1999 the National Weather Service, in facilitating the implementation of WAFS, provided equipment to the following countries: Bolivia, Colombia, Indonesia, Vietnam, and to the WMO in Switzerland.

In FY 1998 and 1999 in pursuit of WAFS objectives the National Weather Service of the USG provided training to meteorologists/officials from the following countries: Argentina, Bolivia, Brazil, Chile, Colombia, Ecuador, Guyana, Paraguay, Peru, Suriname, Uruguay, Venezuela, Bahamas, Jamaica, Grenada, Bermuda, Cayman Islands, Belize, St. Lucia, Antigua, Netherlands Antilles, Trinidad & Tobago, and the Dominican Republic. After each of the seminars, there was better understanding by the participants of WAFS operations. After the seminars there was greater dialogue among the training class participants with problem-solving between and among countries' WAFS experts.

Performance Indicators:

- Installation of 2-way WAFS capabilities to enable the U.S. to receive meteorological hydrological data received from the Caribbean, Mexico, and Central, South American, and Pacific Rim countries which have a direct impact on the accuracy of the U.S. National Weather Service warning and forecast models. Hurricane experts estimate that the accuracy of hurricane landfalls, storm surges and precipitation predictions would be degraded by 30 percent or more if "anchor data" from other countries were not available.

Multilateral Assistance

- Availability of upper air and precipitation data from other countries for NWS numerical modelers to determine the probabilities of development in tropical weather and its intensity. Those data from sources outside the U.S. are of critical importance to U.S. tropical warnings and forecasts.Once the ICAO/WMO WAFS has been implemented worldwide, aircraft will be able to adjust their course in mid-flight to avoid strong head winds, resulting in an estimated $1 billion savings in fuel costs annually for U.S. airlines.
- Increased Internet connectivity of National Meteorological and Hydrological services and more efficient exchange of specialized environmental analyses related to sustainable development.

United Nations Population Fund (UNFPA)

Foreign Operations Resources:

($ in thousands)

	FY 1998 Actual	FY 1999 Estimate	FY 2000 Request
IO&P	25,000*	-	25,000

*Total does not reflect the $5 million withheld from UNFPA per Congressional Prohibition on U.S. funding for UNFPA's China Program.

U.S. International Affairs Objectives:

International population policy is a critical element of the USG's comprehensive strategy for sustainable development, which integrates goals for population and health with those of protecting the environment, building democracy, and encouraging broad-based economic growth. Slower population growth promotes internal stability and social and economic progress in other countries, thereby improving economic opportunities for Americans and reducing the potential for future global crises.

The U.S. implements its international population policy through both bilateral and multilateral programs. In the bilateral context, USAID is the primary agency responsible for assisting developing countries with population and development programs. In FY 1998 USAID provided population assistance to just over 50 countries; multilateral programs reaching a far larger number of countries are an important complement to USAID's activities.

Operating in over 160 developing countries and countries in transition, the United Nations Population Fund (UNFPA) is the largest multilateral provider of population assistance and has primary responsibility among the UN system agencies for population issues. As a direct result of the International Conference on Population and Development (ICPD) held in Cairo in 1994, UNFPA has concentrated its funding in the three areas of reproductive health and family planning, population policy, and advocacy.

Within each program area, UNFPA supports research, training, awareness and information dissemination. Gender concerns and women's empowerment are integral components of all UNFPA programming. Likewise, the Program of Action of the ICPD mirrors U.S. population policy in its emphasis on reducing infant and maternal mortality, preventing the spread of sexually transmitted diseases including HIV/AIDS, improving the economic, social and political status of women, supporting the family, narrowing educational gaps between boys and girls, increasing men's involvement in reproductive health and child rearing, and discouraging wasteful resource consumption. UNFPA does not fund abortions nor does it advocate abortion as a means of family planning.

Multilateral Assistance

The overall objective of the USG is to implement the Program of Action agreed upon at the ICPD. This includes the establishment of national population policies and programs in each country, the conversion of family planning programs into more comprehensive reproductive health programs, and the attainment of program self-sufficiency by recipient countries. UNFPA, as the leading multilateral organization supporting this effort, provides critically needed reproductive health services throughout the developing world.

Supporting Programs And Implementation Strategies:

The U.S. will use its position as an important contributor and the U.S. seat on the UNDP/UNFPA Executive Board to ensure that the U.S. contribution is spent in a manner which promotes coherent, measurable follow-up to the ICPD Program of Action and sustainable population growth worldwide. A substantial U.S. contribution to UNFPA is critical for maintaining U.S. influence over UNFPA's policies and programs. The Congressional prohibition of any U.S. contribution to UNFPA in FY 1999 has already engendered much public criticism in the U.S. and abroad, and questioning as to the real strength of a 30-year U.S. commitment to international family planning, the ICPD Program of Action and UNFPA.

Other Donors: The U.S. contribution to UNFPA peaked at $40.0 million in FY 1994. It was $25 million in FY 1997 and $20.0 million in FY 1998 (after a Congressionally mandated $5 million deduction related to UNFPA's China program). In 1998 the U.S. ranked seventh among donors to UNFPA, following Japan, Netherlands, Denmark, Norway, Germany and the U.K. The U.S. contribution accounted for roughly seven percent of total 1998 contributions to UNFPA. Congress prohibited any contribution to UNFPA in FY 1999.

Performance Evaluation:

Since the ICPD, many countries have either instituted ICPD-consistent national population programs or integrated ICPD principles more closely into existing programs. Of note in 1998, India moved significantly away from numerical demographic concerns and toward a decentralized, rights-based approach, and China began a new UNFPA program proscribing the use of birth targets and quotas in program areas. These two countries have 38% of the world's population.

The absolute number of people receiving family planning and other reproductive health services has risen globally, but proportionately it will not keep pace with global population increases unless more resources are devoted to those services. Financial crises in Asia and Russia, low export prices for energy producers, and civil strife in Africa are among the serious constraints on population program spending. UNFPA programs have supplemented local funding and, to a greater extent, added needed

technical and managerial capacity in countries as diverse as Haiti, Rwanda, Kyrgyzstan and Laos.

In 1998 UNFPA took the lead in organizing a wide range of activities to prepare for the 1999 five-year review of implementation of the ICPD Program of Action. Governments, international organizations, NGOs and academic institutions examined their population and development efforts and recommended key future actions needed to reach ICPD goals. UNFPA is organizing an International Forum hosted by the Netherlands in February 1999 to assess ICPD Program implementation, and will be a key player in the other two ICPD+5 events: the Commission on Population and Development meeting in March and the UN General Assembly Special Session in late June. The U.S. looks for this process to reenergize participants and chart the way forward for full implementation of the ICPD Program.

Performance Indicators:

- Wider adoption of national programs consistent with ICPD goals;
- More clients served by UNFPA programs;
- Enhanced delivery of reproductive health services in countries with UNFPA programs;
- Increased resources dedicated by all countries to population stabilization.

UN Voluntary Fund for Technical Cooperation in the Field of Human Rights

Foreign Operations Resources:

($ in thousands)

	FY 1998 Actual	FY 1999 Estimate	FY 2000 Request
IO&P	900	1,500	1,500

U.S. International Affairs Objectives:

The goals and objectives of the UN Voluntary Fund for Technical Cooperation in the Field of Human Rights (the Fund) are consistent with U.S. objectives of promoting democracy and human rights. The Fund is one of the primary funding mechanisms for the UN Advisory Services and Technical Assistance program, which provides human rights assistance to governments at their request. The Fund is a critical tool in the advancement of human rights improvements. The Fund provides the resources necessary to implement UN-related international conventions and other human rights instruments.

The UN can use the Fund to undertake projects that, in some instances, are too sensitive for the United States to implement bilaterally. In addition, the Fund often complements other bilateral, regional, and NGO programs. Many NGOs involved in both human rights and democratization programs support U.S. contributions to the Fund.

Supporting Programs And Implementation Strategies:

The UN Secretary General formally created the Fund in 1987. The board of trustees, established in 1993, oversees the Fund and develops its long-term policy guidelines. Funding priorities are influenced by the UN Human Rights Commission (UNHRC) and the UN General Assembly. At U.S. initiative, several UNHRC special rapporteurs are now authorized to recommend programs for funding consideration. The High Commissioner for Human Rights (HCHR) has made the Advisory Services program a priority and holds overall responsibility for the Fund's direction.

The Fund's program components include, inter alia: building and strengthening national and regional institutions and infrastructures for human rights; promoting democracy, development, and human rights; strengthening the rule of law and democratic institutions; providing assistance for the conduct of free and fair elections; and improving the administration of justice and independence of the judiciary.

Performance Evaluation

A secure tradition of voluntary funding, anchored by the U.S. contribution, would ensure availability of such assistance to those nations that seek help in strengthening their own democratic institutions and protecting the human rights of their citizens. Many of these nations are newly independent, and are struggling to nurture the democratic traditions of donor nations. Reliable funding would also strengthen the effectiveness of the UN High Commissioner for Human Rights as overseer of the UN Center for Human Rights, as well as reiterate the commitment of the U.S. to an efficient and responsive human rights mechanism.

The United States has been among the Fund's largest single contributors in recent years, inspiring other governments to do likewise and fulfilling a major U.S. policy goal. Contributions have climbed to more than $7 million annually (1995), led by the U.S. and other western nations. In recent years, as more countries have begun the transition to democracy, the number of requests for assistance have increased considerably. At present an annual backlog of more than $10 million in unfunded projects exists. The U.S. increased contribution in FY 1999 of $1.5 million and a similar level of funding in FY 2000 will help leverage increased contributions by other governments.

Performance Indicators:

- The conclusion of free and fair elections in countries transitioning to democracy
- Improved administration of justice and independence of the judiciary, as measured by reduced backlogs of pending cases, and reduced length of pretrial detention.
- The establishment of national human rights institutions and training of government officials.
- Human rights education programs and training programs for police and military forces.

United Nations Voluntary Fund for Victims of Torture

Foreign Operations Resources

($ in thousands)

	FY 1998 Actual	FY 1999 Estimate	FY 2000 Request
IO&P	1,500	3,000	3,000

U.S. International Affairs Objectives

Providing funding to the United Nations Voluntary Fund for Victims of Torture (UNVFVT) supports the U.S. international affairs strategic goal of democracy and human rights. The use of torture presents a formidable obstacle to establishing and developing accountable democratic governmental institutions. Assisting torture victims helps establish and reinforce a climate of respect for the rule of law, good governance and respect for human rights. The UNVFVT, established by the UN General Assembly in 1981, provides worldwide humanitarian assistance to torture victims and their families, almost all in developing countries. Such assistance is primarily medical and psychological.

The U.S. has been in the forefront of efforts to end torture internationally. As the single largest contributor to the Fund in recent years, U.S. contributions underscore a U.S. commitment to the rights of the individual and to the essential importance of protecting these rights and encourage other governments to increase their contributions. In 1997, the Fund disbursed $3.8 million, but received requests for financial support of over $6.8 million, a considerable shortfall. Only 31 countries contributed to the Fund in 1997. The International Rehabilitation Council for Torture Victims (IRCT) estimates a need of over $10 million in additional funds for rehabilitation services.

Supporting Programs And Implementing Strategies

All grants are awarded by the five-member UNVFVT Board of Trustees, which reports directly to the UN Secretary General. The Board's mandate requires that all aid be distributed through "established channels of humanitarian assistance," such as hospitals, research and training centers, medical and/or psychological treatment centers, or overseas doctors' projects. In order to protect torture victims from retaliation and provide the privacy necessary to heal both physical and psychological wounds, the Fund does not publicize names or cases.

Performance Evaluation

As of May 1998, 105 countries out of 185 have ratified the Convention against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment. Human rights organizations estimate that more than 40 countries carry out systematic government-sanctioned torture. Sporadic torture occurs in many more countries.

Starting from the first treatment and rehabilitation center in 1982, there are now nearly 200 such centers all over the world. From 1983 to 1997, the Fund financed 255 projects for direct assistance to victims of torture.

Performance Indicators

- Number of rehabilitation centers.
- Number of organizations supported by the Fund.
- Number of treatment centers established in the U.S. to serve the over 400,000 torture victims who live there.
- Number of training programs financed by the Fund for health care professionals specializing in the treatment of torture victims and human rights courses for government officials and police forces.

Organization of American States (OAS) Programs for Strengthening Democracy

Foreign Operations Resources:

($ in thousands)

	FY 1998 Actual	FY 1999 Estimate	FY 2000 Request
IO&P	2,500	2,500	2,500

U.S. International Affairs Objectives:

This appropriation request relates to two International Affairs Strategic Goals -- Democracy and Human Rights, and Regional Stability. These two Goals are interrelated -- strengthening democracy and human rights, in addition to being an important end in itself, contributes to regional stability, as democracies are less liable to be wracked by civil strife, or engage in aggressive policies towards other states.

The democracy-strengthening programs for which this appropriation request is being made include: electoral observation; strengthening electoral tribunals and other components of national electoral systems; civic awareness and voter registration programs; programs supporting greater participation of women in political life; electronic dissemination of information relevant to political reform; seminars and other fora permitting exchange of experiences by reform-minded participants in hemispheric political systems; support for the OAS/ IADB (Inter-American Defense Board) Humanitarian Demining Program in Central America; and support for the work of the Inter-American Commission on Human Rights (IACHR).

Supporting Programs And Implementation Strategies

Implementation of U.S. strategic goals involves working with various components of the Inter-American system such as the OAS Secretariat's Unit for the Promotion of Democracy (UPD), the IACHR, the Inter-American Commission of Women, etc., in developing programs relevant to the objectives set forth above. The U.S. Mission to the OAS (USOAS) carefully analyzes project proposals to ensure that only the most essential programs and costs are funded by the United States. Once a program begins, embassy officers in the country where the program is taking place monitor progress and meet with on-site OAS staff. USOAS also requires progress reports from the OAS and other Inter-American bodies that administer these programs.

Performance Evaluation

OAS electoral observations have acquired such prestige that in the course of nine elections, held in the Western Hemisphere in FY 1998, eight countries requested OAS observation. When a contested result in the 1997 Guyana elections brought that country to the brink of civil war, the OAS observation mission's judgment that the elections had been fair provided an indispensable baseline for successful international mediation. A UPD program in Guatemala is encouraging voter participation by indigenous people, particularly indigenous women, and corresponds to an element of the peace accords which ended 36 years of Civil War in Guatemala. Through its "Database of the Americas" program, the UPD has made the corpus of hemispheric constitutional legislation immediately available to reformers eager to improve their own countries' laws. The Central American demining program is a major success story in terms of worldwide U.S. policy of helping countries remove antipersonnel landmines left over from previous conflict which threaten civilian lives. None of these programs could have taken place without U.S. financial support.

The IACHR is the sole Western Hemispheric body responsible for reporting on the status of human rights in OAS member states and plays an increasingly important role in shaping a positive human rights agenda in the region. One of the IACHR's most important activities is on-site visits and the subsequent publication of country reports assessing human rights observance. For instance, it has begun a program to highlight the generally poor enforcement of the human rights of women in Latin American, and a plan to remedy those deficiencies. With strong U.S. encouragement, the IACHR in 1998 created a "Special Rapporteur on Freedom of Expression", whose main job will be to protect press freedom against governments which seek to curtail it by pressure, threats and even violence. The reluctance of OAS member states to facilitate human rights monitoring or to fund the IACHR in an adequate manner makes U.S. voluntary contributions to the IACHR essential to its ability to carry out its mission, especially its on-site visits.

Performance Indicators:

- Percentage of elections for which countries request OAS observation, credibility of the observations as reported by U.S. Embassies and other sources.
- Success of programs to strengthen electoral systems as analyzed and reported by U.S. Embassies.
- Success of civil education program as analyzed and reported by U.S. embassies, drawing inter alia on observable factors such as increase in voting by target groups.
- Completion of Central American demining program by 2000.
- Increased number of on-site visits by IACHR and reduction in time needed to handle individual cases.

World Food Program (WFP)

Foreign Operations Resources:

($ in thousands)

	FY 1998 Actual	FY 1999 Estimate	FY 2000 Request
IO&P	4,000	5,000	3,500

U.S. Foreign Policy Objectives:

U.S. donations of agricultural commodities and associated logistical cash are used to achieve U.S. humanitarian objectives of combating starvation, poverty, and human misery, adding some stability to a turbulent world consistent with the U.S. international affairs strategic goal of humanitarian assistance. The IO&P contribution allows us a ledger credit toward the obligation of providing "full cost recovery" of indirect support costs for WFP operations.

WFP, under the present leadership of its American Executive Director, Catherine Bertini, has coped well in addressing emergencies (such as Hurricanes Mitch and Georges, floods in the Horn of Africa, and multiple crises in North Korea), targeting its development portfolio to the neediest countries (reducing the number of countries served from over 80 to about 50).

Supporting Programs and Implementation Strategies:

As the principal vehicle for multilateral food aid within the UN system, the World Food Program (WFP) uses commodities and cash donated by member countries for humanitarian relief and for social, economic, and environmental development. Established in 1963 under the joint sponsorship of the UN and the Food and Agriculture Organization (FAO), the WFP operates exclusively from voluntary contributions by member states. Commodities are distributed: (1) to support development projects which promote food security; (2) for protracted refugee and displaced persons projects; and (3) as emergency food assistance in situations of natural and man-made disasters.

Development projects have traditionally constituted two-thirds of WFP's overall program. Its food-for-work projects mobilize poor peoples' labor to create employment and income and to build the infrastructure necessary for sustained development. Nutrition programs assist school feeding, pre-school toddlers, and pregnant and nursing mothers. WFP has also targeted food aid to those most adversely affected by reductions in food subsidies as a result of structural adjustment programs.

Multilateral Assistance

Overall, the U.S. contributes about one third of WFP's commodity and cash budget of $2.446 billion for the 1998/1999 biennium. Other large donors are the EU, the Nordic countries, Japan, Australia, and Canada. Its administrative overhead (less than nine percent) is one of the lowest in the UN system.

Performance Evaluation:

The U.S. has been both encouraged and impressed by WFP reform efforts. Increased food tonnage has been moved without a proportionate increase in staff or overhead costs. WFP's administrative budget has been straightlined despite the increase in emergency assistance. WFP's financial system has been upgraded and full-cost recovery has been implemented. Increased accountability has generated a corresponding increase in donor confidence.

WFP has achieved notable success in getting recipients back on their feet economically. Beneficiaries have recovered to become markets for U.S. goods and services. Almost two-thirds of WFP's resources are now used to provide humanitarian food aid in burgeoning emergency and protracted refugee situations, especially in North Korea, Sub-Saharan Africa, and, in the wake of the devastation wrought by Hurricanes Mitch and Georges, Central America and the Caribbean. WFP has taken the lead in providing food to refugees in Northern Iraq and the former Yugoslavia. In many cases, most notably North Korea, the United States has found WFP to be an effective channel for development projects and relief operations that would not have been possible through U.S. bilateral channels.

Performance Indicators:

- Number of emergency victims saved from starvation.
- Refugee mobility reduced by in situ feeding.
- Number of nations who are graduating from WFP development assistance while becoming valuable markets.
- Overhead assuring high percentage of dollars working on the ground.
- School attendance by young females in traditional cultures.
- Establishment of farm-related enterprises which graduate to commercial viability.
- Development success which offsets or obviates the need for emergency assistance and measurable diminution in malnourishment within many long-standing recipient nations.
- Measurable reforestation and economic benefit derived therefrom.

Afghanistan Emergency Trust Fund (AETF)

Foreign Operations Resources:

($ in thousands)

	FY 1998 Actual	FY 1999 Estimate	FY 2000 Request
IO&P	500	500	500

U.S. International Affairs Objectives:

Humanitarian Assistance: The U.S. Government supports efforts to relieve the suffering of the Afghan people through the return of peace to Afghanistan accompanied by the establishment of a broad-based, representative government. This in turn will allow the return of close to three million Afghan refugees and internally displaced to their homes, the reconstruction of Afghanistan's war-torn economy and infrastructure, the opening up of Afghan routes to trade between central and south Asia, a reduction in drug cultivation and trafficking, removal of landmines and improved respect for human rights, including the rights of women and girls and minorities. The United States supports the activities of the UN, particularly the UN Special Mission to Afghanistan and the UN Office for the Coordination of Humanitarian Assistance to Afghanistan (UNOCHA), as offering the best hope for achieving these goals.

The Secretary of State signaled strong Administration interest in Afghanistan during her visit to Peshawar, Pakistan in October 1997, and the White House continued to focus attention on the plight of Afghan women on International Women's Day in March 1998 and Human Rights Day in December 1998. Members of Congress remain keenly interested in finding an end to the Afghan civil conflict and improvement in human rights practices.

While the peace effort is paramount, the United States also supports interim efforts to help the Afghans, particularly the refugees and internally displaced. These efforts are coordinated by the UN Office for the Coordination of Humanitarian Assistance to Afghanistan (UNOCHA), created in 1988 to coordinate the work of UN agencies involved in Afghan relief and reconstruction, including demining programs, and thereby ensure adequate, cost-effective, and non-duplicative UN programs in Afghanistan. AETF is UNOCHA's funding mechanism. The U.S. contribution to AETF will help mitigate the effects of the civil war in Afghanistan, which include regional instability, drug trafficking and terrorist training.

Multilateral Assistance

Supporting Programs and Implementation Strategies:

The United States plans to achieve its objectives multilaterally by making clear its support for UN humanitarian activities and encouraging other donors to contribute to them. Our financial commitment will serve as an example of the kinds of contributions that need to be made to help the Afghans. Our diplomatic/personnel resources will make clear that this is a matter of USG policy toward Afghanistan. A successful strategy will involve continued allocation of USG resources at least at the current level until the war is concluded and security has been re-established in Afghanistan. This is likely to take several years.

Achievement of these objectives is subject to the cooperation or acquiescence of other players in Afghan politics, both internal and external; this is why a multilateral effort, ideally led by the UN, is critical. For example, Iran is an important neighbor of Afghanistan with whom the U.S. does not deal directly, but the UN does, and can thereby facilitate the easing of regional tensions and eventual orderly return of the 1.3 million Afghan refugees still in Iran.

UNOCHA is leading a major effort among UN Specialized Agencies, donors and NGOs to better define major priorities and coordinate relief efforts. This Common Programming approach will become a model for the delivery of humanitarian assistance in other areas with civil conflicts and complex emergencies.

The IO&P contribution to AETF is one of its few unearmarked donations. As such, it is highly valued because it can be allocated by UNOCHA to purposes where the need is greatest and which might otherwise be neglected.

Other donors: The new FY 1999 appeal issued by UNOCHA is a streamlined version of past appeals, including only priority programs that will advance common objectives of the international donor community and meet the most vital needs of Afghans. It is anticipated that the new leaner appeal will attract donor funds more than previous versions. While security conditions in Afghanistan during much of 1998 prevented some programs from being fully implemented, donor interest in Afghan assistance remained strong as evidenced by the active participation by major donors in the Afghan Support Group, which continues to support the development of the Common Programming mechanisms being coordinated by UNOCHA.

Multilateral Assistance

Performance Evaluation:

- Continued support for Afghan humanitarian efforts by other donors: Humanitarian assistance and other programs in Afghanistan were severely hampered in certain regions during much of FY 1998 due to security problems. Following an intensification of fighting among Afghan factions and U.S. air strikes against terrorist training camps in August, the UN and most NGOs removed expatriate personnel from Afghanistan. Discussions are ongoing between the UN and Taliban to work out new security protocols. In the meantime, humanitarian needs of the Afghan people have not diminished. While there has been some degree of "donor fatigue" in light of the many years of the Afghan civil war, donor interest intensified in 1998, and it can be anticipated that upon return to more normal security conditions, key programs will be adequately funded.

- Continued effective management of Afghan humanitarian relief programs: With the removal of expatriate staff from UN and NGO offices in Afghanistan, there is considerable concern that health and education standards for Afghans will continue to deteriorate. Prior to the withdrawal, there were some positive developments in the delivery of health and education assistance in certain localities in Afghanistan despite continuing restrictions by the Taliban on women's access to health, education and employment.

- Continued improvement in coordination of relief efforts: Coordination of relief efforts among UN Specialized Agencies, donors and NGOs has improved dramatically during FY 1998, both at headquarters level and in the field. The UNOCHA-staffed, and donor-endorsed Common Programming approach has resulted in a strong degree of cohesion and a coordinated and principled approach to delivery of assistance. The international community's response to two earthquakes in northeastern Afghanistan demonstrated the relatively high degree of coordination. The Afghan Support Group met twice during FY 1998 and several times intersessionally. Groundwork was laid for the establishment of an Afghan Programming Body to coordinate the efforts of donor representatives, UN Specialized Agencies and NGOs in Islamabad and in the field. This approach serves as a model for improved UN coordination.

Multilateral Assistance

Performance Indicators:

- Continued improvement in coordination among donors, UN Specialized Agencies, and NGOs for the delivery of humanitarian assistance to Afghanistan.
- Effectiveness of relief programs in improving living conditions and maintaining health and education standards for Afghan refugees, returnees, and internally displaced persons, and removal of landmines and reduction in the number of mine-related injuries and deaths.

BILATERAL ASSISTANCE: USAID PROGRAMS

USAID Development Accounts Overview

Foreign Operations Resources:

($ in thousands)

	FY 1998 Actual	FY 1999 Estimate	FY 2000 Request
Development Assistance Fund (DA)	1,174,634	1,194,000	780,440
Development Fund for Africa (DFA)	-	-	512,560
Child Survival and Diseases Program Fund	550,000[1]	595,000[2]	555,000
Subtotal	*1,724,634*	*1,789,000*	*1,848,000*
International Disaster Assistance	190,298	200,000	220,000
Credit Programs	11,053	8,500	10,000
USAID Operating Expenses	478,858	492,650	507,739
IG Operating Expenses	29,047	30,750	25,261
Total	2,433,890	2,520,900	2,611,000

U.S. International Affairs Objectives:

The United States Agency for International Development (USAID) manages programs that are an integral part of the U.S. foreign policy objectives, particularly in the areas of fostering economic growth and promoting sustainable development; supporting the establishment of democracies and upholding human rights; providing humanitarian and transitional assistance to victims of crisis and disaster; and improving the global environment, stabilizing world population growth, and protecting human health.

USAID has established goals in seven areas:

- Broad-based economic growth and agricultural development encouraged;
- Democracy and good governance strengthened;
- Human capacity built through education and training;
- World population stabilized and human health protected;

[1] Excludes $100 million transferred to UNICEF.
[2] Excludes $105 million transferred to UNICEF; includes $50 million emergency supplemental.

- The world's environment protected for long-term sustainability;
- Lives saved, suffering associated with natural or man-made disasters reduced, and conditions necessary for political and/or economic development re-established; and,
- USAID remains a premier bilateral development agency.

The requested accounts address these social and economic goals in an interrelated fashion, and individual country programs are tailored to focus on the strategies best suited to meeting one or more of these goals. Activities are designed to promote sustainable development in some of the poorest countries in the world, in nations representing the world's last underdeveloped markets. The modest and well-targeted investments made today will help prevent crises that turn into wars, as well as creating markets that will be open to U.S. exports.

Supporting Programs and Implementation Strategies:

USAID is making tangible progress toward achieving these goals by concentrating resources on a few pivotal and mutually reinforcing goals. The primary approaches to meeting these goals are:

Broad-based economic growth programs ($460 million) that focus on strengthening markets and expanding access and opportunity for the poor. Different approaches will be used to reflect regional variations in development. Activities include programs to increase agricultural production, especially for small farmers, many of whom are women. (USAID proposes a level of $148 million in DA/DFA for these activities as part of an overall target of $306 million from all accounts.) Other activities involve strengthening critical markets outside agriculture (e.g., finance, industry, internal and external trade, and labor) and undertaking programs such as microenterprise that enhance access and economic opportunity for the poor. (The DA/DFA level for microenterprise is $75 million as part of an overall level of $135 million from all accounts.) The FY 2000 request includes funding to speed economic growth in Africa by enhancing the food security of selected countries through the use of development assistance and support for agricultural research. This initiative will provide interventions that increase agricultural production and incomes and link research efforts to overcome production and resource degradation problems. There is continued funding for the African Trade and Development Initiative. Additional initiatives will assist Asia's economic recovery and fund key areas for reforms identified at the Second summit of the Americas.

Building democracies ($150 million) is addressed through a four-pronged strategy: strengthening the rule of law and respect for human rights; encouraging more genuine and competitive political processes; promoting development of politically active civil societies; and encouraging more transparent and accountable government institutions. Activities support programs that strengthen democratic institutions and practices, foster a

vibrant civic society, and encourage pluralism, inclusion, and peaceful conflict resolution.

Human capacity development activities ($148 million) provide access to quality basic education ($110 million), especially for girls and women and assist institutions of higher education in their role as agents of development. Investments in basic education follow several approaches ranging from development of policies and institutions that promote increased universal access to primary education to greater opportunities for under-served populations, rural populations, and other disadvantaged children. As complements to formal school systems, cost-effective adult literacy and early childhood development programs will also be improved.

Stabilizing population growth ($355 million) **and protecting human health** ($445 million) is USAID's fourth goal area. Population activities are aimed toward sustainable reductions in unintended pregnancies, maternal and child mortality rates, and in sexually transmitted diseases. Programs for family planning expand service availability and use in a number of countries. USAID programs are giving increased attention to improving the sustainability of public and private sector services. Health activities are closely linked with those involved with stabilizing population growth, especially in the improvement of sustaining public and private sector capabilities and institutions that provide both family planning and health services. Health service programs are strongly focused on child survival programs that target the principal cause of death, including preventable diseases, diarrhea, malnutrition, acute respiratory infections, and malaria, as well as polio immunization. This includes an aggressive effort to fight Vitamin A deficiency and other diseases that have a significant public health impact.

Sustained management of the environment ($290 million) is promoted through reducing global climate change (GCC), conserving biological diversity, promoting sustainable urbanization including pollution management, increasing provision of environmentally sound energy services, and improving natural resource management. The Agency has developed a GCC strategy that is being implemented through a five-year, $750 million plan, which concentrates on key countries (excluding a $250 million credit program). For FY 2000 USAID plans $150 million for GCC of which $112 million will be from development assistance. Biological diversity efforts concentrate on guaranteeing community land tenure rights and improving management of key protected areas such as the Parks in Peril program in Latin America. Sustainable urbanization programs will continue to address such problems as lack of access to basic water and sanitation services and affordable housing. Programs for sustainable natural resource management focus on four resources that provide the greatest benefits to the largest number of people -- forests, water, agricultural lands, and coastal zones.

Lives are saved, suffering reduced and development potential ($220 million) is reinforced through humanitarian assistance. The United States has a long tradition in aiding the victims of man-made and natural disasters. An integrated approach to humanitarian assistance -- emergency relief, prevention and transition --reduces suffering

and the need for future aid. The Greater Horn of Africa Initiative emphasizes crisis prevention, as do early warning systems and disaster preparedness planning. The United States' ability to respond rapidly to emergencies is already known worldwide. While direct USAID funding for emergency assistance to the Caribbean and Central America after Hurricane Mitch totaled only $30 million of the $300 million contributed by the U.S. Government, the USAID Office of Foreign Disaster Assistance fielded a Disaster Assistance Response Team (DART) that coordinated the entire U.S. Government relief effort. For countries emerging from crises, transition assistance includes programs to reinforce local security and demining, strengthen local governance and the institutions that promote peaceful conflict resolution, reconciliation, and the restoration of social and physical infrastructure.

USAID remains a premier bilateral development agency. It is in the U.S. national interest to maintain fundamental capabilities to carry out international affairs missions in sustainable development. Promoting sustainable development is a necessary and critical component of America's role as a world leader. It helps to reduce the threat of crisis, and to create the conditions for economic growth, the expansion of democracy and social justice, and a protected environment. Under these conditions, citizens in developing and transitional countries can focus on their own social and economic progress, which creates demand for U.S. goods and services and expands cooperative relationships between the United States and those countries it assists.

USAID carries out these objectives through programs of grant assistance under the Development Assistance, the Development Fund for Africa and the Child Survival and Diseases Program Fund, and through selected use of credit programs to leverage private sector funds in support of sustainable development. The humanitarian assistance objective is carried out using International Disaster Assistance funds. The cost of managing USAID programs is funded through Operating Expenses for the Agency and its Inspector General.

Performance Evaluation/Indicators:

Performance is evaluated in countries where USAID implements development assistance programs using the following indicators. For economic growth activities these include:

- achievement of average annual growth rates in real per capita income above one percent;
- average annual growth in agriculture at least as high as population growth in low income countries;
- increased openness and greater reliance on private markets; and
- decreased reliance on foreign aid in advanced (middle-income) countries.

Indicators of strengthened democracy and good governance are:

- number of countries classified as free/partly free/not free

- credible and competitive political processes encouraged, and
- rule of law and respect for human rights of women as well as men strengthened and development of a politically active civil society promoted.

Indicators for human capacity development are:

- percentage of countries in each region whose growth in net primary enrollment ratio is sufficient to reach full enrollment if sustained through 2015;
- virtual elimination of the difference between the girls' and boys' primary enrollment ration; and
- number of host country higher education institutions with teaching, research, and community outreach and service programs that respond to national or local service, educational, or economic development increased.

Indicators of a stabilized world population and protected human health are:

- total fertility rate reduced by 20 percent by 2007;
- reductions of infant and child mortality by 25 percent;
- percent of births attended by medically-trained personnel (to help reduce maternal mortality rate) increased by 15 percent by 2007;
- slowed rate of increase of new HIV infections through increased condom use to 65 percent for males and 80 percent for females by 2007;
- deaths from infectious diseases of major public health importance reduced by 10 percent by 2007.

Indicators of sustained management of the environment are:

- national and international environmental management strategies prepared by host governments;
- conservation of biologically significant habitat improved;
- threat of climate change reduced by slowing the rate of growth of net emissions of greenhouse gases;
- urban populations' access to adequate environmental services increased (i.e., access to drinking water and sanitation services);
- energy conserved through increased efficiency and reliance on renewable resources;
- deforestation rate in tropical forests reduced and management of natural forests and tree systems improved.

Indicators reflecting lives saved, suffering associated with natural or man-made disasters reduced include:

- crude mortality rate for refugee populations returned to normal range within six months;
- nutritional status of children five and under maintained or improved;
- conditions for social and economic development in post-conflict situations improved;

- freedom of movement, expression and assembly, and economic freedom in post conflict situations increased.

Indicators of USAID remaining a premier bilateral development agency are:

- leadership and learning capacity to achieve results enhanced, which would include strengthened technical leadership and research; strengthened partnerships with PVOs; improved policies; and more effective performance measurement and evaluation.
- Management and delivery of development assistance resources improved, especially through more effective operational decision-making; more effective human resources management; more effective acquisition and assistance; more effective financial management; and more effective information resources management.

The success of these programs, and their continued implementation, is supported by USAID's unique advantage of having highly qualified technical and management staff, many of whom are in the field and have the ability to work in a closely coordinated effort with both host country officials and citizens as well as other donors.

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In addition to the above accounts, USAID also manages programs under accounts jointly administered with the State Department -- the Economic Support Fund (ESF), Support for Eastern European Democracy (SEED), and Assistance for the New Independent States (NIS) -- as well as PL 480 Title II and Title III programs formally requested as part of the U.S. Department of Agriculture budget. These accounts address many of the same objectives and strategies noted above, while serving broader U.S. international affairs objectives. All of these programs are more thoroughly discussed in the USAID Congressional Presentation.

Development Assistance Fund

Foreign Operations Resources:

($ in thousands)

	FY 1998 Actual	FY 1999 Estimate	FY 2000 Request
Development Assistance Fund	1,174,634	1,194,000	780,440[3]

U.S. International Affairs Objectives:

This account, in conjunction with other USAID-managed program accounts, serves to promote and sustain several U.S. foreign policy objectives: broad-based economic growth, democracy and human rights, strengthening the environment, humanitarian assistance, and sustainable population growth.

Supporting Programs and Implementation Strategies:

The FY 2000 request for Development Assistance (DA) is $780.44 million, including funds to address the Asia financial crisis and programs in Latin America that follow up the Santiago Summit Plan of Action and a Global Climate Change Initiative related to tropical forest fires. The request includes $229 million for economic growth and human capacity development, $78 million to support democratic participation, $192 million for the environment, and $282 million for population programs.

The request for economic growth funds will expand and strengthen private markets, encourage more rapid and enhanced agricultural development for food security, and provide access to economic opportunity for the rural and urban poor. The funds will be focussed on supporting institutional reforms, providing technology for small farmers, and microenterprise lending.

The request for programs in democracy and governance will strengthen the rule of law and respect for human rights, encourage credible and competitive political processes, promote the development of politically active society, and make government institutions more transparent and accountable. Scores of nations are making the transition from repressive, autocratic regimes to democratic governance, and these funds help countries build democratic institutions, strengthen the societal underpinnings essential to success, and move toward more open and representative governments.

[3] FY 1998 and FY 1999 included funding for Africa programs, which for FY 2000 is being requested under another account -- the Development Fund for Africa.

The request for the environment will reduce the threat of global climate change, conserve biological diversity, provide for sustainable urbanization and pollution control, increase environmentally sound energy services, and promote the sustainable management of natural resources. Lasting social and economic development requires careful stewardship of natural resources. Productive lands, forests, and coasts provide the foundation for equitable economic growth, and clean air and water are essential to meeting peoples' basic human needs. Support for activities to mitigate global climate change, an Administration priority, will take center stage.

The request for population programs will reduce unintended pregnancies, improve infant and child health and nutrition, while reducing their mortality rates, and decrease maternal deaths associated with childbirth through better access to improved obstetrical services.

Performance Evaluation:

Evaluations are based on indicators as specifically noted in individual program discussions in the USAID FY 2000 budget submission to Congress.

Performance Indicators:

See individual country papers in the USAID FY 2000 budget submission to Congress.

Development Fund for Africa

Foreign Operations Resources:

($ in thousands)

	FY 1998 Actual	FY 1999 Estimate	FY 2000 Request
Development Fund for Africa[4]	--	--	512,560

U.S. International Affairs Objectives:

USAID is renewing its request for a separate appropriation for the Development Fund for Africa (DFA) as a reflection of the high priority this Administration places on aiding the economic growth and agricultural development of Africa. Funds will also be used to meet the goals of stabilizing population growth, building human capacity, strengthening democracy and governance, and protecting the environment.

Supporting Programs and Implementation Strategies:

Within this request is $235 million for economic growth and agricultural development, $34 million for human capacity development other than basic education, $73 million for population programs, $99 million for sustained management of the environment, and $72 million for building democracy. Included within the DFA request is $45 million for an expanded African Food Security Initiative (a ten-year-initiative announced by President Clinton during his 1998 trip to Africa).

Africa will continue to receive funds from the Child Survival and Diseases Program Fund, as well as the Economic Support Fund. Total requests under all these accounts for Africa will bring assistance to Africa back to historically high levels.

Performance Evaluation:

Evaluations are based on indicators as stated in country and program requests in the USAID FY 2000 submission to Congress.

Performance Indicators:

See individual country papers in the USAID FY 2000 budget submission to Congress.

[4] The Development Assistance Fund was the funding source for Africa programs in FY 1998 and FY 1999. Additional funding sources for all years for Africa programs includes both Child Survival and Diseases Program funds and Economic Support Funds.

Child Survival and Diseases Programs

Foreign Operations Resources:

($ in thousands)

	FY 1998 Actual	FY 1999 Estimate	FY 2000 Request
Child Survival and Diseases Programs	550,000[5]	595,000[6]	555,000

U.S. International Affairs Objectives:

The USAID account for Child Survival and Diseases Programs supports the U.S. foreign assistance objectives of economic development (in terms of human capacity development) and protecting human health and reducing the spread of infectious diseases. Programs covered under this account are important forerunners of efforts to support economic growth and stability, as well as being a necessary adjunct to family planning efforts.

Supporting Programs and Implementation Strategies:

The FY 2000 request for the Child Survival and Diseases Programs Fund is $555 million. (In years prior to FY 1997, funds for this program were part of the Development Assistance or Development Fund for Africa accounts.)

These funds will support programs that address the basic human needs of the poor majority in developing countries. More than four million infant and child deaths are prevented each year through the critical health services provided by these funds.

Within this request, $445 million is for child survival, infectious diseases control, and other health activities, of which $127 million is for HIV/AIDS. An additional $110 million is for basic education programs. These funds will support efforts to improve infant and child health and nutrition, reduce infant mortality, lower HIV transmission and decrease the impact of devastating disease, mitigate the threat of infectious diseases of major public health importance, and increase literacy, numeracy, and problem solving skills – especially among girls. Investments in education lead to increases in productivity, contribute to improved health and stable population growth, and provide for sound environmental management and increased incomes.

[5] Excludes $100 million transferred to UNICEF.
[6] Excludes $105 million transferred to UNICEF; includes $50 million emergency supplemental.

Performance Evaluation:

Evaluations are based on indicators as stated in country and program requests in the USAID FY 2000 submission to Congress.

Performance Indicators:

See individual country papers in the USAID FY 2000 budget submission to Congress.

USAID International Disaster Assistance

Foreign Operations Resources:

($ in thousands)

	FY 1998 Actual	FY 1999 Estimate	FY 2000 Request
International Disaster Assistance	190,298	200,000	220,000

U.S. International Affairs Objectives:

Programs funded under this account serve the strategic goal of humanitarian assistance in order to prevent or minimize the human costs of conflict and natural disasters and provide initial economic or other assistance to transitional countries emerging from crises.

Supporting Programs and Implementation Strategies:

The International Disaster Assistance (IDA) program provides relief, rehabilitation and reconstruction assistance to victims of natural and man-made disaster through the Office of U.S. Foreign Disaster Assistance (OFDA). The IDA account also funds the Office of Transition Initiatives (OTI), which focuses on the special needs of countries emerging from crises caused by political and ethnic conflict. The FY 2000 funding request includes approximately $55 million for OTI's post-crisis efforts. OTI received $40 million in FY 1999 and $30 million in FY 1998. First priority in utilizing IDA resources will be given to life-saving, emergency assistance.

Office of U.S. Foreign Disaster Assistance

The OFDA program objectives are: (1) meet the critical needs of targeted vulnerable groups in emergency situations; (2) increase adoption of mitigation measures in countries at risk of natural disasters; and (3) enhance development prospects in priority, post-conflict countries. To accomplish these objectives, USAID has a well-established management structure and in-house disaster relief experts who can draw on public and private sector resources to respond within 24 to 72 hours after a disaster. USAID fields assessment teams to identify needs, and provides disaster assistance response teams (DARTs) to facilitate communication and organize a response. USAID also provides communication support equipment, search and rescue groups, medical assistance, shelter, food and potable water.

Effective humanitarian assistance requires that the USAID relief, mitigation, transition and development programs support each other. USAID also collaborates closely with other assistance providers in the international community since it is particularly important to coordinate programs and share the burden of relief costs. U.S. private voluntary organizations (PVOs) are critically important partners and play an essential role in raising resources, providing assistance, and implementing programs, including facilitating the exchange of information among international partners and to prevent duplication of efforts.

USAID works closely with the Departments of State and Defense to coordinate American relief efforts. For urgent disaster situations, 24-hour coverage is provided by staff to ensure the transmission of accurate information across different agencies, and between the disaster area and important response centers. Satellite communication equipment augments the targeting of emergency assistance and the coordination with donors and other U.S. government agencies.

In 1998, USAID responded to 87 declared disasters, including 28 floods, 3 epidemics, 8 cyclones and hurricanes, 7 earthquakes, 5 droughts, and 11 fires. After Hurricane Mitch, USAID established a Disaster Assistance Response Team to coordinate the entire $300 million U.S. government relief effort. Hurricane Mitch, the deadliest Atlantic storm in 200 years, caused an estimated 11,000 deaths in Honduras, Nicaragua, Guatemala and El Salvador. In Honduras alone, 170 bridges were destroyed, 70% of the roads were damaged, and 95% of the crops were destroyed. In addition, USAID responded to 13 complex emergencies such as those in Sudan, Serbia-Montenegro, Democratic Republic of the Congo (formerly Zaire), Rwanda and Bosnia. Complex emergencies—involving political and military conflict—account for an increasing share of the disaster assistance budget. Over 84% of assistance for complex emergencies goes to African countries. Resolution is very difficult and may require relief assistance for long periods.

USAID is placing increased emphasis on applying preparedness and mitigation lessons learned toward efforts to prevent and mitigate the effects of disasters. Rapid population growth has increased the number of people vulnerable to natural hazards. Urban areas are expanding, with unsafe habitation in many shanty areas and slums. Population pressures also force people to move onto marginally viable and unsafe lands. Prevention efforts focus mainly on strengthening local preparedness and response capacities. Disaster preparedness requires careful examination of relief and recovery planning. USAID's field missions play an important role in helping government, municipal, and community leaders prepare for disasters and design development projects that fully reflect the risk from disasters. The results of these efforts have been very encouraging.

USAID also has a new responsibility for coordinating the USG response to incidents involving victims of nuclear, biological and chemical disasters overseas. As a result, USAID is developing a new response capability and incident command system in this field of emerging threats.

Office of Transition Initiatives

Timely and effective assistance to countries emerging from crises can make the difference between a successful or failed transition. The Office of Transition Initiatives (OTI) seeks to promote peace and stability through its activities that include support for demobilization and reintroduction of ex-combatants into civilian society, landmine awareness, community self help projects that reduce tensions and promote democratic processes and conflict resolution. OTI brings fast, direct and flexible assistance to priority countries to facilitate their movement away from conflict and demands for these services are increasing as a result of its successes and new opportunities for peaceful transitions. The Administration increasingly views the OTI approach to advance political stability as the highest priority assistance to conflict-prone countries.

USAID transition initiatives (e.g., community self-governance, demobilization and reintegration of combatants, land mine removal and awareness in such countries as Bosnia, Haiti, Rwanda, the Philippines, Guatemala, and Angola) have made significant differences in assisting people of those countries build a foundation of hope and trust for the future.

Performance Evaluation:

USAID is developing systems to better determine the results of these unique activities, but current anecdotal information provides evidence that both OFDA and OTI are linking its targets and results to resources.

Performance Indicators:

Indicators reflecting lives saved, suffering associated with natural or man-made disasters reduced include:

- Crude mortality rate for refugee populations returned to normal range within six months;
- Nutritional status of children five and under maintained or improved;
- Conditions for social and economic development in post-conflict situations improved;
- Freedom of movement, expression and assembly, and economic freedom in post conflict situations increased.

USAID Credit Programs

Foreign Operations Resources:

($ in thousands)

	FY 1998 Actual	FY 1999 Estimate	FY 2000 Request
Micro and Small Enterprise Development	2,000	2,000	2,000
Urban and Environmental Credit Program	9,053	6,500	8,000
Development Credit Authority [Transfer Authority]	--	[7,500]	[15,000]

U.S. International Affairs Objectives:

USAID's credit programs address a variety of U.S. objectives, including economic development, securing a sustainable environment, achieving a sustainable world population, and protecting human health.

Supporting Programs and Implementation Strategies:

Credit programs permit USAID to leverage private sector resources to support sustainable development and to reach populations its development programs would not otherwise assist. The Agency continues to improve the management of its credit programs. Experience has shown that the management reforms have enabled USAID to implement programs that resulted in people feeding themselves and their families better, educating their children, improving their health, increasing their incomes, and upgrading housing standards.

Micro and Small Enterprise Development Program (MSED)

This program supports private sector activities in developing countries by providing direct loans and loan guarantees to support local micro and small enterprises. MSED seeks to build sustainable linkages between financial institutions and the small and micro enterprises that lack full access to formal financial markets. The program works with financial institutions to increase the flow of credit to these enterprises in developing nations with the aim of producing thriving small and micro businesses through access to secure credit to reduce poverty. Participating financial institutions continue to make progress in reaching new, small borrowers.

The MSED program (1) stimulates the growth and expansion of private sector activity by strengthening access to credit for micro and small businesses; (2) develops innovative financing mechanisms that address imperfections in the credit market that make it difficult for small business to obtain credit; and, (3) strengthens the capacity of indigenous financial institutions to engage in micro and small business lending through targeted training programs.

MSED's primary implementation tool is the Loan Portfolio Guaranty (LPG) program which provides loan guarantees. MSED also uses direct loans and guarantees to provide capital for private voluntary organizations (PVOs) and non-governmental organizations (NGOs) engaged in micro enterprise lending activities and to create sustainable relationships between the PVOs/NGOs and formal financial institutions.

Urban and Environmental Credit Program (UE)

The Urban and Environmental Credit Program, formerly the Housing Guaranty Program, provides long-term financing to developing countries to improve the quality of life for the urban poor. The UE program develops infrastructure and encourages urban policy reforms. It operates by guaranteeing loans from private U.S. investors to those borrowers implementing urban programs in developing countries. This has led to innovative urban investment programs in such areas as shelter, potable water, wastewater treatment, solid waste disposal, environmental improvements of poor urban neighborhoods, and energy distribution.

The UE program aims to: (1) strengthen local government capacity to manage urban resources in an efficient and environmentally sustainable manner; (2) increase low-income family access to affordable shelter and urban services; (3) increase the lending participation of private financial institutions to the improvement of shelter for low-income families; and, (4) change policies to support increased availability of shelter, urban infrastructure, and services to low-income families.

In FY 2000, the UE Credit Program will continue to focus on the urban poor. The funding request will generate loans directly benefiting approximately 60,000 urban poor in Morocco and South Africa. The South Africa UE credit program will fund private lenders who finance housing. This program reflects the program's growing trend toward non-sovereign lending which stimulates the development of private financial markets.

Development Credit Authority (DCA)

The DCA will permit USAID to leverage and more effectively use direct loans and loan guarantees, with market-based rates and other market-based terms and conditions, to achieve sustainable development objectives through the use of credit mechanisms.

The DCA will only be used (1) where these objectives can be achieved more effectively through credit and where the credit risks can be assessed accurately; (2) where the specific developing country borrower can responsibly undertake the credit servicing obligation; and, (3) where the use of USAID credit mechanisms will assist in the advancement of a private sector that can sustain the development impact. USAID will continue to finance activities that are both developmentally sound and creditworthy.

The DCA represents a reformed approach to the use of credit in funding development programs. It will be used either alone or in creative combination with grants to fund programs that show the potential to develop revenue. In these cases, it is believed that credit is a more appropriate tool than grants to reach development goals. The DCA demands real risk sharing with private financial institutions in the countries where it will be used. This involvement of the private sector, we believe, contributes to the long-term and sustainable viability of these programs.

The DCA is requested as a permitted transfer from funds appropriated to carry out the development purposes specified under Part I of the Foreign Assistance Act. The actual amount of funds transferred for the subsidy cost of DCA credits will be commensurate with USAID's credit management capabilities. The Agency's credit management capabilities are currently subject to an ambitious Credit Management Improvement Action Plan, encompassing a number of far-reaching credit management reforms, implemented with the cooperation of the Office of Management and Budget. Transfer of the entire $15 million requested will take place only after USAID obtains OMB certification of its credit management capabilities.

Performance Evaluation:

Under MSED, program performance continues to be measured by: (1) the degree to which participating financial institutions increase their lending to targeted micro and small businesses; (2) the success in strengthening indigenous financial institutions' capacity to engage in lending to targeted businesses; and, (3) the ability to enhance access to formal sector financing for on-lending to micro enterprises by economically sustainable PVOs and NGOs.

UE's overall fiscal management reforms now underway will help to assure the UE program's continued financial soundness. Among other things, the Agency has contracted with a private commercial bank for key loan servicing and financial management services for the UE accounts.

The DCA will only be used where development assistance goals can be met using credit authority; and, the credit subsidy cost of the activity can be estimated with a reasonable degree of confidence.

Performance Indicators:

Examples of performance indicators for MSED programs include: a decrease in collateral requirements, an increase in institutional lending to smaller-sized borrowers, and increased micro borrower access to formal financial markets.

UE's management improvements were singled out by the Office of the USAID Inspector General (OIG), when the UE Portfolio Management Group was awarded the OIG Special Achievement Award in 1998.

DCA performance, in addition to programmatic performance indicators, will be measured by the following financial indicators: (1) repayment rates on direct loans; (2) claims against guaranteed loans, and (3) satisfactory economic and financial rates of return. Use of DCA will require a commitment to financial discipline by the host country participant that will lead to prudent and efficient use of U.S. assistance.

USAID Operating Expenses

Foreign Operations Resources:

(Dollars in thousands)

	FY 1998 Actual	FY 1999 Estimate	FY 2000 Request
Operating Expenses	478,858	492,650	507,739

U.S. International Affairs Objectives:

USAID programs support several U.S. International Affairs Objectives USAID Operating Expenses (OE) supports the administrative costs related to managing programs worldwide.

Supporting Programs and Implementation Strategies:

The FY 2000 request for is $507.739 million. The FY 1999 level includes $12.7 million to be transferred to the OE account for Year 2000 activities and enhanced overseas security. Additional funds will be transferred to reflect the move of the Office of Security from the Office of the Inspector General to USAID as required by the FY 1999 Appropriations Act. Amounts to be transferred will be determined at the time the actual transfer occurs.

These OE funds cover the salaries, benefits, and other administrative and security-related costs associated with USAID programs worldwide, including those managed by USAID and financed through Development Assistance, International Disaster Assistance, the Economic Support Fund, the Support for Eastern European Democracy Act, the Freedom Support Act, and the Food for Peace program under PL 480, Titles II and III. The FY 2000 request also includes $7.739 million to cover costs of the Office of Security, which is being transferred from the Office of the Inspector General to the Office of the Administrator in FY 1999 in accordance with the FY 1999 Appropriations Act.

USAID Office of Inspector General

Foreign Operations Resources:

(Dollars in thousands)

	FY 1998 Actual	FY 1999 Estimate	FY 2000 Request
IG Operating Expenses	29,047	30,750	25,261

U.S. International Affairs Objectives:

The FY 2000 request covers operations, including salaries, expenses, and support costs of the Office of Inspector General's (OIG) personnel. With the Omnibus Appropriations Bill of October 21, 1998, Security Operations and the associated resources are being transferred to the Operating Expense account of USAID. The FY 2000 request is based on this transfer. The impact on FY 1999 will not be known until this transfer is completed.

OTHER BILATERAL ASSISTANCE

Freedom Support Act: Assistance for the New Independent States of the Former Soviet Union

Foreign Operations Resources:

($ in thousands)

	FY 1998 Actual	FY 1999 Estimate	FY 2000 Request
FSA	770,800	847,000	1,032,000

U.S. International Affairs Objectives:

U.S. and global security is greatly influenced by what happens in Russia and the other New Independent States (NIS). The sheer size of the NIS region, its borders with key countries in Europe, the Middle East, South Asia, and East Asia, and its capacity to produce critical energy supplies means the U.S. has a vital national interest in seeing the NIS become stable, democratic, and prosperous nations. This will only happen if these countries successfully complete the transition they began in 1991 from a totalitarian system with a centrally planned economy to a system characterized by democratic governance and a market-based economy. The assistance programs funded under the FREEDOM Support Act are aimed at facilitating this transition by helping the NIS develop the necessary legal and political infrastructure and by supporting emerging democratic organizations and market institutions.

The U.S. has a strong national security interest in preventing proliferation of weapons of mass destruction, delivery systems, weapons technology and expertise from the former Soviet arsenal. A variety of security programs, already supported by the U.S., are aimed at reducing the risks of proliferation. However, the economic crisis that hit Russia and the other NIS over the past year has increased proliferation risks and reduced these nations' ability to meet arms control commitments, leading us to propose substantial increases in threat reduction programs for FY 2000.

Supporting Programs and Implementation Strategies:

Because the transition of the NIS from authoritarian states with command economies is a lengthy process of adaptation to democratic and market-based behaviors and institutions, our assistance strategy over the past several years is designed to help show the way. The emphasis is on economic growth, linking more NIS and American institutions and individuals, both private and public, and supporting civil society in the NIS. All are important for building support for further reforms. Success requires long-term, active engagement with NIS countries during the transition process.

Events in the latter half of 1998 -- ruble devaluation, debt default and associated political changes in the Russian government -- set back economic developments in that country by several years, increased risks of weapons of mass destruction proliferation, and created hardships for many of the other NIS, which are still economically entwined with Russia. The altered economic and political landscape led us to revise our FY 2000 assistance program by putting greater emphasis on meeting humanitarian needs than in any recent year, while increasing funding for economic development programs aimed at the regional (not central government) level, exchange programs, and various grassroots activities.

Russia's financial and economic problems, and their spillover effects to other NIS, have once again underscored the importance of the shift in focus of U.S. assistance programs begun two years ago. In FY 2000, we will again be reducing technical assistance to central governments, especially in Russia, as we step up the number of exchanges and partnerships designed to change minds through exposure to Western societies and practices. Exchanges at all levels -- when they are well designed, well- administered and carefully focused -- have proven to be the most effective programs in promoting positive change in NIS societies. We intend to continue to focus on young people -- including students, scientists, entrepreneurs/small business owners, and rising political leaders -- as we seek to support a new generation with the skills and determination to overcome the difficult legacies of the past. With less than ideal prospects for reform-minded central governments in many of the NIS, at least in the short to medium term, it is crucial for the U.S. to increase activities in the regions – especially programs aimed at removing obstacles to trade and investment, bolstering small business through training and enhanced availability of credit, and increasing the number of partnerships between Russian and U.S. states, cities, universities, hospitals, business associations, charities, and other civic groups.

The FY 2000 budget for FSA also includes $241 million for expanding programs that address the security implications of the economic crisis that spread to the NIS region over the past year. Increased funding is requested for programs that contribute to economic transition and infrastructure reforms as well as to reducing risks of proliferation of weapons of mass destruction, weapons delivery systems, materials, technology and scientific and technical expertise. These programs include the Science Centers, which provide former Soviet weapons scientists with peaceful civilian research opportunities; export control and border security activities to enhance NIS countries' capability to detect illicit weapons of mass destruction transfers; the Civilian Research and Development Foundation, which funds U.S.-NIS collaborations on civilian basic and applied research conducted in the NIS; an effort to redirect scientists in former Soviet biological weapons related facilities to civilian commercial, agricultural, and health activities; and a military and munitions relocation program to help deal with the costs of Russian military realignment outside of Russia and to facilitate military downsizing.

None of the funds for these security-related programs will be available to entities found to be engaging in proliferation activities. The U.S. government is fully committed to preventing proliferation to countries such as Iran, and we hope that by increasing funding

available to institutes and scientists we may increase the incentives for them to uphold strict nonproliferation standards.

Performance Evaluation:

See Country Papers

Performance Indicators:

See Country Papers

Freedom Support Act Assistance for the New Independent States ($ in thousands)		FY 1998 Actual		FY 1999 Estimate		FY 2000 Request
Armenia		87,500		79,900		71,500
Azerbaijan		34,290		23,840		33,500
Belarus		7,260		9,780		10,500
Georgia		97,500		84,360		83,500
Kazakhstan		40,300		44,190		53,500
Kyrgystan		24,320		28,520		34,500
Moldova		33,070		35,860		73,500
Russia		133,180		172,360		295,000
Tajikistan		11,950		11,870		12,000
Turkmenistan		5,250		13,420		12,000
Ukraine		225,000		195,000		219,000
Uzbekistan		20,450		27,610		37,500
NIS Regional		50,728		114,290		96,000
TOTAL		770,798	2/	847,000	3/	1,032,000

1/ Appropriated and requested levels do not reflect transfers and recissions.
2/ Includes roughly $90,000 for parking fines.
3/ Includes $6 million for Mongolia.

Support for East European Democracy (SEED)

Foreign Operations Resources:

($ in thousands)

	FY 1998 Actual	FY 1999 Estimate	FY 2000 Request
Dayton & Dayton-Related (inc. Kosovo)	$253,515	$234,000	$236,000
Other SEED	$231,703	$196,000	$157,000
Total SEED	$485,218	$430,000	$393,000

U.S. International Affairs Objectives:

Since 1989, the Support for East European Democracy (SEED) Act has promoted important U.S. national interests and strategic goals in Central and Eastern Europe. As the war in the former Yugoslavia and its aftermath, including the current conflict in Kosovo, has demonstrated, U.S. interests in this part of the world remain as important as they were when the original SEED Act was passed. SEED continues to assist the former communist countries of Central and Eastern Europe to develop democratic institutions and market economies. It does this through the provision of innovative programs, technical assistance and training to facilitate reform and transition. Many of these countries are well on their way toward achieving the goal of the SEED program: building a market economy with a strong private sector, consolidating democracy, and improving the quality of life for their citizens.

SEED programs help ensure that local and regional instabilities -- particularly those in South Central Europe -- do not threaten the security and well-being of the United States and its allies. A peaceful, democratic Central Europe gives the United States and the Atlantic Alliance substantially greater assurance of security at a lower cost. SEED funding also promotes broad-based economic growth in the transitional countries of Central Europe and increases adherence to democratic practices and respect for human rights. SEED programs minimize the human costs of conflict, contribute to the protection of human health, help secure a sustainable global environment, and promote U.S. exports. Central Europe is a growing market for U.S. goods and services, and a gateway to the vast potential markets in Russia and the Ukraine.

In 1999, Albania, Bosnia-Herzegovina, Bulgaria, Croatia, Lithuania, the Former Yugoslav Republic of Macedonia, Poland, Romania, Serbia and Slovakia are receiving assistance under the SEED program. It is anticipated that three countries, Lithuania, Poland, and Slovakia, will "graduate" from the SEED program in FY 2000, joining Estonia (FY 96), the Czech Republic, Slovenia (FY 97), Hungary and Latvia (FY 99).

Each of these countries has established functioning democratic institutions, elected parliaments, allowed some variation of a multi-party system, and undertaken durable reforms in their economies. They have provided a clear demonstration that democracy and economic prosperity can be built on the ruins of failed communist systems -- a valuable example for countries farther to the East.

While the SEED program has built a solid record of accomplishment, much remains to be done. As countries in the Northern Tier qualify for graduation, two groups of countries in the Southern Tier continue to need U.S. assistance. The first group is comprised of countries which emerged from the former Yugoslavia - whose economic and political transition was delayed by the war in Bosnia and Croatia which raged from 1991-95. Bosnia remains a difficult challenge, given the severe physical and human damage caused by the war and the resulting extreme hatreds it generated. The United States continues to exercise leadership through both its military presence and SEED Act assistance to ensure Dayton is implemented. The conflict in Kosovo and instability in other parts of the Federal Republic of Yugoslavia again demand U.S. involvement and leadership to prevent the outbreak of further conflict, address humanitarian needs, strengthen democratic forces, and contribute to the reconstruction of war-ravaged areas.

The second group is made up of the neighboring countries of Albania, Bulgaria and Romania. These countries were slower to embrace reforms than countries in the northern tier, but are now moving in the right direction. All have suffered debilitating economic crises in recent years which have challenged political, economic and social stability. SEED is helping these countries deal with these crises and move forward in their transitions.

Supporting Programs and Implementation Strategies:

SEED Act programs are coordinated by the Department of State and administered by other government agencies, principally the United States Agency for International Development (USAID), through grants and technical assistance programs. To allow the flexibility to shift resources quickly to address fast-changing situations in the region, SEED was originally developed as a regional program without specific country allocations. Beginning in FY 1996, however, Congress required individual country budgets and much smaller regional accounts.

SEED is a transitional program designed to aid Central and Eastern European countries through their difficult passage to democracy and a market economy. As countries complete and consolidate their political and economic transitions, they will be "graduated" from the assistance category and funding for bilateral SEED programs will be phased out. Graduation varies according to each country's individual progress and must be flexible enough to accommodate uneven political and economic performance, including instances of backsliding. It is important, therefore, that SEED countries also remain eligible for certain regional programs.

Bosnia

SEED assistance remains essential to America's ongoing efforts to implement the Dayton Peace Agreement in Bosnia. In 1998, SEED continued to fund the reconstruction of infrastructure necessary to encourage refugee returns to minority areas. American assistance provided loans and advice to entrepreneurs in Bosnia's nascent private sector. SEED made vital contributions to the building of national institutions and to the restructuring and training of police and the judiciary. With SEED assistance, both public and private media made continued progress toward responsibility, accountability, and democratic values. Timely American support fostered democratic development through voter education, political party building, development of non-governmental organizations, and training of young Bosnians in a wide range of disciplines. In 1999, SEED assistance will focus on encouraging leaders in both entities and at the national level to put in place the reforms necessary to establish a functioning market economy and to attract foreign investment. The FY 2000 request for Bosnia of $175 million will shift funding from municipal infrastructure and reconstruction projects to economic reform aimed at greater privatization, and legal and regulatory reform.

Serbia-Montenegro (including Kosovo)

International sanctions prohibit the Federal Republic of Yugoslavia from rejoining key international political and economic institutions until it makes progress on democratization, human rights, a peace settlement in Kosovo, resolution of succession issues stemming from the breakup of the former Yugoslavia, and full implementation of the Dayton Accords, including cooperation with the International Criminal Tribunal for the former Yugoslavia. However, the U.S. continues to encourage democratic reform in the FRY, the only country in Central Europe that has yet to begin a political transformation. SEED invests significant resources in Serbia and Montenegro to support an independent media, strengthen opposition political parties, and develop a civil society. In Montenegro, we are also assisting with economic reform.

In 1998, the United States led an international effort to broker a durable and just peace in Kosovo. SEED provided timely and essential support to the Kosovo peace process. In FY 1999 and FY 2000, SEED will bolster a Kosovo peace implementation through support for civil reconstruction, democratization, and building of a free media and civil society.

The Northern Tier Countries

The SEED program began in the countries of the Northern Tier, and it is here the transition to fully democratic and free market societies is the most advanced. Hungary and Latvia graduate in FY 1999, which will also be the last year of funding for Poland, Lithuania and Slovakia as they graduate in FY 2000. FY 2000 will be the first year in which no assistance money is requested for bilateral programs for the Northern Tier.

Regional SEED assistance, however, remains vital to strengthen non-governmental organizations that are the key to locking in the reforms of the past decade and to building durable civil societies. We want to empower our strongest regional partners to pass on lessons learned to countries elsewhere in Central and Eastern Europe as well as the former Soviet Union, where democratic and market transition has been slower. The SEED Act invited innovative approaches to assistance, and our proposal to endow a Polish-American Freedom Fund is a good example of our commitment that SEED will remain vital and creative into the 21st Century. We will also investigate how to most effectively establish a self-supporting fund for NGOs in graduate countries.

The Southern Tier Countries

SEED assistance is a key component of the Southeast Europe Strategic Initiative announced by President Clinton in July 1997. The Southern Tier countries have further to go in their economic and political transformation; therefore, SEED resources will continue to shift to this part of Central Europe in order to stimulate economic and democratic reform. Despite an ongoing security threat to Americans in Albania, we will continue to carry out assistance programs focusing on restoring stability, combating corruption, microenterprise and agricultural development, and implementation of constitutional reform. Bulgaria's program will focus on strengthening the private sector and supporting local governments and NGOs. In Romania we will adjust our programs to support government measures to undertake badly-needed economic reform and privatization. The Southeast Europe Cooperative Initiative (SECI) promotes cooperation on regional economic and environmental problems.

Performance Evaluation:

To measure progress and determine graduation dates, USAID and the Coordinators for SEED and the New Independent States (NIS) have developed a sophisticated measurement system for 25 countries in Central and Eastern Europe and the New Independent States of the former Soviet Union. Using data primarily from the EBRD, Freedom House, and the World Bank, as well as the IMF, UNDP, and the Bureau of Census, country progress is analyzed in the areas of economic reform, economic sustainability, and democratization by looking at macroeconomic performance and social conditions. Annual reviews are held and benchmarks are established.

Hungary and Latvia have each demonstrated sufficient progress to graduate in FY1999. Both of them have established functioning democratic institutions, elected parliaments, allowed some variation of a multi-party system, and undertaken durable reforms in their economies. Poland, Lithuania and Slovakia are also on track to graduate in FY 2000. While not yet ready to graduate, the continued progress of other SEED recipient countries as measured by this data has validated the premise of the SEED Act that American assistance in Central and Eastern Europe would promote durable reform and self-reliance, not long-term dependency.

Performance Indicators:

See individual country papers for FY 2000 SEED performance indicators.

Support for Eastern European Democracy ($ in thousands)			
Country	FY 1998 Actual	FY 1999 Estimate	FY 2000 Request
Albania	27,430	30,000	25,000
Bosnia	215,000	195,000	175,000
Bulgaria	33,675	30,000	28,000
Croatia	23,215	10,000	6,000
Hungary	7,097	-	-
Latvia	2,400	-	-
Lithuania	4,750	2,200	-
FYROM	17,204	16,000	14,000
Poland	35,108	20,000	-
Romania	37,119	36,000	30,000
Slovakia	8,075	3,000	-
Yugoslavia	15,300	25,000	55,000
Regional	58,845	62,800	60,000
TOTAL	**485,218**	**430,000**	**393,000**

INTERNATIONAL SECURITY ASSISTANCE

Peacekeeping Operations

Foreign Operations Resources:

($ in thousands)

	FY 1998 Actual	FY 1999 Estimate	FY 2000 Request
PKO	72,554[a]	76,500	130,000

U.S. International Affairs Objectives:

Peacekeeping Operations (PKO) funds support U.S. regional stability and humanitarian assistance goals. Under certain circumstances, the United States has an interest in providing voluntary support for peacekeeping activities that are not UN mandated and/or are not funded by UN assessments. In so doing, the US helps support regional peacekeeping operations for which neighboring countries take primary responsibility. Similarly, the United States has a strong interest in enhancing the ability of other nations to participate in voluntary peacekeeping and humanitarian operations in order to reduce the burden on the United States.

Although peacekeeping is not a substitute for a strong national defense and vigorous alliances, it has demonstrated its capacity to separate adversaries, maintain cease-fires, facilitate delivery of humanitarian relief, allow repatriation of refugees and displaced persons, demobilize combatants, and create conditions under which political reconciliation may occur and democratic elections may be held. Thus, peacekeeping operations can reduce the likelihood of interventions by regional powers, prevent the proliferation of small conflicts, facilitate the establishment and growth of new market economies, contain the cost of humanitarian emergencies, and limit refugee flows. Key objectives of peacekeeping funds are to:

- Promote peace and regional security by supporting multilateral peacekeeping or conflict prevention initiatives;
- Encourage fair-share contributions to peacekeeping efforts from those countries with greater potential to pay, while facilitating increasing participation of poorer countries when resource constraints would otherwise prevent their taking part; and
- Encourage greater participation of foreign forces in international peacekeeping activities.

Supporting Programs and Implementation Strategies:

The PKO account provides the flexibility to pro-actively support conflict resolution, multilateral peace operations, sanctions enforcement, and similar efforts outside the context of assessed UN peacekeeping operations. The PKO account promotes increased involvement of regional organizations in conflict resolution, which may result in more

[a]For FY 1998, the actual PKO appropriation totaled $77.5 million. Of that amount, $4,945,800 was transferred pursuant to FAA section 610 from PKO to ESF to support the Lockerbie Trial.

politically- or cost-effective operations. The account is also used to encourage fair-share contributions to joint efforts where no formal cost sharing mechanism is available. As a result, the United States is often better able to assist countries in creating an environment of security and stability essential to their social, economic, and political progress. For FY 2000, PKO funds will:

- In conjunction with Foreign Military Financing (FMF), provide initial and follow-on peacekeeping training and equipment for select African nations under the African Crisis Response Initiative to enhance their capabilities to respond to regional humanitarian crises and instability.

- Assist multilateral efforts through a civilian police mentoring program to improve the performance of the Haiti National Police, including respect for human rights and rule of law.

- Working through regional organizations such as the Organization for Cooperation and Security in Europe (OSCE), support implementation of the Dayton Peace Accords in Bosnia, as well as conflict prevention and crisis management missions in Kosovo and selected other countries in Central Europe and the New Independent States.

- As part of a multilateral effort with France, Syria, Lebanon, and Israel, monitor the Israel-Lebanon border to promote regional stability, help limit civilian casualties, and provide an important confidence building forum.

- Support regional and sub-regional efforts to respond to conflicts or humanitarian crises in Africa, including possible activities in Sierra Leone, the Great Lakes region, and Ethiopia/Eritrea.

- In a multilateral role, provide assistance that permits Israel and Egypt to accelerate progress in the peace process, secure in the knowledge that their common border is monitored by the Multinational Force and Observers (MFO) in the Sinai.

Performance Evaluation:

In FY 98, PKO funds advanced U.S. objectives of promoting regional stability and preventing humanitarian crises on several different continents. In Africa, PKO supported (ECOWAS Monitoring Group) ECOMOG's efforts to stabilize Liberia, as well as bolster Sierra Leone's democratically-elected government, which was restored to power after a rebel coup, while also protecting innocent civilians from killings, mutilations, and other atrocities inflicted by rebel forces. PKO, in conjunction with FMF, also supported the African Crisis Response Initiative, which provided initial and/or follow-on training and equipment for battalions from Senegal, Mali, Malawi, Uganda, and Ghana.

In Europe, funds provided critical support for the OSCE and Office of the High Representative, facilitating the U.S.'s ongoing efforts to restore peace and security to Bosnia and its neighbors. Funds also supported democratization activities both in the Balkans and in other Central European and NIS states, including elections support in 10 countries. Elsewhere, US support for the Israel-Lebanon Monitoring Group has demonstrated its positive impact on preventing military escalation and in minimizing threats posed to civilians, thus underscoring that in managing difficult problems and finding common ground, there is no substitute for face-to-face talks. Civilian deaths declined by 50% in 1998, down to 22 from 43 in 1997; cross-border katyusha rocket attacks into Israel were a rarity in 1998, with only two isolated cases compared to seven in 1997; and the use of sidebombs against civilians has been virtually eliminated.

In Haiti, funds continued support for the UN Civilian Police Mission in Haiti (MIPONUH), which is helping develop the first professional and apolitical national police force in the country's history. While much work remains, the nascent force has made great strides in implementing norms and procedures consistent with the Haitian Constitution and internationally-recognized human rights law. Efforts continue to promote transparency and anti-corruption practices within the force.

Performance Indicators:

See individual country and program papers for FY 2000 FMF performance indicators.

Peacekeeping Operations
Program Summary

($ in thousands)

PROGRAM	FY 1998 Actual	FY 1999 Estimate	FY 2000 Request
Africa Regional	7,130	4,000	13,000
African Crisis Response Initiative	10,000	15,000	15,000
OSCE (Bosnia/Croatia)	25,000	25,000	36,000
Israel-Lebanon Monitoring Group	812	1,000	1,000
Haiti	14,112	4,400	6,000
OAS (Haiti)	-	1,600	-
MFO – Sinai	15,500	15,500	16,000
OSCE Kosovo	-	10,000	43,000
Total, PKO	**$72,554**	**$76,500**	**$130,000**

Note: For FY 1998, the actual PKO appropriation totaled $77.5 million. Of that amount, $4,945,800 was transferred pursuant to FAA section 610 from PKO to ESF to support the Lockerbie Trial.

Economic Support Funds (ESF)

Foreign Operations Resources:

($ in thousands)

	FY 1998 Actual	FY 1999 Estimate	FY 2000 Request
ESF	2,419,600	2,432,831	2,389,000

U.S. International Affairs Objectives:

The Economic Support Fund (ESF) addresses economic and political foreign policy objectives of the United States by providing economic assistance to allies and countries in transition to democracy, supporting the Middle East peace process, and financing economic stabilization programs, frequently in a multi-donor context. The U.S. Agency for International Development (USAID) implements most ESF-funded programs, with overall guidance from the Department of State. Key objectives of ESF are to:

- Increase the role of the private sector in the economy, reduce government controls over markets, enhance job creation, and improve economic growth.
- Assist in the development of effective and accessible, independent legal systems operating under the rule of law, as measured by an increase in the use of the courts to decide allegations of human rights abuses or abuses of government authority.
- Develop and strengthen institutions necessary for sustainable democracy through support for the transformation of the public sector, including assistance and training to improve public administration, promote decentralization, strengthen local governments, parliaments, independent media and non-governmental organizations.
- Advance programs for dealing with violence against women and promoting their political participation.
- Transition to transparent and accountable governance and the empowerment of citizens, working through their civic and economic organizations and democratic political processes that ensure broad-based participation in political and economic life, and respect for human rights and fundamental freedoms.

Supporting Programs and Implementation Strategies:

The largest share of the ESF request remains focused on supporting Middle East peace by providing assistance to foster economic stability and development in Israel, Egypt, Jordan, West Bank/Gaza, and other Arab countries pledged to support the peace process. The ESF funding included in this request for Jordan and the West Bank/Gaza is in addition to the $150 million in FY 2000 that is provided for in the Wye Memorandum Supplemental and Advance Appropriation. ESF is also requested to support peace and

reconciliation in Ireland, Cyprus, Guatemala, and Peru-Ecuador as well. In other parts of the world, economic dislocation and political strife continue to place great strains on many countries. Depending on the recipient country's economic situation, balance of payments, or budgetary support may create leverage to bring about the adoption of more rational economic and fiscal policies required to sustain economic growth. In the short term, however, measures to create more rational and efficient economic structures and practices often exacerbate social and political tensions unless buffered by external assistance. In these circumstances, ESF can help to prevent or diminish economic and political dislocation that may threaten the security and independence of key allies and friends.

The United States has a strong stake in strengthening democratic development globally. The intensity of U.S. engagement will vary. In such regions as Africa where our ESF resources are helping to speed Africa's integration into the global economy, the United States has invested significant resources and international leadership, ESF will continue to support programs to sustain the democratic transition with a high level of engagement. In those and other countries in transition, ESF is used to address a full range of problems through an integrated strategy, including balance of payments and other economic support measures designed to create employment and conditions conducive to international investment and trade, and through support for programs that nurture democratic institutions and a vibrant civil society. ESF also finances programs to enhance the administration of justice and rule of law, as well as police training and technical assistance administered by the Department of Justice.

Integrated ESF-supported programs have effectively performed in countries in transition to democracy. Success is closely related to the degree that programs give people the hope that a radical break with an authoritarian, repressive, or conflict-ridden past can be sustained. For example, in FY 2000 ESF will:

- Continue U.S. support of programs, particularly in Africa, for countries emerging from conflict to stabilize their economies, build their democracies, and promote their social and political reconciliation.

- Support projects in Asian societies to build democratic institutions and create strong civil societies that can advocate on behalf of human rights, women's rights, worker's rights, the rule of law, and freedom of the press.

- Assist Middle Eastern countries such as those in North Africa, that receive little or no peace process-related assistance to diffuse regional tensions, support electoral reform, and initiate market oriented economic reforms.

- Support the Windward Islands – Dominique, Grenada, St. Lucia and St. Vincent and the Grenadines – transition away from dependence on traditional activities such as bananas cultivation to more diversified economies.

Through regional accounts, ESF supports carefully targeted programs to assist democratic forces in new or threatened democracies, and, in some cases, programs

designed to strengthen pro-democratic forces. Typical areas of assistance include technical assistance to administer and monitor elections, capacity-building for non-governmental organizations, judicial training, and women's participation in politics. For FY 2000, ESF for regional democracy programs will be used for a range of activities to help strengthen and consolidate democratic processes and institutions in countries that have recently embarked on a democratic course, or where democracy is threatened.

Performance Evaluation:

See individual country and program papers for FY 2000 ESF performance indicators.

The following table shows the ESF proposal for FY 2000. Further detailed justification for the proposed programs can be found in the individual country and program papers.

Economic Support Fund

($ in thousands)

COUNTRY	FY 1998 Actual	FY 1999 Estimate	FY 2000 Request
Africa			
Angola	5,000	-	-
Liberia	-	-	1,500
DROC (Congo-Kinshasa)	9,500	-	-
Emergency Supplemental - Kenya	-	37,000	-
Emergency Supplemental - Tanzania	-	9,231	-
Kenya (victims of terrorist bombing)	850	-	-
Tanzania (victims of terrorist bombing)	150	-	-
Rwanda/Burundi VOA Broadcasting	500	-	-
South Africa Internship Program	250	-	-
SADC Initiative	-	2,000	1,000
Safe Skies	-	-	2,000
Organization for African Unity (OAU)	-	-	2,000
Regional Organizations	-	-	1,000
Governments in Transition	-	-	28,000
Education for Development & Democracy	5,000	10,000	15,000
Great Lakes Initiative	-	25,000	10,000
Presidential Econ.Growth Opportunity	-	-	2,000
Africa Regional	5,000	15,000	9,000
Subtotal - Africa	**26,250**	**98,231**	**73,000**
East Asia and the Pacific			
Cambodia	15,994	10,000	20,000
Regional Financial Crisis	-	5,000	26,500
Indonesia	1,100	-	5,000
Philippines	-	-	5,000
Mongolia	8,000	-	12,000
Asia Regional	3,450	2,300	6,000
ASEAN Regional Forum	250	250	250

Economic Support Fund

($ in thousands)

COUNTRY	FY 1998 Actual	FY 1999 Estimate	FY 2000 Request
East Asia and the Pacific (cont.)			
East Asia/Pac Environmental Initiatives	4,200	4,000	10,000
KEDO	6,506	-	-
Burma	3,500	3,500	3,500
Regional Women's Issues	-	-	5,000
South Pacific Fisheries	14,000	14,000	14,000
Subtotal – East Asia and Pacific	57,000	39,050	107,250
Europe			
Cyprus	15,000	15,000	15,000
Ireland	19,600	19,600	19,600
Bosnia Demining	2,000	-	-
Republica Srpska	5,000	-	-
Europe Regional	-	-	10,000
Subtotal – Europe	41,600	34,600	44,600
Western Hemisphere			
W. Hemisphere Regional:	11,047	13,000	35,500
Bolivia	-	-	3,000
Colombia	-	-	4,000
Cuba	2,000	3,000	3,000
Dominican Republic	2,500	2,300	3,000
Ecuador	1,000	1,200	1,500
El Salvador	1,000	2,000	5,000
Jamaica	-	-	1,500
Mexico	1,000	1,500	2,000
Nicaragua	1,000	1,500	3,000
Panama	-	-	1,000
Paraguay	500	800	1,000
Venezuela	47	-	500

COUNTRY	FY 1998 Actual	FY 1999 Estimate	FY 2000 Request
Western Hemisphere (cont.)			
Windward Islands	2,000	700	7,000
Guatemala	25,000	25,000	25,000
Haiti	70,000	70,000	70,000
Administration Of Justice/ICITAP	9,953	10,000	10,000
Venezuela Elections	250	-	-
Peru/Ecuador Peace	-	-	20,000
Vital Voices	100	-	-
Subtotal - W. Hemisphere	**116,350**	**118,000**	**160,500**
Near East			
Egypt	815,000	775,000	715,000
Israel	1,200,000	1,080,000	930,000
Jordan	24,330	150,000	150,000
Lebanon	12,000	12,000	12,000
ME Multilaterals	3,500	3,000	4,000
ME Regional	7,000	6,000	10,000
West Bank/Gaza	85,000	75,000	100,000
Iraq Opposition	5,000	3,000	10,000
Middle East Democracy	3,680	2,500	7,000
U.S. - North Africa Partnership	-	-	5,000
Subtotal - Near East	**2,155,510**	**2,106,500**	**1,943,000**
South Asia			
Pakistan	3,000	-	-
South Asia Democracy	3,000	2,750	8,825
South Asia Regional	-	-	10,825
Subtotal - South Asia	**6,000**	**2,750**	**19,650**
Human Rights and Democracy	**7,820**	**9,000**	**10,000**
Holocaust Victims Trust Fund	**4,000**	**10,000**	**11,000**

Economic Support Fund

($ in thousands)

COUNTRY	FY 1998 Actual	FY 1999 Estimate	FY 2000 Request
Export Controls	4,000	-	-
No Sweat Shop Initiative	-	-	5,000
Environmental Diplomacy	-	-	15,000
Unallocated	1,070	14,700	-
TOTAL	**2,419,350**	**2,432,831**	**2,389,000**

Human Rights and Democracy Fund

Foreign Operations Resources:

($ in thousands)

	FY 1998 Actual	FY 1999 Estimate	FY 2000 Request
ESF	7,820	9,000	10,000

U.S. International Affairs Objectives:

The Human Rights and Democracy Fund (HRDF) supports the U.S. strategic goal of promoting democracy and protecting human rights. The U.S. pursues this goal through both its diplomacy and its assistance programs. The HRDF supplements ongoing assistance programs and advances diplomatic efforts by providing funds to address human rights and democratization emergencies. Before the establishment of the HRDF in FY 1998, the Secretary of State could meet urgent needs only by re-directing funds away from existing priorities. Therefore the HRDF allows the Secretary to conduct strategic planning while still being prepared to address emergencies as they arise.

Supporting Programs and Implementation Strategies:

- Because the HRDF is an emergency fund, its precise uses for FY 2000 cannot be predicted. However, its general objectives are the following:
- To respond to human rights emergencies in order to forestall the outbreak of abuses or to prevent further abuses.
- To respond to democratization emergencies in order to protect a threatened democracy or to exploit an unanticipated democratic opening in an authoritarian regime.
- To implement a peace settlement by helping to establish national institutions that serve democracy and human rights.
- To support innovative multilateral initiatives that strengthen the capacity of the international community to respond to human rights and democratization emergencies.

Performance Evaluation:

In FY 1998 and FY 1999, the HRDF has met the urgent needs of three key institutions supporting the Dayton Accords: (1) the International Criminal Tribunal for the Former Yugoslavia, (2) the International Commission on Missing Persons, and (3) the Human Rights Commission (established under Annex Six of the Accords). The HRDF has also provided emergency support for USAID to carry out its assistance for the upcoming

Indonesian elections. The HRDF has also supported the G-8 Democracy Initiative, which has pioneered innovation and coordination among the Eight in providing assistance to new democracies.

Performance Indicators:

- Status of Amelioration of human rights emergencies.
- Protection of threatened democracies and exploitation of unanticipated democratic openings in authoritarian regimes.
- Status of implementation of peace settlements through the establishment of institutions that serve democracy and human rights.
- Strengthened capacity of the international community to respond to human rights and democratization emergencies.

Environmental Diplomacy

Foreign Operations Resources:

($ in thousands)

	FY 1998 Actual	FY 1999 Estimate	FY 2000 Request
Environmental Diplomacy	--	--	15,000

U.S. International Affairs Objectives:

The Administration requests $15 million in FY 2000 Economic Support Funds (ESF) for environmental diplomacy activities. These funds will be administered by the Bureau of Oceans and International Environmental and Scientific Affairs (OES) in support of US foreign policy objectives in this area. Resources for environmental diplomacy will provide the Secretary with the ability to protect US interests in negotiations where US security, trade, and environmental concerns intersect to advance regional cooperation efforts and respond to emerging environmental crises and priorities. These funds will further cooperation on environment, oceans and health issues as well as science and technology. In administering the funds, OES will work with USG agencies and donors, thereby ensuring that a broad range of talent and expertise are brought to bear on these foreign policy priorities.

Current USG global environmental priorities include negotiations on climate change, biodiversity, toxic chemicals, fisheries and oceans. These international negotiations will affect global patterns of trade and investment, movement and use of hazardous chemicals, food safety, US competitiveness with other timber harvesting and exporting countries, US fishing and navigation rights, and global energy use.

Program funds will also be used to support regional cooperation efforts. Adding regional cooperation to our international environmental efforts is critical, especially in the developing world, to address complicated and inter-related transboundary environmental challenges that cannot be solved through either international or national efforts. These issues (air quality, water and energy resources, land use, and urban/industrial growth) can either be a source of regional cooperation or contribute to political and economic tensions. Our ability to work with countries as they attempt to mitigate national and regional environmental and related health threats is essential to securing cooperation on our global agenda.

Supporting Programs and Implementation Strategies:

Negotiations: In support of our ***climate change*** goals, we must intensify our efforts to secure more meaningful participation from developing countries. The activities will target developing countries and their business sectors with the goals of building awareness and institutional capacity through education (e.g., technical workshops).

Our primary ***biodiversity*** goals are to promote sustainable development and to underscore the US role as a serious partner and advocate in the conservation and sustainable use of biological diversity. Activities will concentrate on problems related to sustainable forest management, desertification, and sustainable agriculture. In ***hazardous chemicals***, our overarching goal is to ensure sound management of hazardous chemicals throughout the world, focusing on measures to reduce and/or eliminate use, production, and release of certain persistent organic pollutants (e.g., PCBs and DDT) that pose transboundary risks. Education and training in chemicals management will increase international awareness of the risks to human health, and introduce substitutes for persistent organic pollutants. Our ***oceans and fisheries*** goals are to arrest and ultimately reverse the depletion of the world's fish stocks, some 70% of which are fully or over exploited and to reduce ocean pollution. Targeted activities focus on training and technical assistance to advance ocean conservation and promote cooperation among nations with shared coastlines or interests.

Regional Cooperation: In Asia, programs will focus on air and water quality, clean energy development, land-use practices, reduction of infectious disease threats, and sustainable coral reef management. In Africa, activities will concentrate on desertification, reduction of infectious disease threats (tuberculosis, malaria and AIDS), and coastal management. In the Middle East the focus will be on combating desertification and improving agricultural practices and water usage which can enhance food security, improve public health and promote capacity building. Working with US technical agencies, we can build capacity for environmental monitoring and assessment, emulating the success of the Water Working Group in the Middle East Peace Process. In Central and Eastern Europe, the focus will be on brownfields management, pollution prevention, and technology commercialization. Finally, in the Western Hemisphere program funds will advance sustainable forestry and coastal zone management, including protection of coral reefs.

Performance Evaluation:

This program is new for FY 2000.

Performance Indicators:

- The number of countries that voluntarily adopt binding emissions targets.
- The number of international fisheries that suffer from over harvesting and reduction in marine pollution.
- The number of countries willing to ban the production, use and trade of 12 major hazardous chemicals.
- The number of countries willing to engage in domestic outreach, monitoring, and surveillance of infectious diseases.

Apparel Industry No Sweat Shop Initiative

Foreign Operations Resources:

($ in thousands)

	FY 1998 Actual	FY 1999 Estimate	FY 2000 Request
ESF	--	--	5,000

U.S. International Affairs Objectives:

The "No Sweat Shop Initiative" serves the USG's strategic goal of promoting democracy and human rights. A major part of this goal is the advancement of core labor standards, in part through the encouragement of "model business principles" and corporate codes of conduct by U.S. multinational corporations doing business overseas. The core labor standards include: freedom of association; the right to organize and to bargain collectively; prohibition of forced or compulsory labor; elimination of child labor; and non-discrimination in employment. Through the "No Sweat Initiative," companies, labor unions, and NGO's will be able to receive grants to support promotion of these core labor standards and the model business principles.

Specifically, the No Sweat Shop Initiative is a USG-sponsored initiative designed to eliminate unsafe, unhealthy, and abusive labor conditions, particularly in foreign factories that produce consumer goods for the American market. The genesis of "No Sweat" can be traced back to 1996, when TV personality Kathy Lee Gifford gained notoriety because of media reports that some of her line of women's apparel was manufactured abroad under sweatshop conditions. Ms. Gifford vowed that her firm would no longer use suppliers whose workers toiled under such conditions. The publicity surrounding the Gifford controversy provided the impetus for a 1996 White House meeting between President Clinton and the heads of several major apparel companies that led to the creation of the Apparel Industry Partnership (AIP). The AIP participants included apparel companies, trade unions, and NGOs, with the USG as an observer. For two years, the participants negotiated the terms of this partnership to eliminate sweatshop labor in the apparel industry. On November 4, 1998, the companies and some of the NGOs finally reached agreement on the terms of the accord (among other things, banning forced and child labor and calling for pay at the minimum wage or better). In the meantime, the AIP is moving forward with the establishment of a Fair Labor Association, which will award a "No Sweat" label to companies that can demonstrate -- through internal and external monitoring -- that sweatshop conditions do not exist in their factories.

Although "No Sweat Shop" refers in the first instance to the label to be awarded to companies in the AIP, in a larger sense it encompasses the burgeoning effort to develop codes of responsible conduct for all industries that produce for the U.S. market. Thus, although the "No Sweat Shop" initiative could start with supporting the work of the AIP's Fair Labor Association in the apparel industry, it could also provide grants to

labor unions, business groups and other NGO's that support and encourage other such monitoring/labeling "Model Business Principles" type programs in various industries, both domestically and internationally.

Supporting Programs and Implementation Strategies:

The "No Sweat Shop Initiative" will make grants available to companies, labor unions, and NGO's, both domestically and internationally to promote observation of the "Model Business Principles;" adoption of corporate codes of conduct, including monitoring mechanisms; and partnerships among companies, labor unions and NGO's. This program will be administered by the Bureau of Democracy Human Rights and Labor (DRL) in cooperation with AID, and the Department of Labor (DOL), and with the coordination of DRL/IL.

Performance Evaluation:

This is a new initiative so we are unable to provide a "performance evaluation" at this time.

Performance Indicators:

- Adoption of corporate codes of conduct, including monitoring mechanisms, and partnerships among companies, labor unions and NGOs in the apparel industry.
- Establishment of partnerships similar to that of the AIP in other industries.

USG Contribution to the Nazi Persecutee Relief Fund

Foreign Operations Resources:

($ in thousands)

	FY 1998 Actual	FY 1999 Estimate	FY 2000 Request
ESF	4,000	10,000	11,000

U.S. International Affairs Objectives

FY1998 marked the initial contribution by the USG to the international Nazi Persecutee Relief Fund. The Fund was created by the United States, United Kingdom, and France in December 1997 for the primary purpose of providing resources for the relief of needy victims of Nazi persecution who had received very little or no compensation. The Fund's subsidiary purpose is to provide resources for other related projects, including projects aimed at benefiting the communities most severely affected by Nazi persecution and at preventing similar injustices in the future. The Fund is a remarkable international effort -- over $61 million has been pledged or deposited by 17 nations, with further pledges expected. It is not a claims-based Fund, but rather a needs-based formal arrangement whereby NGOs administer relief to the finite group of actual Holocaust survivors.

USG support for the Fund meets important foreign policy and humanitarian objectives, including enabling the USG to provide further assistance to needy Holocaust survivors and strengthening past and present U.S. efforts aimed at encouraging other countries to do the same.

Supporting Programs and Implementation Strategies

The Fund's Terms of Reference intended that donor countries should have significant latitude in determining specifically how their contributions should be spent. The U.S. contribution to the Fund is being made over three years, FY1998-FY2000. The State Department will not seek authorization for further USG contributions to the Fund after FY2000.

FY1998: The specific project objective for the FY1998 tranche is financial support to the neediest "double victims" (i.e., victims of both Naziism and Communism) in Central and Eastern Europe. The FY1998 contribution of $4 million was deposited in the Fund's account at the Federal Reserve Bank of New York in September 1998. The Department subsequently notified eligible NGOs of that contribution, describing our specific project objective for the FY1998 tranche and requesting that NGOs submit project proposals to the Department describing how it would fulfill our objective.

The Department has now received a single, consensus proposal from the NGOs contacted, and is preparing to convene an informal project review board to consider whether to approve the proposal or solicit additional proposals. Upon approval of a proposal, the Department will authorize the Fund to disburse the FY1998 contribution to the applicable NGO. We anticipate completing these steps by late-February 1999.

FY 1999: The FY99 contribution of approximately $10 million will be deposited to the Fund's account in the final quarter of FY1999. We will then invite NGOs again to submit project proposals to the Department describing how they would fulfill our specific project objectives for that tranche. (Specific project objectives for the FY1999 tranche will not be determined until after the FY1998 tranche has been disbursed to the selected NGOs). We expect the FY1999 objectives will remain consistent with the overall objectives described above.

Performance Evaluation:

The Department is currently working on steps that would allow the issuance of "authorization orders" to the Fund account to release the FY1998 contribution for disbursement to NGOs.

Performance Indicators:

Specific performance indicators will be based on FY1999 project objectives, to be determined subsequent to disbursement (before the end of Q1 FY1999) of the USG's FY1998 contribution. Performance indicators may include the following:

- Real improvements in the lives and living conditions of the neediest Holocaust survivors, in particular "double victims" (i.e., of both the Holocaust and Communism) in Central and Eastern Europe.

- Implementation of anti-Holocaust education programs and activities in Europe.

International Military Education and Training

Foreign Operations Resources:

($ in thousands)

	FY 1998 Actual	FY 1999 Estimate	FY 2000 Request
IMET	50,000	50,000	52,000

U.S. International Affairs Objectives:

The International Military Education and Training (IMET) program is a low cost, highly efficient component of U.S. security assistance that provides training on a grant basis to students from allied and friendly nations. The overall objectives of the program are:

- To further the goal of regional stability through effective, mutually beneficial military-to-military relations which culminate in increased understanding and defense cooperation between the United States and foreign countries; and

- To increase the ability of foreign national military and civilian personnel to instill and maintain basic democratic values and protect internationally recognized human rights.

The principal value of IMET is to enhance the military efficiency and effectiveness of the participant nations. The training provided under the IMET program is professional and non-political, and exposes foreign students to the U.S. professional military organizations, procedures and the manner in which it functions under civilian control. A less formal, but significant, part of IMET is the Information Program that exposes students to the American way of life, including regard for democratic values, respect for an individual's civil and human rights, and belief in the rule of law. IMET's mandatory English language proficiency requirement establishes an essential baseline of communication skills necessary for students to attend courses. It also facilitates the development of important professional and personal relationships that have provided U.S. access and influence in a sector of society, which often plays a pivotal role in the transition to democracy.

Within the last few years, IMET has evolved to better align program objectives with changing U.S. foreign policy interests in the post-Cold War environment. The introduction of the Expanded IMET (E-IMET) program provided new and meaningful courses with the intent to:

- Foster greater respect for and understanding of the principle of civilian control of the military;
- Improve military justice systems and procedures in accordance with internationally recognized human rights;
- Introduce military and civilian participants to the U.S. judicial system, the two-party system, the role of a free press and other communications media, minority issues, the

purpose and scope of labor unions, the U.S. economic system, educational institutions, and the way in which all of these elements of American democracy reflect the U.S. commitment to the basic principles of internationally recognized human rights;

- Assist in the development of civil-military relations by instructing key military and civilian leaders how to break down barriers that often exist between armed forces, civilian officials, and legislators of competing political parties; and

- Modify existing civil-military mechanisms used by democracies to meet a country's own unique circumstances.

IMET objectives are achieved through a variety of military education and training activities conducted by the DOD for foreign military and civilian officials. These include formal instruction through over 2,000 courses taught at approximately 150 military schools and installations for roughly 9000 foreign students. Continuation at this level of instruction will ensure IMET maintains its profound effect on the achievement of U.S. international affairs objectives.

***Supporting Programs and Implementation Strategies*:**

The IMET program assists U.S. friends and allies in the professionalization of their militaries through participation in U.S. military educational programs. U.S. friends and allies have long recognized such training as essential for the professional development of their own military leaders. IMET also contributes to strengthened regional friendships and enhanced self-defense capabilities. Finally, IMET and E-IMET effect institutional changes culminating in professional, apolitical militaries under civilian control.

The resulting military competence and self-sufficiency provides a wide range of benefits to the U.S. in terms of collective security, stability and peace. As foreign militaries improve their knowledge of U.S. military principals, military cooperation is strengthened. Similarly, opportunities for military-to-military interaction, information sharing, joint planning, and combined force exercises, as well as essential requirements to access to foreign military bases and facilities, are notably expanded. IMET fosters important military linkages essential to preserving the security of U.S. friends and allies, and advancing global security interests of the United States.

***Performance Evaluation*:**

The following examples underscore how the IMET program has contributed to the achievement of democratization and regional stability. IMET has:

- Increased evidence and demonstration of militaries fostering the promotion of civilian control of the military, improved civil-military relations, and support for democratization.

- Continued opportunities for military-to-military interaction, information sharing, joint planning, combined force exercises, and access to foreign military bases, facilities, and airspace.

- Promulgated military regulations that improve military justice systems and procedures in accordance with internationally recognized human rights.

- Increased number of U.S.-trained military and civilian personnel in military, defense ministry, and legislative leadership positions. Elevation of these people in positions of prominence within their government bureaucracy has a positive effect on support for U.S. policies.

- Continued improvement of governments in utilizing their defense resources, including U.S.-origin equipment, with maximum effectiveness, thereby contributing to greater self-reliance.

Performance Indicators:

See individual country papers for FY 2000 Performance Indicators.

The following table shows the FY 2000 IMET request. Detailed justification for the proposed programs is included in the section on Regional and Country Programs.

Int'l Military Education and Training Program Summary

($ in thousands)

COUNTRY	FY 1998 Actual	FY 1999 Estimate	FY 2000 Request
Sub-Saharan Africa			
Angola	-	50	100
Benin	376	350	350
Botswana	540	500	450
Cameroon	142	150	150
Cape Verde	153	100	100
Central African Republic	150	90	90
Chad	100	50	50
Comoros	101	75	75
Congo (DROC)	-	70	70
Cote d'Ivoire	211	150	150
Djibouti	103	100	100
Eritrea	409	425	390
Ethiopia	279	525	490
Gabon	-	50	75
Ghana	288	400	420
Guinea	70	150	150
Guinea-Bissau	64	125	50
Kenya	443	400	440
Lesotho	75	75	75
Madagascar	146	100	100
Malawi	284	335	335
Mali	275	280	300
Mauritius	63	50	50
Mozambique	178	180	180
Namibia	203	175	175
Nigeria	-	-	425
Rwanda	473	300	325
Sao Tome & Principe	74	75	75
Senegal	815	735	740
Seychelles	79	75	75
Sierra Leone	-	75	-
South Africa	804	850	800
Swaziland	93	75	75
Tanzania	185	150	200
Uganda	357	400	400
Zambia	143	150	150
Zimbabwe	313	300	300
AF Totals:	**7,989**	**8,140**	**8,480**

COUNTRY	FY 1998 Actuals	FY 1999 Estimate	FY 2000 Request
East Asia & Pacific			
Fiji*	-	-	150
Indonesia	476	550	400
Malaysia	939	700	700
Mongolia	425	425	500
Papua New Guinea	139	200	200
Philippines	1,278	1,350	1,400
Solomon Islands	122	150	150
Thailand	1,985	1,600	1,600
Tonga	99	100	100
Vanuatu	93	100	100
Western Samoa	96	100	100
EAP Totals:	**5,652**	**5,275**	**5,400**
Europe			
Albania	613	600	600
Bosnia & Herzegovina	600	600	625
Bulgaria	950	950	1,000
Croatia	455	425	600
Czech Republic	1,394	1,350	1,600
Estonia	689	650	750
Greece	31	25	35
Hungary	1,347	1,500	1,600
Latvia	751	650	750
Lithuania	664	650	750
Malta	91	135	100
Poland	1,318	1,600	1,600
Portugal	844	700	700
Romania	1,094	1,025	1,200
Slovakia	621	600	650
Slovenia	654	650	700
The FYRO Macedonia	457	450	500
Turkey	1,505	1,500	1,500
EUR Totals:	**14,078**	**14,060**	**15,260**
NIS			
Belarus	61	-	-
Georgia	416	392	400
Kazakhstan	587	564	550
Kyrgyzstan	336	333	350
Moldova	460	461	550
Russian Federation	732	920	900

COUNTRY	FY 1998 Actual	FY 1999 Estimate	FY 2000 Request
Turkmenistan	336	307	300
Ukraine	1,250	1,278	1,250
Uzbekistan	457	485	500
NIS Totals:	**4,635**	**4,740**	**4,800**
Latin America & Caribbean			
Argentina	607	600	800
Bahamas	110	100	100
Belize	258	250	250
Bolivia	570	550	550
Brazil	220	225	225
Chile	453	450	450
Colombia	885	900	900
Costa Rica	241	200	200
Dominican Republic	556	500	500
Eastern Caribbean	440	450	535
Antigua	(123)	(115)	(120)
Barbados	(60)	(90)	(100)
Dominica	(40)	(40)	(55)
Grenada	(58)	(50)	(65)
St. Kitts	(65)	(55)	(75)
St. Lucia	(44)	(50)	(60)
St. Vincent	(50)	(50)	(60)
Ecuador	534	500	500
El Salvador	512	500	500
Guatemala	223	225	225
Guyana	181	175	175
Haiti	290	300	300
Honduras	500	500	500
Jamaica	504	500	500
Mexico	921	1,000	1,000
Nicaragua	74	200	200
PACAMS	530	300	-
Panama	-	100	100
Paraguay	216	200	200
Peru	462	450	450
Suriname	82	100	100
Trinidad & Tobago	133	125	125
Uruguay	321	300	300
Venezuela	400	400	400
ARA Totals:	**10,223**	**10,100**	**10,085**

COUNTRY	FY 1998 Actual	FY 1999 Estimate	FY 2000 Request
Near East			
Algeria	126	125	175
Bahrain	251	225	225
Egypt	1,000	1,000	1,000
Jordan	1,600	1,600	1,600
Lebanon	550	550	550
Morocco	907	900	900
Oman	217	225	325
Tunisia	900	900	900
Yemen	142	125	125
NEA Totals:	**5,693**	**5,650**	**5,800**
South Asia			
Bangladesh	312	350	400
India	177	450	450
Maldives	101	100	100
Nepal	196	200	250
Pakistan	-	350	350
Sri Lanka	214	200	225
SA Totals:	**1,000**	**1,650**	**1,775**
Non-Regional			
General Costs	730	385	400
Non-Regional Totals:	**730**	**385**	**400**
GRAND TOTALS:	**50,000**	**50,000**	**52,000**

Summary of Students Trained Under IMET

	Actual FY1998	Estimate FY1999	Proposed FY2000
Africa:			
Angola	0	0	4
Benin	32	30	30
Botswana	35	32	29
Burkina Faso	0	0	2
Cameroon	14	15	15
Cape Verde	6	4	4
Central African Republic	5	3	3
Chad	5	3	3
Comoros	5	4	4
Congo (DROC)	0	0	3
Cote d'Ivoire	56	40	40
Djibouti	4	4	4
Eritrea	18	19	17
Ethiopia	21	40	37
Gabon	0	0	3
Ghana	57	79	83
Guinea	3	6	6
Guinea-Bissau	3	6	2
Kenya	71	64	71
Lesotho	9	9	9
Madagascar	29	20	20
Malawi	24	28	28
Mali	71	72	77
Mauritius	5	4	4
Mozambique	63	64	64
Namibia	10	9	9
Nigeria	0	0	17
Rwanda	54	34	37
Sao Tome & Principe	2	2	2
Senegal	108	97	98
Seychelles	9	9	9
South Africa	204	216	203
Swaziland	7	6	6
Tanzania	45	36	49
Uganda	40	45	45
Zambia	69	72	72
Zimbabwe	51	49	49
Regional Total	1,135	1,121	1,158
Western Hemisphere:			
Antigua-Barbuda*	16	15	16
Argentina	211	209	278
Bahamas, The	16	7	15
Barbados*	6	9	10
Bolivia	66	64	64
Belize	32	31	31
Brazil	19	19	19
Chile	187	186	186
Colombia	261	265	265

	Actual FY1998	Estimate FY1999	Proposed FY2000
Western Hemisphere Cont.:			
Costa Rica	101	84	84
Dominica*	7	7	10
Dominican Republic	47	42	42
Ecuador	141	132	132
El Salvador	241	235	235
Grenada*	10	9	11
Guatemala	83	84	84
Guyana	17	16	16
Haiti	107	111	111
Honduras	197	197	197
Jamaica	87	86	86
Mexico	165	179	179
Nicaragua	26	70	70
Panama	0	4	4
Paraguay	22	20	20
Peru	99	96	96
St. Kitts & Nevis*	8	7	9
St. Lucia*	8	9	11
St. Vincent & Grenadines*	7	7	8
Suriname	18	22	22
Trinidad & Tobago	18	17	17
Uruguay	72	67	67
Venezuela	92	92	92
Regional Total	2,387	2,398	2,487
East Asia & Pacific:			
Fiji	0	0	6
Indonesia	14	16	12
Malaysia	57	42	42
Mongolia	194	194	228
Papua New Guinea	38	55	55
Philippines	149	157	163
Solomon Islands	72	89	89
Thailand	215	173	173
Tonga	35	35	35
Vanuatu	2	2	2
Western Samoa	95	99	99
Regional Total	871	862	904
Europe:			
Albania	84	82	82
Bosnia Federation	118	118	123
Bulgaria	36	36	38
Croatia	172	161	227
Czech Republic	123	119	141
Estonia	75	71	82
Greece	2	2	2
Hungary	321	357	381
Latvia	51	44	51
Lithuania	97	95	110
Macedonia (FYROM)	93	92	102
Malta	38	56	42

	Actual FY1998	Estimate FY1999	Proposed FY2000
Europe Cont.:			
Poland	159	193	193
Portugal	122	101	101
Romania	235	220	258
Slovakia	197	190	206
Slovenia	52	52	56
Turkey	194	193	193
Regional Total	2,169	2,182	2,388
New Independent States:			
Belarus	2	0	0
Georgia	108	102	104
Kazakhstan	16	15	15
Kyrgyzstan	92	91	96
Moldova	106	106	127
Russia	251	315	309
Turkmenistan	11	10	10
Ukraine	105	107	105
Uzbekistan	80	85	88
Regional Total	771	831	854
Near East:			
Algeria	8	8	11
Bahrain	30	27	27
Egypt	73	73	73
Jordan	163	163	163
Lebanon	139	139	139
Morocco	77	76	76
Oman	21	22	31
Tunisia	89	89	89
Yemen	9	8	8
Regional Total	609	605	612
South Asia:			
Bangladesh	26	29	33
India	13	33	33
Maldives	8	8	8
Nepal	15	15	19
Pakistan	0	14	14
Sri Lanka	66	62	69
Regional Total	128	161	176
WORLDWIDE TOTAL	8,070	8,160	8,579

* These countries comprise the Eastern Caribbean. See Eastern Caribbean narrative for a Specific country programs.

Foreign Military Financing

Foreign Operations Resources:

($ in thousands)

	FY 1998 Actual	FY 1999 Estimate	FY 2000 Request
FMF Grant	3,348,728	3,330,000	3,430,000
FMF Loans Subsidy (BA)	12,340	20,000	--
FMF Loan Amount	100,000	167,000	--

U.S. International Affairs Objectives:

Foreign Military Financing (FMF) supports U.S. regional stability goals. The principal means of ensuring America's security is through the deterrence of potential aggressors who would threaten the United States or its allies. Maintaining the strength of the U.S. military is the most critical strategic element for achieving this objective. But military strength alone is not enough. Diplomacy and international programs go hand-in-hand with the credible threat to use military force in order to prevent and resolve conflicts without having to actually resort to force. U.S. security assistance programs help U.S. allies to become capable coalition partners as well as to defend their own security. By strengthening U.S. alliances, building cooperative military relationships, and stabilizing regional military balances, security assistance programs protect America's security and reduce the likelihood of war. The United States has a strong stake in helping its allies and coalition partners to strengthen their defense so they can share the common defense burden.

FMF enables key friends and allies to improve their defense capabilities by financing acquisition of U.S. military articles, services, and training. As FMF helps countries provide for legitimate defense needs, it also promotes U.S. national security interests by strengthening coalitions with friends and allies, cementing cooperative bilateral foreign military relationships, and enhancing interoperability with U.S. forces. The program primarily supports the goal of stabilizing regions, but also can play a role in strengthening local military support for its democratically elected governments and helping to contain weapons of mass destruction.

FMF is distinguished from Foreign Military Sales (FMS), the system through which government-to-government military sales are made. In general, FMF provides financing for FMS. By enabling selected friends and allies to purchase needed U.S. defense goods and services, FMF has the beneficial byproduct of encouraging demand for U.S. systems, which also contributes to a strong U.S. defense industrial base -- a critical element of the national defense strategy.

FMF financing for equipment sales can lengthen production runs, which can result in lower unit costs for Department of Defense (DOD) purchases and create jobs for Americans.

Key objectives of FMF are:

- To assist allies and friends in financing procurement of United States defense articles, and services to help strengthen their self-defense capabilities and meet their legitimate security needs;
- To meet urgent humanitarian needs by improving the capability of the armed forces of foreign countries to respond to natural and manmade disasters;
- To promote self-defense and defense cooperation by assisting friendly countries to acquire U.S. defense articles and services;
- To improve key capabilities of friendly countries to contribute to international peacekeeping;
- To promote the effectiveness and professionalism of military forces of friendly foreign countries; and
- To promote rationalization, standardization, and interoperability of the military forces of friendly foreign countries with U.S. Armed Forces.

Supporting Programs and Implementation Strategies:

The vast majority of FMF goes to the Middle East to promote regional peace and security in helping to meet the legitimate security needs of parties engaged in the peace process. This assistance supports the long-standing U.S. policy goal of seeking a just, lasting and comprehensive peace between Israel and its Arab neighbors, including the Palestinians. Additionally, FY 2000 FMF grant programs will:

- Facilitate the integration of Poland, Hungary, and the Czech Republic into NATO; and continue the President's Warsaw Initiative, which strengthens practical cooperation between NATO and Partnership for Peace (PFP) partners in Central Europe and the New Independent States (NIS).

- Sustain Caribbean defense and maritime forces, allowing these island nations to maintain small professional forces essential to regional peace and security.

- In conjunction with Peacekeeping Operations (PKO) funds, support efforts by the African Crisis Response Initiative to improve and expand the capabilities of African militaries to respond to limited peace and humanitarian operations on the continent.

- Bolster the capabilities of East African states (Eritrea, Ethiopia, and Uganda) to thwart Sudanese-sponsored terrorism and the disruption of humanitarian assistance.

- Concentrate on assisting selected countries to improve their peacekeeping capabilities with emphasis on communication systems, peacekeeping education and training programs.

Performance Evaluation:

By helping Israel maintain its Qualitative Edge, facilitating the acquisition of F-16s for Jordan, and fortifying Egypt's armed and naval forces, FY 98 FMF assistance enhanced the domestic stability and overall security of these countries, thereby advancing related U.S. regional stability objectives. These include efforts to move towards a lasting Middle East Peace, to check the spread of weapons of mass destruction and their delivery systems, to garner regional support for enforcing U.S. sanctions on Iraq, Iran, and Libya, and to facilitate U.S. access to the region in times of crisis.

FMF grants and loans have also provided critical support to encourage Poland, Hungary, and the Czech Republic to take the necessary steps towards full integration with NATO, including meeting their Target Force Goals. Funds provided under the PFP program helped recipient nations acquire the skills and equipment necessary to continue the transition of their military institutions toward Western-oriented doctrines and operations, including democratic control of the military.

See individual country and program papers for additional performance evaluations.

Performance Indicators:

See individual country and program papers for FY 2000 FMF performance indicators.

Foreign Military Financing
Program Summary

($ in thousands)

	FY 1998 Actual	FY 1999 Estimate	FY 2000 Request
Near East			
Egypt	1,300,000	1,300,000	1,300,000
Israel	1,800,000	1,860,000	1,920,000
Jordan	50,000	45,000	75,000
Morocco	-	2,000	2,250
Tunisia	-	2,000	2,250
Subtotal, NEA	**3,150,000**	**3,209,000**	**3,299,500**
Europe			
CE Defense Loans	[100,000]	[167,000]	-
CE Defense Loans (Subsidy BA)		20,000	-
Poland	-	-	10,000
Poland (Loan Subsidy BA)	12,340		
Hungary	-	-	7,500
Czech Republic	-	-	7,500

	FY 1998 Actual	FY 1999 Estimate	FY 2000 Request
Europe (cont.)			
Albania	*1,700*	*2,000*	*2,000*
Bulgaria	*4,200*	*6,000*	*6,000*
Czech Republic	*15,800*	*2,500*	*\a*
Estonia	*8,300*	*3,700*	*5,000*
FYROM	*5,000*	*6,000*	*5,000*
Hungary	*15,800*	*2,500*	*\a*
Latvia	*6,950*	*3,700*	*4,500*
Lithuania	*6,950*	*3,700*	*5,500*
Poland	*23,700*	*2,000*	*\a*
Romania	*13,900*	*4,000*	*7,500*
Slovakia	*3,200*	*2,300*	*2,500*
Slovenia	*2,500*	*2,600*	*3,000*
FYROM	14,257	-	-
Bosnia	-	4,000	-
Subtotal, Europe	**134,597**	**65,000**	**66,000**
Newly Independent States			
Partnership for Peace	*20,450*	*13,000*	*15,200*
Georgia	*5,350*	*1,650*	*3,200*
Kazakhstan	*2,250*	*1,800*	*1,800*
Kyrgyzstan	*1,350*	*1,550*	*1,550*
Moldova	*3,450*	*850*	*1,500*
Russian Federation	*2,250*	*1,500*	*1,500*
Turkmenistan	*450*	*600*	*600*
Ukraine	*3,800*	*3,400*	*3,400*
Uzbekistan	*1,550*	*1,650*	*1,650*
Subtotal, NIS	**20,450**	**13,000**	**15,200**
American Republics			
Caribbean Regional	3,000	3,000	3,000
Subtotal, American Republics	**3,000**	**3,000**	**3,000**
Africa			
Africa Crisis Response Initiative	12,000	5,000	5,000
East Africa Regional	5,000	5,000	5,000
Subtotal, Africa	**17,000**	**10,000**	**10,000**

	FY 1998 Actual	FY 1999 Estimate	FY 2000 Request
Other			
Unallocated		13,090	
Enhanced International Peacekeeping Capabilities Initiative	7,000	7,000	5,000
FMF Admin Costs (DSCA)	29,021	29,910	31,300
Subtotal, Other	**36,021**	**50,000**	**36,300**
TOTAL	**3,361,068**	**3,350,000**	**3,430,000**
[Grants]	3,348,728	3,330,000	3,430,000
[Loans]	{100,000}	{167,000}	-
[Loans Subsidy BA]	12,340	20,000	-

\a -- Prior to FY 2000, funds for Poland, Hungary, and Czech Republic were justified under the Partnership for Peace program. As these three nations will be welcomed into the NATO Alliance in April 1999, their programs are being justified separately.

Defense Administrative Costs

Foreign Operations Resources:

($ in thousands)

	FY 1998 Actual	FY 1999 Estimate	FY 2000 Request
FMF Grant	29,021	29,910	31,300

U.S. International Affairs Objectives:

The requested funding provides for the cost of administrative activities related to non-Foreign Military Sales (FMS) security assistance programs implemented by the Unified Commands, the Military Departments, and Defense Security Cooperation Agency (DSCA) FMF grants:

- Support worldwide administration of International Military Education and Training (IMET);
- Finance administrative costs for all security assistance activities incurred by the Unified Commands;
- Finance administrative costs incurred by the Military Departments and DSCA headquarters for all security assistance activities not related to Foreign Military Sales; and
- Fund operating costs of non-FMS activities of overseas Security Assistance Organizations.

Supporting Programs and Implementation Strategies:

The proposed program level represents the projected costs required to prudently, and effectively, accomplish the managerial and administrative actions necessary to manage and implement the non-FMS segments of security assistance programs, as authorized under the AECA and the Foreign Assistance Act (FAA). These functions include staffing headquarters, personnel management, budgeting and accounting, office services and facilities, and support for non-FMS functions of Security Assistance Organizations (SAOs).

The Defense Administrative Costs account implements such non-FMS activities as: administration of the IMET program; management of drawdowns of military equipment and services; grant transfers of excess defense articles; as well as fulfilling responsibility for monitoring military items previously transferred under the former Military Assistance Program (MAP) and full cost recovery associated with International Cooperative Administrative Support Services (ICASS).

The initiation and expansion of security assistance relationships with many new democracies around the world, but principally in Central Europe, the New Independent States, and South Africa, require the establishment of new SAO positions in an increasing number of locations. The FY 20000 request for Defense Administrative costs will fund the establishment and/or the continuing operating costs of these new SAOs and is essential to the effective management of security assistance programs with these new defense partners.

Performance Evaluation

- Enhancement of the capabilities to administer SAOs, execution of Unified Command responsibilities for SAOs and other military assistance responsibilities, IMET program management, and management oversight of Direct Commercial Contracts.

Performance Indicators

- Effective administration of grant military assistance programs within the requested budget level.

FMF Administrative Costs

($ in thousands)

	FY 1998 Actual	FY 1999 Estimate	FY 2000 Request
Departmental and Headquarters			
Administrative Expenses (a)	6,250	6,250	7,350
SAO Administrative Expenses (b)	22,771	23,660	23,950
Total Budget Authority (c)	29,021	29,910	31,300

Enhanced International Peacekeeping Capabilities (EIPC)

Foreign Operations Resources:

($ in thousands)

	FY 1998 Actual	FY 1999 Estimate	FY 2000 Request
FMF Grant			5,000

National Interests: At a time when western countries are becoming more selective about engaging in peace operations, it is clearly in the U.S. national security interest to expand the international pool of capable peacekeepers. EIPC helps to reduce the likelihood and expense of future U.S. involvement in peacekeeping operations, while helping to ensure the U.S. has effective coalition partners when national interests dictate involvement.

Strategic Goals and Supporting Programs for FY 2000

Regional Stability: The primary objective of the EIPC initiative is to assist selected foreign countries in developing their institutional capacities to field more efficient and well-led peacekeeping units, capable of taking on the toughest assignments. EIPC aims to enhance military interoperability, leadership performance, use of common peacekeeping doctrine, and English language proficiency -- at the institutional level -- to help promote effective combined operations when battalion-level or larger units from diverse countries deploy together. In so doing, EIPC seeks not only to promote burdensharing, but also to enhance national and regional capability to deter or resolve conflict. EIPC recipients to date include: Argentina, Bangladesh, Chile, Czech Republic, Hungary, Nepal, Poland, South Africa, and Uruguay.

FY 2000 FMF for EIPC, allocated globally, will continue to concentrate on assisting selected countries to improve their peacekeeping capabilities. EIPC funds can be used for procurement of non-lethal defense related training equipment; funding of peacekeeping seminars and conferences; orientation visits for senior-level officers and trainers to U.S. peacekeeping training centers and installations; procurement of peacekeeping training and doctrine-related manuals, pamphlets, and other library resources; and for limited construction of facilities (e.g. audio-visual labs or English-language training labs). Non-FMF resources, including IMET, Excess Defense Articles programs, and CINC peacekeeping exercises complement the EIPC program.

Continued funding will reinforce peacekeeping training enhancement efforts already underway in countries that have received EIPC funds, and will help jump-start initiatives to develop enhanced peacekeeping training programs and facilities for new recipients. Countries projected for FY 1999 funding include: Argentina, Bangladesh, Bulgaria, Chile, Jordan, Nepal, Ukraine, and Uruguay and South Africa.

Performance Evaluation:

- Increased capability to participate in international peacekeeping operations in the U.S. national interest. EIPC recipients have stated their commitment to strong future participation in international or regional peacekeeping operations. As the program moves into its second year, incorporation of common peacekeeping doctrine in recipient training programs is expected. Enhanced command and control interoperability at the battalion and higher staff level is also expected, as demonstrated in effective participation in actual peacekeeping operations or in multinational peacekeeping exercises.

- Enhanced regional peacekeeping training cooperation. Argentina is developing its Joint Peacekeeping Operation Training Center as a regional training center, and has already trained peacekeepers from several Latin American countries and the United States there. In addition, the center recently co-sponsored with Canada a peacekeeping seminar, and has deployed Mobile Training Assistance Teams to support peace operations training in foreign countries. An increase in the ability of selected EIPC recipients to offer peacekeeping training courses to other regional PKO participants is anticipated. Greater receptivity of EIPC recipients to hosting and participating in regional multinational peacekeeping exercises is also expected.

Key Indicators for FY 2000 Performance

- Increased political willingness and military capacity to participate in international peace operations.

- Improved capacity to develop and undertake national military peacekeeping training and education.

- Active participation in information and educational exchanges with other national peacekeeping training centers.

- Effective integration of complementary programs by other sponsor governments in a fashion that supports EIPC goals (increased PKO burdensharing, reduced PKO costs, increased regional capability to resolve conflicts).

- Increased regional cooperation in developing common peacekeeping training and education standards, as well as support for, and participation in, regional conflict-prevention mechanisms.

Nonproliferation, Anti-terrorism, Demining and Related Programs

Foreign Operations Resources:

($ in thousands)

	FY 1998 Actual	FY 1999 Estimate	FY 2000 Request
NDF	15,000	15,000	15,000
Exports Control Assistance	3,000	5,000 1/	15,000
IAEA Voluntary Contribution	36,000	40,000	43,000
CTBT Prep Com	[13,000] 2/	24,526	20,000
KEDO	40,000	35,000	55,000
Anti-terrorism Assistance	19,000	41,000 3/	33,000
Demining	20,000	35,000	40,000
Counter-terrorism	-	-.	10,000
Other		22,474	
Total	**133,000**	**218,000**	**231,000**

1/ Does not include a planned $4 million transfer from ESF to support export control assistance.
2/ FY 1998 funding in ACDA and International Conferences & Contingencies accounts in the CJS Appropriation.
3/ includes $20 million from the FY 1999 emergency security supplemental.

Overview

The Non-proliferation, Antiterrorism, Demining, and Related Programs (NADR) account was created in the FY 1997 Foreign Operations Appropriation to consolidate in one appropriations account a number of related programs previously funded through several different accounts. For FY 2000 we are submitting under this account the Administration's funding requests for those programs that were appropriated in this account last year.

U.S. International Affairs Objectives:

The United States Strategic Plan for International Affairs identifies the elimination of threat to the United States and its allies from Weapons of Mass Destruction (WMD) and destabilizing build-ups of conventional weapons as a key goal. The most direct and serious threat to U.S. security is the possibility of conflict involving WMD. With the end of the Cold War, our greatest concern is that threshold states and terrorists will succeed in acquiring WMD. The United States and most nations, both those that possess WMD and those that do not, value the constraints on their acquisition efforts provided by arms control treaties and nonproliferation regimes. Unbridled acquisition of conventional arms can similarly threaten U.S. interests by destabilizing regional relations. A number of programs specifically tailored to pursue U.S. WMD and conventional arms nonproliferation objectives are funded through the NADR account.

Supporting Programs and Implementation Strategies:

Nonproliferation and Disarmament Fund

The Nonproliferation and Disarmament Fund (NDF) is a sharply focused fund to permit rapid response to unanticipated, high priority requirements or opportunities to: 1) halt the proliferation of nuclear, biological, and chemical weapons, their delivery systems, and related sensitive materials; 2) destroy or neutralize existing weapons of mass destruction, their delivery systems, and related sensitive materials; and 3) limit the spread of advanced conventional weapons and their delivery systems. To permit this rapid response to such unanticipated requirement or opportunities, these funds have been appropriated to remain available until expended, and notwithstanding any other provision of law.

NDF activities in FY 98 included destruction of SCUD missiles in Central Europe, assistance to states of the former Soviet Union effort to secure nuclear materials in the NIS, procurement of nuclear safeguards equipment for the International Atomic Energy Agency (IAEA), supply of equipment in support of UNSCOM inspection and monitoring efforts in Iraq, provision of nuclear detection equipment for Central Europe and the NIS, procurement of specialized WMD detection equipment for Border Enforcement Training, and continued development/deployment of the automated Tracker export control system in Central Europe and the NIS.

As of January 1999, the NDF has received 11 separate requests for FY 99 funding that total over $20 million. Additional proposals are likely to be received throughout FY 99.

The Administration is requesting $15 million for bilateral and multilateral assistance programs under the NDF in FY 2000.

Performance Evaluation

The funding and special authorities of the NDF have permitted us to move quickly to secure or remove inadequately protected nuclear materials from NIS countries; to destroy or remove sophisticated weapons systems from countries throughout the world; to provide special and unanticipated support for UNSCOM inspections in Iraq; and to provide export control assistance in cases where delays required to satisfy regular programmatic management requirements would have meant missed opportunities.

Performance Indicators

- Ability to respond rapidly to unanticipated requirements or opportunities, for which programmatic funding is not available and existing legal authorities may preclude timely action.

Export Control Assistance

The USG Nonproliferation Export Control Assistance program strengthens national export control systems in key countries, many of which only recently became independent, to curb the proliferation of WMD and their delivery systems, related dual-use goods and technologies, and advanced conventional arms. To this end, the export control assistance program helps foreign governments to:

- establish the necessary legal and regulatory basis for effective export controls;
- coordinate, train, and equip enforcement agencies;
- develop licensing procedures and practices;
- establish effective interaction between government and industry on export controls;
- develop and install integrated, automated information systems for licensing and enforcement; and
- reinforce to policy-makers the importance of developing and maintaining an effective system for controlling exports.

The first priority for the Export Control Assistance Program is the development of effective export control systems in the four nuclear successor states of the former Soviet Union (Russia, Ukraine, Belarus, and Kazakhstan), as they are primary repositories of WMD materials and technology. States on the periphery of the four nuclear successor states as well as key global transit points (the Southern Tier states of the former Soviet Union (Central Asia and the Caucasus); the Baltics, Central and Eastern Europe; and key global transit points (i.e. Singapore, Hong Kong, Taiwan, Macau, Cyprus, Malta, Jordan, and the UAE), are also extremely important for the Program.

China, India, and Pakistan are also high priority countries. USG export control efforts in China focus on persuading the government of China to adhere to the principal nonproliferation export control regimes. Discussions are underway with both Pakistan and India regarding methods for tightening export control laws and regulations.

In addition to activities funded through NADR, the USG program is comprised of the Department of Energy Export Control program; the Department of Defense (DOD) and US Customs Service (USCS) Counterproliferation Program; the DOD/FBI Counterproliferation program; and Department of Commerce export control activities. These program elements complement each other by providing different types of training and equipment to help improve the capabilities of host government export control officials.

The Administration is requesting $15 million for NADR-funded bilateral and multilateral programs of export control assistance to countries of the New Independent States and other countries requiring strengthened national export control capabilities to effectively implement their national policies and international obligations. This is a substantial increase over the $5 million appropriated by Congress for FY 1999. However, the increase over the FY 1999 enacted level is lower because export control assistance projects will receive a $4 million in Economic Support Fund (ESF) transfer, which will bring the total budget to $9 million.

FY 2000 export control activities funded through NADR will be allocated in accordance with the above priorities. Assistance will include equipment and training to detect WMD materials; development of automated export licensing and enforcement systems, including software and equipment; and training for border enforcement and export licensing officials. Particularly important are those programs designed to improve border enforcement capabilities by automating Customs and border enforcement operations, the design and installation of the "Tracker" automated export licensing system, and training for officials of key global transit points.

Performance Evaluation:

Export control assistance has helped more than 20 recipient countries create and develop the legal, regulatory and enforcement infrastructure that is a prerequisite for implementing an effective export control system. In addition, it has extended controls to the enterprise level through the installation of internal control programs in industries of particular nonproliferation concern in WMD-source countries. Over time, we expect export control assistance to help create the perception within recipient governments that nonproliferation export control is a necessary, high-priority function that must be carried out in the interest of the countries involved.

Performance Indicators

- The number of countries in the Newly Independent States, Baltics, Central and Eastern Europe; and key global transit points (i.e. Singapore, Hong Kong, Taiwan, Macau, Cyprus, Malta, Jordan, and the UAE) that establish legal and regulatory frameworks for nonproliferation export controls.

- The degree to which equipment and training provided to recipient countries facilitate efforts to deter and interdict illicit shipments of WMD-related materials, their delivery systems, and conventional arms.

- The establishment of effective internal control programs within enterprises of particular nonproliferation concern.

International Atomic Energy Agency (IAEA)

The U.S. Voluntary Contribution to the IAEA maintains the long-standing U.S. commitment to nuclear non-proliferation that led us to be principal architects of both the IAEA and the Treaty on the Non-Proliferation of Nuclear Weapons (NPT). Key objectives with regard to the IAEA are:

- Strengthening the effectiveness and improving the efficiency of the safeguards system particularly with regard to the detection of undeclared nuclear activities.
- Improving the management and implementation of the technical cooperation program.
- Improving the basic level of safety and waste management practices in Member States.

Safeguards Related Support: The IAEA safeguards system serves as a critical bulwark against the further spread of nuclear weapons. Safeguards inspections are primarily funded through the regular IAEA budget and assessed national payments, but because of budget constraints many support activities, and most activities aimed at improving the system, are funded through voluntary national contributions. The U.S. Program of Technical Assistance to IAEA Safeguards (POTAS) has been the most productive and effective source of advances in safeguards technology over the past two decades -- a judgment offered by the IAEA staff and the GAO. Procurement of U.S. manufactured safeguards equipment to implement new technological advances in safeguards helps meet pressing equipment needs and replaces obsolete equipment. Critical support to the Agency's ability to detect covert nuclear activities is provided by analysis of environmental samples for safeguards. As in previous years, the U.S. Voluntary Contribution will also support implementation by the IAEA of safeguards on U.S. excess nuclear weapons material and provide assistance to strengthen physical protection of nuclear materials and facilities around the world. It will also be used to meet other nonproliferation and safeguards requirements that arise during the course of the year.

Nuclear Safety Support: For many countries, IAEA safety-related activities are the primary source for assistance in safety not just at nuclear reactors, but for research,

industrial, and medical uses of nuclear materials, and for technical assistance concerning radioactive waste management. In particular, IAEA activities complement bilateral and G-7 safety assistance programs in Eastern Europe and the NIS, regions with the most serious safety-related problems.

Non-Safeguards-Related Support: IAEA technical assistance promotes peaceful uses of nuclear energy, principally in non-power applications such as medical, agricultural, and industrial application of radioisotopes, including nuclear power, nuclear safety, radiation protection, and waste management. Unlike safeguards, IAEA technical cooperation is financed primarily by voluntary contributions from Member States. The bulk of the support received goes to the Technical Cooperation Fund (TCF), funding projects in over 90 developing IAEA Member States in the form of experts, training and equipment, mostly concerning medical, research, and commercial uses of radioisotopes. Other programs, such as fellowships and training courses for foreign study in the U.S., expert assistance to the Agency, and special assistance projects, are used to advance our goals of universal adherence to the NPT and to influence the direction of foreign nuclear programs in ways consistent with U.S. nonproliferation policy. Many developing countries consider adequate funding of the TCF to be a sine qua non for their continued support of the Agency's safeguards system, and was instrumental in the decision of many countries to support the unconditional and indefinite extension of the NPT in 1995.

The Administration is requesting $43 million for the U.S. Voluntary Contribution to the IAEA in FY 2000, a $3 million increase over FY 1999. This increase is driven largely by the requirement for additional and new kinds of safeguards equipment as the IAEA implements measures to strengthen safeguards recently approved by its Board of Governors. The request is also based on increases in the quantities of excess nuclear material under safeguards in the U.S., and the U.S. goal to support a growing IAEA effort to improve the safety of nuclear reactors world-wide as well as the safety consciousness of reactor operators. Furthermore, the increase seeks to restore funding to U.S. controlled technical cooperation programs we use to promote the NPT.

Performance Evaluation

In 1998 the IAEA made great strides in improving its ability to verify commitments to the NPT. The Board of Governors approved an additional Protocol to existing NPT Safeguards Agreements, which significantly enhances IAEA's capability to detect undeclared nuclear activities through expanded rights to information and access. To date 38 member states have signed the Protocol, of which four have brought it into force and three have accepted provisional application before entry into force. The IAEA also made considerable progress on preparations for implementing the new safeguards measures.

In 1998 it developed a Protocol Data Information System, prepared more than 25 state files for country evaluations, conducted inspector training for the enhanced measures and completed baseline environmental samples for hot cells and enrichment plants. In addition, the IAEA is expected soon to issue a set of guidelines on how it will apply its access rights.

The IAEA serves as a primary international forum for scientific and technical cooperation in nuclear safety. In December 1998 it successfully completed the Extrabudgetary Program for Russian Pressurized Light Water Reactors (VVERs) and Russian Graphite Moderated Power Reactors (RBMKs), established in 1990 to address safety issues at Soviet designed reactors and provide recommendations for future cooperative work. The IAEA also instigated a Y2K special project to provide guidance to avert problems affecting safe operation of reactors and serve as a clearinghouse for member states. The IAEA continued to conduct safety missions to selected nuclear power plants at the request of host governments.

The primary goal of the IAEA's Technical Cooperation Program is improving the quality of life for citizens in over ninety countries. More than sixty percent of this program is devoted to basic applications of nuclear techniques in agriculture, medicine and industry to promote human and animal nutrition, basic medical care and economic development. Over the past several years, the U.S. has worked closely with officials in the technical cooperation program to tailor well-crafted projects aimed at specific needs in specific countries. 1998 capped a multi-year concerted effort to achieve the total elimination of the tsetse fly on the island of Zanzibar, laying the groundwork for efforts to achieve elimination of this devastating pest from continental Africa. Through IAEA projects, major progress was achieved in several African states in charting groundwater supplies and flows. 1998 also marked a landmark for infant health, as a number of states in Asia, Africa and Latin America embraced a nuclear technique known as radioimmunoassay to safely and reliably screen newborns for potentially fatal congenital diseases. Approximately twenty percent of the technical cooperation program sustains work in nuclear safety, including vital regional projects in radiation protection to assist developing countries in meeting basic international standards as well as projects to inhibit nuclear smuggling and promote physical protection of nuclear materials. Rigorous evaluation of past and continuing projects was ascribed a major priority by the new Head of Evaluation in 1998.

Performance Indicators

- Maintain strong international support for nuclear non-proliferation and effective international safeguards.
- Improve the IAEA's capabilities to monitor compliance with the NPT and other international nuclear non-proliferation agreements, and to detect covert nuclear programs.
- Ensure that all governments employ the highest practical level of safety in their nuclear power reactor programs and in all uses of nuclear materials.
- Strengthen the degree to which technical cooperation addresses real human needs via infrastructure development.

Comprehensive Nuclear Test Ban Treaty Preparatory Commission

The Comprehensive Nuclear Test-Ban Treaty (CTBT), a principal component of the Administration's nuclear arms control and nonproliferation policy, will prohibit nuclear weapon test explosions or any other nuclear explosions. President Clinton signed the

Treaty on September 24, 1996, the day it was opened for signature, and transmitted it to the Senate for advice and consent to ratification on September 22, 1997. As of January 1999, 152 states have signed the CTBT and 26 have ratified. The CTBT will enter into force 180 days after the date of deposit of the instruments of 44 states specified by the Treaty.

The initial signatories of the CTBT established a Preparatory Commission (Prepcom) to carry out the necessary preparations for the effective implementation of the Treaty at its entry into force. At that time, the permanent Organization established by the Treaty will come into being to implement it. In particular, the Prepcom will ensure that at entry into force, the verification regime can meet the Treaty's requirements. The Prepcom, in turn, established a Provisional Technical Secretariat in Vienna.

Every signatory is a Prepcom Member. Member assessment is based on the UN scale, adjusted for the difference in memberships. The U.S. assessment for CY 1998 was $14,816,230, of which $6,463,000 was paid from FY 1998 funds, leaving an outstanding balance of $8,318,623 to be paid from FY1999 funds. The U.S. assessment for CY 1999 is $16,207,525, which is also to be paid from FY 1999 funds. The United States has taken a leadership role in the Prepcom to ensure that the Treaty is effectively and efficiently implemented at the most reasonable cost. In anticipation of a larger CY2000 Prepcom budget, the Administration is requesting $20 million for anticipated CY 2000 requirements.

Performance Evaluation

Key programs under the Prepcom are those to establish the International Monitoring System and the International Data Centre. The International Monitoring System consists of four monitoring technologies: seismic, radionuclide, hydroacoustic, and infrasound. Principal monitoring will be by seismic networks. A primary seismic network will operate and provide data full-time. A supporting, auxiliary network will also operate full-time, but provide data only when requested, for refining location estimates derived from primary seismic data. Of the 50 primary seismic stations, 32 were already operating in 1997, but some will need upgrading. In 1997 and 1998 the Prepcom completed site surveys for 16 new stations, and work to establish the station itself is completed or underway for 12 stations. Of the 120 auxiliary stations, 48 were already operating in 1997.

Programs in 1997 and 1998 surveyed sites for 54 new stations, and work is completed or underway for 2 stations. Radionuclide monitoring will be performed by 80 stations; site surveys have been done for 27 stations, and work is completed or underway for 10 stations. Hydroacoustic monitoring will be performed by 11 stations. Two were already operating in 1997 (but will need extensive upgrading). Site surveys have been done for four stations, and work is underway at two stations. Infrasound, the fourth monitoring technology, will be performed by 60 stations. Site surveys have been done for 14 stations, and work is underway at 7 stations.

The International Data Centre will collect and process data from the Treaty monitoring stations. During 1997 extensive renovation was done at the headquarters for the CTBT Organization, in preparation for computer installation. In 1998 computers and initial software were installed, and by year's end, data were being routinely received and processed from some 60 monitoring stations, via temporary data link. Four training programs were given in 1998, to help ensure qualified analysts to meet projected staffing needs. A contract was let in 1998 to establish the communications system that will ultimately be used to transmit Treaty monitoring data to the International Data Centre.

Performance Indicators

- Ensure that the verification system for the CTBT is established promptly and will be capable of performing effectively.
- Ensure that the Prepcom remains a well-managed and cost-efficient organization.
- Demonstrate international political commitment to the objective of ending all nuclear weapon testing.

Korean Peninsula Energy Development Organization (KEDO)

The United States, the Republic of Korea (ROK) and Japan established KEDO on March 9, 1995, in accordance with the Agreed Framework between the U.S. and the Democratic People's Republic of Korea (DPRK), signed on October 21, 1994. KEDO is responsible for arranging the financing and construction of two light-water reactors (LWRs) in North Korea and for providing annual shipments of heavy fuel oil (HFO) to the DPRK until completion of the first LWR.

The implementation of major elements of the Agreed Framework through KEDO is vital to U.S. security interests in Northeast Asia. The Agreed Framework is the primary means of ensuring: (1) the complete dismantling of the DPRK's nuclear weapons capability; and (2) North Korea's full compliance with its nuclear nonproliferation obligations. KEDO and the Agreed Framework also provide a unique mechanism to promote North-South Korean dialogue and a vehicle for the U.S. to discuss other issues of bilateral concern with the DPRK, such as North Korea's missile development and sales and the return of remains of U.S. servicemen from the Korean War.

The KEDO Executive Board consists of representatives of the U.S., the ROK and Japan, the organization's founding members, and of the European Union, which joined in September 1997. There are nine additional members. The U.S., along with other members of the Executive Board, will continue to seek additional financial support for KEDO and to urge other countries to join the organization.

KEDO depends on contributions from the U.S., the ROK, Japan, and the EU, for funding to fulfill its important mission. The U.S. will continue to play the primary role in funding HFO shipments, while the ROK and Japan will continue to have the major responsibility for the LWR project. The European Union also provides significant funding to KEDO, to date mainly for HFO.

We will continue to use our participation in KEDO to promote and maintain peace and security on the Korean Peninsula, primarily by ensuring full DPRK compliance with its nonproliferation obligations.

As of December 31, 1998, the U.S., the ROK, Japan and 20 other countries and the European Union had contributed over $270 million to KEDO. (This amount does not include pledged future contributions such as an EU commitment to provide 15 million ecu -- about $17 million -- annually for five years.) The U.S. contributed a total of $146.5 million in FY 95-98 for KEDO and other activities in support of the Agreed Framework. This does not include approximately $28 million for the safe storage of the DPRK's spent nuclear fuel conducted by DOE. Thus far the ROK has contributed $17.12 million plus a $45 million loan for the LWR project, while Japan's contribution amounts to $35.3 million, including a $19 million special contribution fund used as collateral for KEDO HFO-related loans.

Performance Evaluation:

- Groundbreaking for the LWR site took place on August 19, 1997. Six protocols to the LWR Supply Agreement (signed by KEDO and the DPRK in 1995) were negotiated in 1996-97 and signed by KEDO and the DPRK. Discussion on remaining protocols will be held between KEDO and the DPRK at a mutually agreed upon time and place. An LWR burden sharing Agreement was concluded October 21, 1998.

- Canning of the spent fuel rods from the DPRK's existing reactor was essentially completed in October 1997, with only clean-up operations remaining. Final completion of canning will take place in 1999.

Performance Indicators:

- Maintenance of the freeze, under continuous IAEA monitoring, on the DPRK's nuclear reactors and related facilities at Yongbyon.

- Continued HFO deliveries pending completion of the first LWR.

Special Notice: Information Related to Section 620G of the Foreign Assistance Act of 1961, as amended. Fourteen governments which are recipients of U.S. assistance covered by section 620G of the Foreign Assistance Act have contributed, or are expected to contribute, to KEDO. They are Indonesia, the Philippines, the Republic of Korea, Malaysia, Singapore, Thailand, the Czech Republic, Greece, Hungary, Poland, Argentina, Brazil, Chile, and Oman. A detailed explanation of the assistance to be provided to each of these countries, including an estimate of the dollar amount of such assistance, and an explanation of how the assistance furthers United States national interests, may be found in the Regional and Country Programs section of this document.

Anti-Terrorism Assistance

The United States seeks to prevent terrorist attacks on U.S. citizens and to minimize the impact of any attacks that may occur. This is part of the U.S. Government's responsibility to protect Americans, whether they are at home or abroad. In keeping with this goal, we also work towards preventing terrorists from undermining the stability of, or otherwise adversely affecting, other nations where the U.S. has foreign policy, economic, or security interests at stake. Key to this effort is effective international cooperation, which includes not only diplomatic cooperation and exchange of intelligence information and coordinated actions, but also the provision of antiterrorism training for law-enforcement and security officials of friendly foreign governments. These efforts combine to foster the development of good working relationships between the U.S Government and friendly countries.

The Department of State's Antiterrorism Assistance (ATA) program provides specialized training to foreign governments to help them increase their capability for deterring and coping with terrorist attacks. The program is designed to develop the necessary technical skills required for nations to protect individuals, facilities, and their infrastructure against the threat of terrorism. Foreign police and security officials are the first line of defense against terrorism for Americans abroad.

The ATA Program's proposed $33 million appropriation for FY 2000 is needed to continue developing and implementing a number of new initiatives as well as meet needs for existing training courses and priorities. The ATA program is breaking new ground by providing courses and crisis management seminars to counter the threat of weapons of mass destruction.

The August 1998 bombings in East Africa demonstrated the need for major increases in conventional ATA training in Africa and other regions, such as the former Soviet republics that might be the targets of or transited by terrorists. Initial funding to develop and begin implementing these programs was provided in the FY 1999 Emergency Supplemental Appropriation. The FY 2000 funding will enable the U.S. Government to continue these programs, which typically span a period of three years in each country.

Another important new initiative is training to assist other countries in countering terrorist fund raising and money transfers. The U.S. would work with bankers and other foreign officials to improve their skills in detecting and curbing terrorist money raising and transfers. This program would enhance the U.S. Government's efforts to curb terrorist fund raising in the United States.

The new programs to help other nations counter the threat of terrorist use of chemical, biological or nuclear agents respond to the growing concern over such threats as evidenced by the recent Presidential Decision Directive 62 and Congressional hearings.

New programs are being developed to provide training to both foreign "first responders" and U.S. personnel overseas in the identification of and the protection and

decontamination from chemical and biological agents that might be used in a terrorist attack. PM and ATA will coordinate in developing all training materials. The effort will draw from lessons learned and materials being developed for training first responders in the United States. The participating countries will be selected by agreement between the Secretary's Office of Counterterrorism (S/CT) and the Bureau of Political-Military Affairs (PM), and responsibility for training U.S. personnel overseas will be remain with PM. Training and equipment for foreign officials will be administered by the Bureau of Diplomatic Security Antiterrorism Assistance (DS/ATA).

In a parallel effort, crisis management seminars and exercises are being developed for more senior policy level officials in managing the response to a terrorist incident involving chemical, biological or radiological, or nuclear agents or devices. A number of countries already have expressed interest in such assistance. The new program will begin operations in the Spring of 1999 and seeks to be in full operation by the start of FY 2000. Initial estimates call for four to five training sessions annually.

At the same time that new initiatives are underway, the ATA program must continue to meet the need for conventional training, especially in the Middle East. Two new programs were developed in FY 1998 to deal with local conditions: urban border patrols and officer survival. Annual presentation of these two courses will require approximately $2 million. In the Latin American region, the ATA program also plans to provide assistance to Colombia to meet the growing threat there. Details are still being worked out.

The ATA program is expecting to provide training for approximately 2000 participants in FY 2000 worldwide.

Performance Evaluation:

The investigations of the East Africa bombings were greatly enhanced by the high degree of bilateral and multilateral cooperation from countries that had received ATA training. The Organization of American States decision to establish a counterterrorism center was led by Argentina and supported by other states that had taken part in ATA programs. The closer working relationships developed with high level officials through the ATA program contributed to the cooperation in at least one terrorist rendition case and smooth security arrangements for the Summit of Americans Conference.

Airport security improvements were made in various international airports, including at least three that were on the verge of receiving public notices for failing to meet minimum FAA inspection standards.

Evaluations of previously provided training found cases in which the recipient countries were institutionalizing their own training based on training received from ATA. There were also specific cases of training results, for example, an ATA-trained technician disrupted a large bomb placed in front of a downtown building in a Latin American City.

Performance Indicators:

- Increased bilateral and multilateral cooperation to combat terrorism.
- Strengthened international airport security systems
- Improved capabilities of friendly governments to combat terrorism

Funding by Program Activity
($ in thousands)

Program Activity	FY 1998 Actual	FY 1999 Estimate	FY 1999 Supplemental	FY 2000 Request	Inc/(Dec)
Training and Evaluations	16,680	18,100	13,800	27,800	(4,100)
Equipment Grants	600	600	2,800	600	(2,800)
Program Design & Development	20	400	600	600	(400)
Program Management	1,700	1,900	300	4,000	1,800
Transfers to other Counter-terrorism			2,500*		
TOTAL	19,000	21,000	20,000	33,000	(5,500)

* Transfers went for following: $1.1 million –Foreign Emergencies Support Team, $1 million – Counter-terrorism R&D, $.1 million for documentation of foreign terrorist designation, $.3 million counter-terrorism publications and public diplomacy.

Obligations by Region

Region	FY 1998 Actual	% of 98	FY 1999 Estimate	% of 99	FY 2000 Request	% of 2000	Difference 99 to 2000
Africa Affairs (AF)	$ 816	4	$ 638	3	$ 7,100	22	$6,462
W. Hemisphere (WHA)	1,995	11	5,403	26	2,400	7	- 3,003
East Asia Pacific (EAP)	2,263	12	2,199	10	2,400	7	201
EUR/NIS	3,332	17	1,694	8	9,200	28	7,506
Near East Affairs (NEA)	8,874	46	8,766	42	7,100	22	- 1,666
South Asia (SA)	-	-	-	-	800	2	800
Sub Total Trng & Equip	$17,280	90	$18,700	89	$29,000	88	$10,300
Program Design & Dev	20	1	400	2	500	2	100
Program Management	1,700	9	1,900	9	3,500	10	1,600
TOTAL	19,000	100	21,000	100	33,000	100	12,000

Of the $17.5 million from the Emergency Supplemental of FY 1999, $12 million in new initiative programs for Sub-Saharan Africa and the New Independent States of the former Soviet Union are continued and reflected in the base funding for FY 2000. The balance of $5.5million for development and delivery of training to address "weapons of mass destruction" and "countering the financial underpinnings of terrorist organizations," is not reflected above as the regional determinations have not been finalized.

Counter-Terrorism Assistance

Preventing terrorists and their weapons from moving freely from country to country is a critical step in our effort to deter international terrorist attacks. This new initiative is designed to take the offensive against terrorists by curbing their ability to move manpower and weapons between countries of the Third World. Major terrorist bombing attacks in such disparate areas as Argentina and East Africa have shown the ability of terrorists to use commercial transport to swiftly cross continents and operate far from their bases.

The new program would strengthen international efforts to identify and stop terrorists by assisting other countries to strengthen their border controls, improve law enforcement communications links with U.S. agencies, and improve detection of weapons and explosives. The objective is to keep terrorists from entering vulnerable countries and conducting terrorist operations there or using these countries as transit points or staging areas.

Border Security Program. Many third world countries lack such basic controls as adequate systems for identifying and rapidly accessing records of persons entering and leaving their country. The problem exists at some regionally important airports as well as land or coastal transit points. The border security proposal, prompted by Kenya's concerns following the August 1998 bombing of the U.S. embassy, would help interested countries modernize their ability to identify, monitor and keep records on persons entering and departing in a timely enough fashion to allow for detention.

Assistance would enhance the participating nation's ability to detect fraudulent passports and visas and to utilize various information sources for the purpose of identifying terrorist suspects and denying them entry or transit or detaining them for investigation or pursuant to arrests warrants. Improved systems also could help in identifying persons who are seeking to flee quickly after a terrorist incident.

This effort would be concentrated on countries that are key transportation hubs or otherwise critical international crossroads, based on intelligence assessments and need, as determined by Department-led assessment teams.

The interdiction initiative would involve training to improve the supervision and technical skills of local officials as well as the use of computerized systems and other equipment as necessary to help identify terrorist suspects through fraudulent documents. This program would be refined by State in consultation with U.S. border control agencies that have already worked on similar problems domestically and internationally. In some cases, additional equipment and follow-up monitoring might be necessary.

Updating Communications. The funding would also provide for development of a pilot program for collaborative computerized information sharing. A secure, computerized system will allow participating countries to quickly receive alerts along with quality photos, fingerprints and other graphics from U.S. law enforcement agencies and/or

INTERPOL. Such information could help quickly locate terrorist suspects as they move in international commerce, leading to possible detention.

Parallel to this bilateral effort, the U.S. would negotiate with INTERPOL to provide up to $3 million to leverage contributions from other members to complete the modernization of INTERPOL's communications system. The network directly links U.S. law enforcement at the federal, state and local level with police in 176 other member countries. This program, conducted in cooperation with the FBI, would have the ability to transmit information to selected countries in a secure mode.

While INTERPOL is more commonly thought of as a tool for dealing with conventional criminals, it also offers a comprehensive communications network to help rapidly locate and arrest terrorist suspects. Timely transmission of data is critical in dealing with terrorists who may be preparing an attack or trying to escape arrest after staging one. Current INTERPOL transmission facilities are outdated, slow, unreliable and cannot effectively transmit graphics or compartmentalized information.

The current estimate for the worldwide project is $30 million. The proposed $3 million would enable development of the processing center at INTERPOL headquarters in France and receiving nodes in at least one region, probably East Africa, or in key transportation hubs elsewhere the world, selected in coordination with the U.S. bilateral border security program described above. INTERPOL and the USG meanwhile will encourage the other members of the industrialized G-8 nations to contribute to completion of the program. Japan has pledged $1 million and France has pledged another million for each of the next five years to improve INTERPOL's data information systems, such as finger print identification, which can be utilized in the proposed upgraded communications program.

Weapons Detection Equipment. In addition to interdicting terrorist suspects, curbing the flow of weapons and explosives would also be addressed in this FY 2000 program. New equipment to detect weapons, explosives, biological agents and countermeasures and equipment developed to counter the threat posed by these materials first needs to be tested for performance and functionality in Third World countries.

The climate and maintenance problems in third world countries create additional challenges for developing and refining reliable equipment. The program would allow for development and field testing of counterterrorism equipment, and provide for monitoring and maintenance at key testing/installation sites, especially those involved with border security. The testing locations would be selected in coordination with the Border Security programs.

Performance Indicators:

- Development of programs for border security. Commencement of trial operations in selected countries.
- Commencement of INTERPOL upgraded system to limited points.
- Deployment of detection and other equipment for field-testing.

Global Humanitarian Demining

A key U.S. foreign policy goal is to eliminate the unbridled acquisition of conventional arms that can threaten U.S. interests by destabilizing regional relationships. Anti-personnel landmines have proven to be one weapon that is very destabilizing and damaging to the restoration of peace and prosperity once the conflict has ended. Landmines laid during past conflicts now constitute a scourge that kills or maims thousands of people each year, impeding political reconciliation and the return of land and people to productive economic activities. In October of 1997, Secretary Madeleine Albright and Secretary of Defense William Cohen announced the Demining 2010 Initiative, a major new Presidential initiative, that in conjunction with the U.S. Humanitarian Demining Program, seeks to ensure that civilians in every country on every continent are secure from the threat of land mines by the end of the next decade.

A primary objective of the U.S. Humanitarian Demining Program is to help individual nations develop their demining capacity. The United States has been a leader in this field since 1993 and its significant and successful experience in humanitarian demining is recognized around the world. To conduct its worldwide demining program, the Department is seeking $40 million for demining in FY 2000. Despite the effort of the United States and other nations the scale and urgency of the landmine problem require an increase in global resources devoted to identifying and clearing landmines. The U.S. needs to expand and coordinate our research into better methods of demining. In this era of technological miracles, the most common tool available for detecting landmines is still a stick attached to a person's arm. It is also necessary to expand efforts to heighten awareness among vulnerable populations, so that once the goal to eliminate landmines is achieved, the children of the world will be there to witness it.

Funds allocated to the Humanitarian Demining Program are provided to selected countries based on a careful review of the requirements and prospects for successful completion of the national demining program. Prior to any allocation of funds under this program, a joint State/DOD survey team conducts an in-country policy assessment to evaluate requirements, ensure that national infrastructure can manage the local effort effectively, and refine cost projections. Actual implementation of demining is performed by a National Demining Center established under the auspices of the national government or an international organization. The requested $40 million will sustain and expand existing U.S. efforts in 24 countries and permit expansion into other mine-affected countries around the world. For countries with an advanced program, it will allow procurement of heavy equipment for humanitarian demining and expansion of dog detection teams. It will also demonstrate the commitment of the United States to rid the world of anti-personnel landmines and serve as a stimulus to other governments, international organizations, non-governmental organizations, and the private sector to increase their commitment and contributions towards humanitarian demining.

Since the U.S. program was initiated in 1993, 24 countries have been included in U.S. supported humanitarian demining programs:

Afghanistan (UNOCHA)[b]	Angola (UNDP)[c]	Bosnia-Herzegovina
Cambodia	Chad	Costa Rica (OAS/IADB)[d]
Croatia	Eritrea	Estonia
Ethiopia	Guatemala	Honduras (OAS/IADB)
Jordan	Laos	Lebanon
Mauritania	Mozambique	Namibia
Nicaragua (OAS/IADB)	Swaziland	Thailand
Rwanda	Yemen	Zimbabwe

Host nation organizations are either being trained or are conducting demining operations in most of these countries, removing landmines and Unexploded Ordnance (UXO) that are a threat to civilians. Policy Assessments are expected to be conducted in Azerbaijan, Ecuador, Moldova, and Peru. The U.S. also provides funding for special projects in Georgia, Northwest Somalia, Vietnam, as well several non-country specific projects. Several nations have, or are expected to make, preliminary inquiries about participation in the program.

Performance Evaluation:

Evidence of the U.S. Humanitarian Demining program's success include:

- Costa Rica, a participant in the OAS/IADB regional demining program, is expected to be declared mine safe in late 1999;
- Namibia has cleared the majority of its minefields and is now in the final stages of its demining program;
- The Cambodian Mine Action Center also conducts and trains it staff in the full range of demining operations; Cambodia has also achieved a fifty percent reduction in casualties;
- Rwanda has cleared the vast majority of the landmines thought to be in its territory and its Mine Awareness programs are thought to be the among best in the world;
- Due to the progress the programs in Cambodia, Namibia and Rwanda, the U.S. is taking steps to "graduate" these programs to the final stages of the U.S. program, where direct U.S. assistance diminishes and is replaced by international donor funds;
- Mozambique has developed the ability to train its own demining teams;
- In Bosnia-Herzegovina over 1,200 military and civilian deminers have been trained and equipped, and are demining to internationally accepted standards; furthermore, the national and two entity Mine Action Centers are established and operating under local control, three military demining schools are operating under combined local and international supervision.

[b] UNOCHA: United Nations Office for the Coordination of Humanitarian Assistance in Afghanistan
[c] UNDP: United Nations Development Program
[d] OAS/IADB: Organization of American States/Inter-American Defense Board

Performance Indicators:

- The primary qualitative performance indicator for countries in the U.S. Humanitarian Demining program is the establishment in each country of a sustainable indigenous infrastructure capable of coordinating and conducting the full range of mine action operations (mine survey and clearance operations and training, and mine awareness and mine victim activities).
- Other indicators for humanitarian demining program effectiveness include the amount of land, facilities, and other infrastructure returned to productive use, reduction of landmine injuries, and resettlement of displaced persons.

EXPORT & INVESTMENT ASSISTANCE

Export Import Bank of the United States

Foreign Operations Resources:

*($ in thousands)**

	FY 1998 Actual	FY 1999 Estimate	FY 2000 Request
Ex-Im Bank	717,614	799,000	881,000

*Net budget authority.

U.S. International Affairs Objectives:

The Export-Import Bank (Ex-Im Bank) is the official export credit agency of the United States. The Ex-Im Bank supports U.S. jobs by financing exports to emerging markets that would not otherwise go forward. The Bank's export financing provides direct loans, loan guarantees, insurance and working capital. These programs enable U.S. exporters to make creditworthy sales when other sources of financing are unavailable or inadequate, and to match government-supported competition from other countries. This competitive factor is vital in big emerging markets, as well as in the transition economies of the New Independent States and Central and Eastern Europe. In 1996, in some of these countries Ex-Im Bank financed over 40 percent of all U.S. capital goods. Eighty percent of all transactions directly benefit small businesses, accounting for 20 percent of all financing.

The serious credit shortage resulting from the exodus of private financing from the developing world is having a detrimental effect on U.S. exporters and U.S. jobs. The Export-Import Bank of the United States must continue to respond effectively to the economic downturn in the developing countries that now threatens the growth and prosperity of the U.S. Ex-Im Bank is focused on expanding support for developing nations to purchase U.S. goods and services.

The Administration, recognizing the importance of Ex-Im Bank's role, is requesting $839 million for Ex-Im Bank's loan subsidy budget and $57 million for the Bank's administrative budget in FY 2000 to assist American exporters in maximizing their export sales, thus stimulating economic growth and job creation in the United States. These amounts, which total $896 million, are based on a careful analysis of the potential demand for Ex-Im Bank's direct loan guarantee, and insurance authority and the minimum administrative resources necessary to carry out its mission.

Supporting Programs and Implementation Strategies:

These objectives are accomplished by use of the Bank's authority and resources to:

- Assume commercial and political risks that exporters or private financial institutions are unwilling or unable to take to finance transactions which would not otherwise go forward.
- Assist U.S. exporters to meet foreign officially sponsored export credit competition; and provide leadership and guidance in export financing to the U.S. exporting and banking communities.
- Provide export credit support through direct loans, loan guarantees and insurance programs.
- Expand short-term trade credit to keep U.S. raw materials and spare parts flowing to emerging markets where private sector financing is unavailable.
- Expand environmental technology exports.
- Enhance Ex-Im Bank's technological capabilities and internet services to reach more U.S. exporters.

The Bank is actively assisting small and medium sized businesses. Ex-Im Bank also offers a variety of special programs. For instance, through a number of activities, it emphasizes the export of environmentally beneficial goods and services. And it has undertaken special efforts to expand its capabilities for finance of large infrastructure projects awarded to U.S. businesses. Since it opened its doors in 1934, Ex-Im Bank has helped finance more than $300 billion worth of U.S. exports.

Performance Indicators:

Ex-Im Bank performance can be judged by its success in:

- Broadening the range of its customers and the types of sales it supports.
- Expanding programs that support small and rural businesses.
- Aggressively promoting the export of environmentally beneficial goods and services.
- Expanding its project finance capabilities, providing the prompt commitments that often are essential to clinch a project finance deal for U.S. exporters.
- Matching foreign tied aid credits in critical, emerging markets, to ensure that U.S. exporters do not lose sales on the basis of costly, trade-distorting foreign practices.
- Making decisions to support sales on their merits with no maximum or minimum dollar size of transactions.

Trade And Development Agency

Foreign Operations Resources:

($ in thousands)

	FY 1998 Actual	FY 1999 Estimate	FY 2000 Request
TDA	41,500	44,000	48,000

**TDA's core budget is sometimes augmented by transfer funds, primarily through Freedom Support Act and Support for East European Democracy Act funding.*

U.S. International Affairs Objectives:

The Trade and Development Agency's mission is to promote U.S. private sector participation in development projects in developing and middle income. While this goal is TDA's primary focus, the agency often makes its funding decisions in the context of the broader foreign policy objectives of the United States. Strategic goals related to the broader policy objectives of promoting exports include increasing global growth and stability, promoting broad-based economic development, securing a sustainable global environment, and protecting human health.

Key objectives of TDA are:

- Fight foreign competition and position U.S. companies in overseas projects.
- Complement U.S. foreign policy initiatives in critical countries.
- Increase host country access to U.S. expertise.
- Inform U.S. firms, particularly small and medium-sized enterprises, of major export opportunities in foreign projects.

Supporting Programs and Implementation Strategies:

TDA assists in the creation of jobs for Americans by helping U.S. companies pursue overseas business opportunities. Through the funding of feasibility studies, orientation visits, specialized training grants, business workshops and various forms of technical assistance, TDA helps American businesses compete for infrastructure and industrial projects in emerging markets. The proposed FY 2000 budget will allow TDA to:

Create Additional Manufacturing Jobs: Manufactured goods comprise approximately 80% of the exports associated with projects triggered by TDA activities. TDA's success in leveraging American companies into major export-generating infrastructure projects overseas has therefore led to the creation of high-wage manufacturing jobs. By increasing funds for feasibility studies and technical assistance in sectors in which the United States has a competitive edge, TDA positions U.S. companies to compete successfully for projects in those sectors. In FY 2000, TDA would place emphasis on its New High Tech Initiative and Energy Initiative.

Increase Cooperation with Multilateral Development Banks (MDBs): An enhanced role for TDA in FY 2000 will increase the likelihood that MDB procurement funds flow back to U.S. companies. In its outreach efforts, TDA has been placing increased emphasis on counseling U.S. companies on how to pursue MDB-backed projects, where financing is virtually assured. TDA's trust funds at the MDBs bolster its efforts to assist U.S. companies in competing on these projects. Additional funding in FY 2000 for TDA would result in the use of more U.S. technical consultants and U.S.-conducted feasibility studies on MDB-financed projects, potentially resulting in increased U.S. exports to these projects.

Seize Regional Opportunities: As a small, independent agency, TDA is able to adapt quickly to changing realities in the international market. With rapidly growing trade opportunities in Africa, the hotly-contested new markets created by the expansion of the European Union, and the promise and peril of navigating the financial disruptions in Asia, TDA can be an invaluable resource to companies facing uncertainties related to doing business in these rapidly changing economies. By wisely targeting regional resources, TDA can help U.S. businesses capture valuable market share in these areas and fight off fierce competition.

Performance Evaluation:

TDA met or exceeded every performance goal set for FY 1998. The Export Multiplier, the ratio of U.S. exports associated with TDA investment, increased to 32:1, up from 31:1 in FY 1997. Small businesses continued to account for approximately one-third of TDA's budget. The percentage of TDA-supported projects which produce exports increased from 33% to 34%. TDA retained its flexibility to respond to projects as dictated by the market; it does not allocate its budget on a sector basis. In meeting its performance goal of targeting key industrial sectors, TDA responded to market trends which dictated increased allocations for the energy/power and transportation sectors last year. TDA is in the process of establishing a baseline to measure the shift in TDA investments from public sector to private sector projects – its newest performance measure. Early indicators are that one-third to one-half of all TDA investments have been in private sector projects in each of the last three years.

Export and Investment Assistance

Performance Indicators:

- The Export Multiplier: U.S. exports associated with a given TDA investment.
- Serving Small Business: The percentage of TDA resources which support small companies.
- The Hit Rate: The percentage of TDA-supported projects which produce exports.
- Targeting Key Industrial Sectors: Tapping market trends and meeting the development needs of partner countries.
- The Private Sector: The shift in TDA investments from public to private sector projects.

Overseas Private Investment Corporation

Foreign Operations Resources:

($ in thousands)

	FY 1998 Actual	FY 1999 Estimate	FY 2000 Request
OPIC*	-198,000	-117,000	-204,000

* *Net negative budget authority*

***U.S. International Affairs Objectives*:**

In 1999 the Administration is seeking a four-year reauthorization of OPIC programs, which are authorized through September 30, 1999. Reauthorization will ensure OPIC's continued contribution to the US foreign policy goals of promoting broad-based economic growth in developing and transitional economies; increasing global economic growth; and opening foreign markets to the free flow of goods, services, and capital. OPIC activities also further the broader Administration goals of promoting democracy and protecting the global environment. Additionally, OPIC's reauthorization will contribute to the goal of expanding U.S. exports. OPIC-supported projects positively affect both U.S. exports and U.S. employment, not only by providing opportunities for the parent companies of the projects, but for their various subcontractors and equipment suppliers as well.

OPIC achieves all of these goals while operating on a self-sustaining basis, at no net cost to the American taxpayer. OPIC does not receive a direct appropriations, but instead receives authority to spend its own earnings. These earnings are also the basis for OPIC's contributions (in the form of net negative budget authority) to the function 150 international affairs account; contributions that make resources available for other international programs: $198 million in FY 1998, rising to an estimated $204 million in FY 2000. In support of this self-sustaining approach to government, the Administration is requesting the authority for OPIC to spend, from user fees and its own income, $35 million for administrative expenses and $24 million for credit funding in FY 2000.

In achieving its mission to mobilize and facilitate the participation of United States private capital in the economic development of developing countries, OPIC places special emphasis on countries and regions that have been identified as Administration and

Congressional foreign policy priorities. For example, in 1998 OPIC responded to U.S. government initiatives to restore stability to faltering Asian economies. These efforts included advocacy on behalf of U.S. investors with projects in Asia and support for new investment projects in the area, including two power projects in Thailand. Additionally, OPIC re-opened for business in both Vietnam and South Korea, signing new bilateral agreements with each in 1998. Other regions that are a high priority to the Administration and Congress include: Sub-Saharan Africa, where OPIC is in the process of evaluating fund proposals for up to $500 million in new infrastructure development fund(s); Central America, where OPIC is facilitating hurricane recovery with a new $200 million credit facility; and the Caucasus Region, where OPIC is part of a coordinated U.S. government effort to promote American interests in the development of strategically important East-West oil and gas pipelines.

OPIC also contributes to the Administration's international affairs goals of increasing foreign government adherence to democratic practices and respect for human rights, and securing a sustainable global environment in order to protect the United States and its citizens from the effects of international environmental degradation. OPIC only supports projects in countries that the Administration and Congress have approved on human rights grounds. OPIC also assures that the projects it supports are consistent with sound worker rights and environmental standards. For example, in FY 1998 OPIC issued a Draft Environmental Handbook that incorporated policies and procedures used by the most progressive international lending institutions into its environmental assessment and monitoring policies. This included adoption of the World Bank Group's most recent industry guidelines on pollution prevention and abatement.

***Supporting Programs and Implementation Strategies*:**

In order to contribute to the foreign policy goals discussed above, OPIC offers U.S. investors political risk insurance for their investments in projects that support U.S. foreign policy and development objectives against expropriation, political violence, and the inconvertibility of foreign currency to U.S. dollars that affects the repatriation of profits or returns of capital. In addition, OPIC offers long term financing – directly or through loan guaranties – for the same types of projects. Because the projects that are seeking OPIC support are in relatively high risk geographic areas with underdeveloped capital markets and imperfect market information, OPIC-like support from private U.S. financial institutions is generally not available on a comparable basis or is insufficient on its own to meet the project's needs. In FY 2000, OPIC's primary strategy is to direct its marketing efforts at, and provide support to, qualified projects in such a manner that the investments meet all policy and statutory requirements and:

Export and Investment Assistance

- Advance U.S. foreign policy and development initiatives and promote free enterprise and democracy in developing countries.
- Help American businesses – large and small alike -- compete in emerging markets.
- Strengthen economic growth at home by supporting U.S. investment overseas.
- Contribute to OPIC's ability to be effective and self-sustaining, operating at no net cost to the American taxpayer.
- Promote best U.S. practices in the areas of business, the environment, and worker rights.

Performance Evaluation

In the Congressional Presentation Document (CPD) for Foreign Operations for FY 1998, the performance indicators shown below were identified for tracking. In keeping with the Government Performance and Results Act (GPRA), OPIC has incorporated these same performance indicators into its annual performance plan for FY 2000. The following summary discusses how FY 1998 actual performance has met the target criteria found in the annual performance plan.

1. ***Total investment supported.*** In keeping with the target identified in the annual performance plan, the total investment level supported by OPIC in FY 1998 maintains the five year average of such investment. Five year average, 1993 to 1997: $10.8 billion. Five year average, 1994 to 1998: $11.9 billion. The target was exceeded.
2. ***U.S. Exports generated.*** In keeping with OPIC's authorization language and mission, the target identified in the annual performance plan states that OPIC-supported projects will not have a negative effect on U.S. exports. The goal was achieved. In FY 1998, OPIC-supported projects generated $2.8 billion in U.S. exports (gross).
3. ***U.S. employment supported.*** Similarly, the target identified in the annual performance plan states that OPIC-supported projects will not have a negative effect on U.S. employment. The goal was achieved, as new FY 1998 OPIC-supported projects are expected to generate 34,459 person-years of U.S. employment.
4. ***Host country jobs created.*** The target in the annual performance plan states that ninety percent of new OPIC-supported projects will demonstrate host country benefits such as the creation of local jobs. In FY 1998, the goal was exceeded with 96 percent of OPIC's 47 new projects demonstrating such host country benefits. It is projected that the new projects supported in FY 1998 will generate 12,830 host country jobs.

Performance Indicators

For the FY 2000 annual performance plan, OPIC has added several performance indicators that were not included when performance measurement was discussed for FY 1998. For this FY 2000 CPD, OPIC will continue to track the four performance indicators shown above. Two additional indicators have also been added to reflect the on-going refinement of OPIC's annual performance plan.

- Total dollar level of investment supported.
- U.S. exports generated.
- U.S. employment effects.
- Number of projects that demonstrate host country benefits such as jobs, increased economic stability, and improvements in business practices.
- Number of projects now in the pipeline for the geographic/regional areas identified in the Congressional/Administration initiatives.
- Net negative budget authority (OPIC's contribution to funding other Function 150 priorities).

OTHER ASSISTANCE

Peace Corps

Foreign Operations Resources:

($ in thousands)

	FY 1998 Actual	FY 1999 Estimate	FY 2000 Request
Peace Corps	225,581	241,269	270,000

U.S. International Affairs Objectives:

The Peace Corps was established 38 years ago to promote international peace and friendship through the service abroad of American volunteers. It has since emerged as a model of citizen service on an international scale and of practical assistance to people in developing countries. More than 152,000 Americans from every background have served in the Peace Corps in 134 countries. Volunteers contribute to the social and economic development of interested countries; promote a better understanding of Americans among the people whom volunteers serve; and strengthen Americans' understanding about the world and its peoples.

The Peace Corps fulfills its mission by making it possible for American citizens to serve as volunteers in developing countries and participate in the development efforts of their host communities. The people-centered focus of the Peace Corps, and its separation from the formal conduct of the foreign policy of the United States, has allowed volunteers to establish a record of service that is respected and recognized globally. Nevertheless, Peace Corps projects support the US foreign policy goals of promoting economic growth in developing and transitional economies, securing a sustainable global environment, protecting human health and reducing the spread of disease, and providing humanitarian assistance in response to crises. Peace Corps also supports other important national goals, such as: preparing America's work force with overseas experience, educating young Americans about other countries and cultures through Peace Corps' World Wise School and Peace Corps Fellows programs, and encouraging service and volunteerism among the American people.

The men and women who serve overseas as Peace Corps volunteers reflect the rich diversity of our country, but they share a common spirit of service, dedication, and idealism. For two years, they pursue a life that requires determination, self-motivation, patience, and sacrifice. They are afforded no special privileges and often live in remote, isolated communities. Volunteers receive intensive language and cross-cultural training in order to become part of their community. They work with teachers and parents to improve the quality of, and access to, education for children. They work on basic projects to keep families healthy and to help them grow more food. Their larger purpose, however, is to leave behind skills that allow people in developing countries to take charge of their own futures. At the same time, volunteers learn as much, if not more, from the people they serve.

When they complete their service in the Peace Corps, volunteers bring the world back home and strengthen America's understanding of different countries and cultures.

Supporting Programs and Implementation Strategies:

The Peace Corps budget request for FY 2000 is $270,000,000, an increase of $28,731,000 over the FY 1999 enacted level of $241,269,000. The FY 2000 request represents the second year of a multi-year plan to reach 10,000 volunteers – a goal that Congress established for the Peace Corps in 1985. An increase in the number of volunteers serving overseas would allow the agency to address needs such as responding to Hurricane Mitch in Central America, HIV/AIDS prevention and girls' education in Africa, and assistance to countries in transition in Central Asia.

The budget increase requested in FY 2000 will fund:

- an increase in the number of volunteers on board from approximately 6,700 (end of FY 1998) to 8,000 (end of FY 2000) (+$16.7 million).
- Security enhancements to protect Peace Corps volunteers, staff, and property (+$7.5 million).
- The upgrade of Peace Corps' desktop computers overseas (+$2.5 million).
- Cost increases resulting from inflation and pay raises (+$1.9 million).

In FY 2000, the Peace Corps will use its resources to:

- Ensure the health and safety of its volunteers.
- Provide as many Americans as possible the opportunity to become Peace Corps volunteers.
- Respond to requests for assistance from developing countries that need volunteers within available resources.
- Provide humanitarian assistance to those in crisis.
- Provide thorough training and support for volunteers and continue to strengthen programming.
- Increase understanding of other countries on the part of Americans.
- Cut costs and improve agency productivity.

Performance Evaluation:

Volunteer Service Opportunities: In FY 1998, 6,700 Americans were serving as Peace Corps volunteers. At the end of FY 1999, the total number of volunteers is expected to increase to 7,400.

Responding to Requests for Assistance: In FY 1997, Peace Corps volunteers made history when they began serving in Jordan and South Africa. In early FY 1999, the Peace Corps sent the first volunteers to serve in Mozambique and Bangladesh. The

agency also strengthened its presence in China with the signing of a formal country agreement.

Humanitarian Assistance to those in Crisis Situations: Since the program was created just over two years ago, nearly 100 Crisis Corps volunteers have worked in 13 countries to provide assistance to countries affected by natural disasters and refugee crises. In FY 1998, Crisis Corps volunteers responded to natural disasters in Bolivia, the Cook Islands, Chile, Montserrat, Paraguay, and Papua New Guinea. Volunteers also provided services to refugees in Cote d'Ivoire, Guinea, and Thailand. A Crisis Corps pilot initiative was launched in the Democratic Republic of Congo; unfortunately, that effort had to be suspended when civil unrest broke out in that country last August.

In FY 1999, more than a dozen volunteers will help with humanitarian aid in the Dominican Republic and Haiti in the aftermath of Hurricane Georges. Crisis Corps volunteers will also work in Central America to help overcome the tremendous devastation caused by Hurricane Mitch. While Peace Corps volunteers played a critical role in the immediate aftermath of these storms by assisting with food and clothing distribution and other emergency needs, Crisis Corps volunteers in the region will be able to assist with the coordination of longer-term recovery and reconstruction efforts.

Volunteer Health and Safety: While the agency is preparing for an increase in volunteers, it has taken important steps to ensure that current volunteers receive the best possible support and training to carry out their work. The agency has appointed a Coordinator for Volunteer Safety and Overseas Security to strengthen monitoring and evaluation of security trends, implement policy recommendations, and serve as the agency's representative on inter-agency task forces related to safety and security.

Performance Indicators:

Volunteer Service Opportunities: During FY 2000, 4,200 Americans will enter training to become Peace Corps volunteers.

Humanitarian Assistance to those in Crisis Situations: In FY 2000, the Crisis Corps will expand to 100 volunteers serving in a variety of projects in response to crisis situations.

Volunteer Health and Safety: In FY 1999 and FY 2000, the agency, through the Coordinator for Volunteer Safety and Overseas Security, will develop new safety and security protocols for volunteers and increase personal safety training for volunteers and staff.

Inter-American Foundation

Foreign Operations Resources:

($ in thousands)

	FY 1998 Actual	FY 1999 Estimate	FY 2000 Request
Inter-American Foundation	22,000	20,000	22,300

U.S. International Affairs Objectives:

The Inter-American Foundation, an independent agency of the United States Government, was created in 1969 as an experimental United States foreign assistance program. The Inter-American Foundation works in Latin America and the Caribbean to promote equitable, responsive, and participatory self-help development by awarding grants directly to local organizations throughout the region.

During Fiscal Years 1998 and 1999 the Inter-American Foundation underwent a major transition with regard to its programmatic strategy and objectives. While maintaining its commitment to helping the poor help themselves, the Foundation has sought to develop new strategies, partnerships, and mechanisms to increase its role as a development innovator and to disseminate results and lessons learned for the benefit of other donors, such as USAID, the World Bank, the Inter-American Development Bank, private foundations and non-governmental organizations (NGOs).

In Fiscal Year 2000, the Foundation will use its grant-making program to be an effective catalyst and leader in the promotion and support of innovative local partnerships that involve NGOs, municipal governments, and the private sector working together to mobilize and focus resources on improving economic and social conditions in their communities. This approach to development will strengthen democratic processes and civil society by encouraging the active participation of local governmental, non-governmental, and business entities in joint efforts to solve common problems. By promoting and demonstrating the value of collaboration among the governmental, non-governmental, and business sectors to address local priority development needs, the Foundation will encourage the establishment of sustainable democratic structures and mechanisms for the participation of economically disadvantaged citizens in the public decision-making processes that effect their lives.

In Fiscal Year 2000, the Foundation will also support programs and activities that promote and advance in Latin America and the Caribbean the concepts of philanthropy, social responsibility, and investment by the corporate community of financial and human resources in local economic and social development activities.

By encouraging Latin American and Caribbean corporations and other business entities to invest a portion of their resources in the social and economic development of the communities in which they operate, the Foundation will increase the amount of local resources being channeled from the private sector to support local development initiatives to address priority needs. Such an approach will lead to increased economic opportunities for the poor, increased integration of the poor into local and regional markets, decreased dependency of the poor on foreign assistance programs, and, over the long term, expanded markets for U.S. goods and services in Latin America and the Caribbean.

In the same respect, the Foundation will carry out a special initiative to encourage U.S.-based corporations operating in Latin America and the Caribbean to invest resources to support development programs in the communities in which they operate. This initiative will involve an intensive campaign to promote the importance of social responsibility as a good business practice among those U.S. corporations that have subsidiaries or important markets in Latin America and the Caribbean.

The Inter-American Foundation's overall vision is for Latin American and Caribbean countries to achieve high levels of development capability at the grassroots level and independence from external resources. In pursuit of its vision, the Foundation's goal is to increase the effectiveness and the financial independence of community level development organizations and processes that focus on human development, foster self-reliance, and improve the quality of life for the peoples of Latin America and the Caribbean. Given the Foundation's limited staff and financial resources, the quest for creative and effective ways to increase the impact of its limited resources must be an ongoing institutional priority.

The Foundation is planning a Fiscal Year 1999 budget of $20.0 million utilizing 68 full-time employees.

Supporting Programs and Implementation Strategies:

Beginning in Fiscal Year 1998, the Inter-American Foundation launched a new strategy and organizational structure to address the challenges of the coming years and to maximize its effectiveness as an experimental development agency. The new strategy, which will be continued through Fiscal Year 2000, has three parts which are the focal points of the Foundation's activities:

- **Resource mobilization and the promotion of corporate social responsibility.** The Foundation will devote its efforts and a portion of its grant-making resources to mobilizing local resources from the private sector in Latin America and the Caribbean to be applied to supporting grassroots and local development initiatives. The Foundation will be working through a number of regional programs and country specific programs to encourage the private sector and other donors, including U.S.

corporations operating in Latin America and the Caribbean, to assume a major role as funders and supporters of local economic and social development endeavors.

- **Local Development..** The Foundation will dedicate the other part of its grant-making program to local development, which can be defined as the building of partnerships among NGOs, community organizations, the private sector, and municipal governments to address a host of social and economic issues that will lead to improved living standards for the poor. Local development, which is rooted in the Foundation's 26 years of experience in grassroots development, is based on the full participation of beneficiary groups and citizens in defining project priorities in areas such as health, education, housing, the environment, and economic opportunity.

- **Learning and Dissemination.** The Foundation's Office of Learning and Dissemination will increase its efforts to augment the Foundation's capacity to produce and disseminate project results, lessons learned, and best practices. The compilation and dissemination of this information will be used by the Foundation to share its experiences with other donor organizations and to influence the manner in which they carry out development assistance programs in Latin America and the Caribbean.

Performance Evaluation:

During Fiscal Year 1998, the Inter-American Foundation awarded 84 grants of a total value of $15,563,153 in support of local partnerships among NGOs, community organizations, the private sector, and local governments to promote and carry out development programs that bettered the living conditions of the poor throughout Latin America and the Caribbean. Local cross-sectoral alliances fostered by Inter-American Foundation grants in FY 1998 addressed, and offered solutions to, a host of priority local development issues including employment, housing, health, sanitation, vocational training, income-generation, and environmental conservation.

It is estimated that 433,000 low-income beneficiaries throughout Latin America and the Caribbean will derive quality of life improvements, including increased access to education, adequate sanitation and health services, potable water, housing, employment, vocational training, credit for income-generating enterprises, and a cleaner and more healthful environment, as a result of development programs carried out by local partnerships fostered by Inter-American Foundation grants in FY 1998.

In addition, during Fiscal Year 1998, the Inter-American Foundation awarded 14 grants of a total value of $2,409,895 to foster an awareness by the corporate community in Latin America and the Caribbean of the value of corporate philanthropy and social investment as a sound business practice and to increase the amount of financial and human resources that are mobilized from the private sector to support development initiatives throughout the region.

Inter-American Foundation grants awarded in Fiscal Year 1998 resulted in the mobilization of an estimated $2,719,000 from the private sector in direct support of community level development projects. Over the long-term, a much greater amount of resources will be invested by the business sector in social development initiatives as a result of their involvement with Foundation-supported projects. These resources will be used to address a host of priority community development needs and will bring direct support to help alleviate problems of poverty in communities throughout Latin America and the Caribbean.

Performance Indicators:

The Inter-American Foundation has developed, implemented, and continues to improve a computer-based system that measures the results of the grassroots development projects to which it provides support. The essential tools of the system are data collection instruments, a computerized database, guidelines for monitoring projects, and requirements for gathering and reporting results information. The Foundation has created the Grassroots Development Framework (GDF) as a methodology for measuring and documenting the results of Foundation grants. Grantees are required to report on the results of their projects using the criteria set forth in the GDF. Additionally, the Foundation uses the services of in-country service contractors to monitor projects to assure that grant funds are used responsibly, and to collect and verify results information reported by grantees.

The Foundation's success at achieving its stated goals for Fiscal Year 2000 will be measured by the following indicators:

- Number of development projects designed and implemented by partnerships involving local and municipal government, NGOs, and local businesses in municipalities throughout Latin America and the Caribbean;

- Number of low income beneficiaries who receive quality of life improvements, and increased earnings, as a result of the aforementioned cross-sectoral partnerships;

- Number of low-income families who obtain greater access to basic services such as health, education, housing, credit, vocational training, potable water, and sanitation, as a result of the aforementioned cross-sectoral partnerships;

- Level of participation of economically disadvantaged citizens in the decision-making processes that effect their lives, particularly the application and expenditure of municipal resources to address priority community needs;

- Amount of financial and human resources that are mobilized from the private sector to support local development projects throughout Latin America and the Caribbean;

- Level of awareness by the corporate community in Latin America and the Caribbean of the value of corporate philanthropy and social investment as a sound business practice;

- Number of donor agencies adopting the Foundation's grassroots development methodology.

African Development Foundation

Foreign Operations Resources:

($ in thousands)

	FY 1998 Actual	FY 1999 Estimate	FY 2000 Request
African Development Foundation	14,000	11,137	14,400

U.S. International Affairs Objectives:

The African Development Foundation (ADF) plays a unique role within the U.S. government's foreign assistance programs. Through its grassroots, participatory approach, the Foundation fosters self-help and self-reliance, promotes broad-based participation in the development process, and builds indigenous capacity through all its activities. ADF's efforts complement larger, government-to-government assistance programs, both in terms of tackling problems "from the ground up" and in developing new models of participatory development that can be replicated by others.

As described below, the Foundation's programs directly support U.S. international affairs objectives in Africa, including:

- Stimulating economic development.
- Promoting democracy and human rights.
- Protecting Africa's fragile environment.

Supporting Programs and Implementation Strategies:

ADF programs will focus on four strategic objectives:

- promoting small and micro-enterprise development.
- expanding participation of small enterprises and producer groups in trade and investment relationships with the U.S. and within Africa;
- ensuring sound natural resource management (NRM).
- strengthening civil society.

In the pursuit of these objectives, ADF will emphasize innovation and risk-taking, in order to explore better ways of promoting broad-based sustainable development in Africa. In keeping with the Foundation's unique approach, *all* funding will be channeled through local organizations and African institutions. No funding goes through governments or to international experts. ADF assists people *directly*; there is no "trickle down." A primary focus of the ADF program for fifteen years has been development of micro and small African enterprises (MSEs). ADF's efforts will complement the policy and regulatory reform supported by USAID and its larger-scale, formal sector enterprise development programs.

ADF works directly at the community level and with African NGOs and researchers to foster sustainable use and conservation of Africa's fragile natural resource base. ADF supports development of new technologies and community-based land use planning and implementation, with an emphasis on identifying NRM initiatives with potential for replication. ADF's participatory development approach fosters individual and community empowerment and inculcates the values and practices necessary for democracy to take hold at the grassroots. ADF strengthens civil society through civic education and building the capacity of community groups and intermediary civil society organizations to participate in policy and resource allocation decisions. By promoting transparency and accountability in public decision making, ADF strengthens the economic, social and political fabric of the communities it serves.

Performance Evaluation:

With its new corporate and country strategies, the Foundation has also expanded its monitoring and evaluation systems. In 1999, ADF will undertake its first comprehensive assessment of program impact.

Performance Indicators:

For each new strategic objective, ADF has established numerous indicators and measurable performance targets. The key indicators include:

- New MSEs created and jobs generated.
- Entrepreneurs trained and micro-loans disbursed.
- Non-traditional exports produced and marketed.
- New NRM technologies developed and improved practices adopted.
- Civic education programs undertaken.
- African NGOs involved in advocacy or local decision-making.

Bureau of Population, Refugees, and Migration (PRM)
Bureau Performance Plan

NOTE: The PRM BPP includes the Population goal. No resources from the Migration and Refugee Assistance Account or the Emergency Refugee and Migration Assistance account are used to implement the population goal's objectives.

STRATEGIC GOAL: Humanitarian Assistance (HA) -- Prevent or minimize the human costs of conflict and natural disasters.

GOAL: Ensure protection and first asylum to refugees and conflict victims.

NATIONAL INTEREST: The concept of protection for conflict victims and refugees stems from international law that was written to extend international protection to persons who were unable to get such protection from their own governments. Effective protection minimizes the human cost of conflict. Respect for humanitarian principles is key to preventing conflict and human rights abuses. All are integral to the U.S. national interest entitled Humanitarian Response. Effective national protection for asylum seekers is a core human rights goal, and figures in the Democracy national interest. National and regional security interests can be adversely affected by the failure to provide effective protection, which includes separating combatants from civilians. Protection regimes (including national laws and their implementation) are an essential element of good Law Enforcement.

STRATEGY:

The United States will provide the protection that is guaranteed under international law for refugees, torture victims, and non-combatant conflict victims, and will pro-actively promote protection for those in need worldwide. Many countries, including the United States, have more generous policies toward the provision of protection than is required by international law. Domestically, we have legislation providing temporary protected status. U.S. law defines "refugee" more broadly than international law for certain types of persecution or for certain groups. The Department works with the Department of Justice and Congress to ensure that U.S. law and its implementation are in compliance with international protection standards that we have negotiated or to which we have agreed. Internationally, we also place emphasis on physical protection for refugees (especially with regard to women and girls, from sexual violence; and regarding children, from forced combat). The United States stresses the crucial link between protection and assistance to refugees and conflict victims and will assist our implementing partners to enable their staffs to monitor protection even as they provide assistance. The United States will approach other countries facing influxes of asylum seekers to support international protection standards as well as to offer assistance when necessary. PRM will target countries which offer inadequate protections for refugees and conflict victims for an active public diplomacy program coordinated by USIA to

enlist understanding of and support for humanitarian treatment of refugees and conflict victims.

OBJECTIVES:

1. General Legal Protection -- To increase the number of states which have in place effective regimes for providing legal protection to refugees and preventing their forcible return to a country where they might face torture or persecution. To urge refugee-hosting countries to continue to provide asylum to refugees until repatriation or resettlement become viable solutions. To support the public dissemination of humanitarian principles.
   FY 2000 TARGET: The USG approaches at least three countries which have inadequate legal systems in place to improve protection for refugees by ratifying international conventions, adopting national legislation, and training appropriate government bureaucrats.

2. Children – To achieve the broadest possible implementation of UNHCR Guidelines on the Protection and Care of Refugee Children in the programs of international organizations, their implementing partners, and USG-funded agencies.

   - Collect/disseminate "best practices" and "lessons learned" from individual efforts to keep children from becoming child soldiers, and for demobilizing and rehabilitating child soldiers.
     FY 2000 TARGET: Funding is provided for dissemination of best practices or for programs that assist in protecting children from forced participation in combat.

   - Tracing and Family Reunification: Ensure that unaccompanied children are traced quickly in emergencies, and protected pending reunification.
     FY 2000 TARGET: Tracing for family reunification, with particular emphasis on children, and protection of unaccompanied children, is part of the international response to every refugee situation, and is coordinated effectively among agencies.

3. Women – To achieve broadest possible implementation of UNHCR's Guidelines on the Protection of Women in international organizations, their implementing partners, and USG-funded agencies.

   - Take all possible measures to deter, detect, and address the consequences of sexual violence.
     FY 2000 TARGET: PRM is able to identify and fund programs to prevent and address sexual violence in the majority of refugee situations. Such assistance is a regular part of all protection and assistance programs for refugees and conflict victims.

- Promote the participation of refugee women in refugee camp management, with particular focus on distribution of food and other support items.
  FY 2000 TARGET: PRM supports programs of international and non-governmental humanitarian organizations which have integrated the human resources of refugee women in all aspects of program planning and implementation. (see also Response Capacity/Standards, Objective 4)

- Promote sufficient economic opportunities or assistance to reduce the likelihood that refugee women, girls, and boys turn to prostitution in order to support their families.
  FY 2000 TARGET: Increase support for programs where it appears that a high level of prostitution has resulted from insufficient economic opportunities.

4. Physical Security – To ensure adequate physical security for persons receiving international protection, as well as for those providing assistance.
   FY 2000 TARGET: USG funds a community policing model in several refugee situations, and continues to stress the importance of refugee camp location to the issue of physical security. USG continues to support UNHCR requirements to maintain the civilian character of refugee camps.

ASSUMPTIONS:

- U.S. response to asylum seekers and protection of refugees will impact our ability to influence other countries' behavior with regard to the protection needs of asylum seekers.
- Physical protection will continue to be as great a problem for refugees and conflict victims as legal protection.
- USG attention to sexual violence and prostitution will not backfire, and stigmatize or draw undue attention to victims, or to refugee women in general.

INDICATORS:

- Health workers in refugee camps are able to identify by name at least one UNHCR protection officer when asked by visiting PRM program officers or refugee coordinators.
- There is a record of tracing going on in every refugee situation (whether maintained at the camp level or elsewhere in the field).
- An increase in the number of states party to the 1951 CSR and its 1967 Protocol.
- Establishment of a community policing model and its implementation in at least one refugee situation.

PRM: FY 2000 REGIONAL PERFORMANCE PLAN

STRATEGIC GOAL: Humanitarian Assistance (HA) – Prevent or minimize the human costs of conflict and natural disasters.

GOAL: Maintain viable and efficient international humanitarian response mechanisms to respond to the needs of refugees and victims of conflict at internationally accepted minimum standards.

NATIONAL INTEREST: American generosity in response to victims of conflict and persecution is a fundamental national value. U.S. leadership in an international outpouring of support has been shown to be the best means of minimizing the human cost of suffering when it has not been able to be prevented. Building a Humanitarian Response capacity among international and non-governmental agencies to respond to disasters quickly minimizes the human cost of conflict. Strong humanitarian organizations ensure that professional staff trained in protection and assistance and financial resources will be deployed to address the needs of refugees and victims of conflict. Several sectoral elements support Global Issues related to health and population. When assistance permits greater self-reliance, it contributes to Broad-based Economic Growth and sustainable development.

STRATEGY:

PRM will advocate effective and efficient humanitarian response, whether by international organizations, non-governmental organizations or USG agencies. During this decade, the USG has been instrumental in the improvement of the international response capacity in the international community, not only in terms of response time, but also in the quality of the response and the manner in which assistance is provided. Maintaining assistance at minimum standards to those in need of international protection ensures that death rates are not inordinate among refugees and conflict victims. Multilateral approaches provide a vehicle for burden-sharing, with the U.S. currently providing in the range of 20 to 30 percent of the costs. International organizations also coordinate the overall response, which includes NGOs and bilateral humanitarian programs, within the framework of an integrated country strategy. Other donor countries, however, have not maintained a commitment to an international, multilateral response that parallels that of the USG. Only by having strong donor support across the board can we achieve viability and sustainability in the international humanitarian organizations. PRM will work with traditional donors to increase their support. Together, donors will work with international organizations to achieve support from new donor nations. PRM will focus on programs incorporating attention to protection of women and children, achieving equitable assistance among refugee groups according to international standards of care, education, emergency response preparedness, capacity building in both local agencies and in international organizations, and environmental sensitivity.

OBJECTIVES:

1. To provide assistance to refugees and conflict victims that meets internationally accepted standards (the SPHERE project) in the sectors of shelter and site management, food nutrition, food aid, public health, and water supply and sanitation.
   FY 2000 TARGET: In consultation with other donors, the USG will strive to target the majority of international funding to projects and organizations that provide assistance according to the SPHERE standards. PRM will provide training and other necessary assistance to assist international humanitarian organizations and their implementing partners comply with the SPHERE standards.

2. As a routine part of programs for refugees and conflict victims, to support priority responses not covered by the SPHERE standards: education and the environment.

   - Provide basic education opportunities for children and semi- or illiterate adult women.
     FY 2000 TARGET: Continue to expand the number of refugees receiving basic education, with emphasis on girls and women. Promote the principle that education should become a routine part of every refugee assistance program by the end of the first year after flight.

   - Support the incorporation of environmentally sensitive approaches into assistance programs.
     FY 2000 TARGET: PRM requests that organizations include in project plans how environmental sensitivity has been incorporated into the program or project. PRM continues to fund training, technical assistance, and capacity building.

3. Achieve full implementation of international humanitarian agencies' programs without the USG share of cash requirements surpassing 25% of contributions received, and to have input in setting priorities in planning and implementing those programs.

   - Confer regularly with other donors on international organization roles and responsibilities, humanitarian program planning and design, implementation, and funding.
     FY 2000 TARGET: PRM meets with the EU on humanitarian assistance planning regularly at the working level and on regional refugee situations as required. PRM develops mechanism for increased, regular donor consultation with the top ten donors to its major funded agencies.

   - Assist UNHCR to meet program requirements while preserving the capacity to fund 20% of UNHCR General Program budget in the initial pledge; reserve 5% until other donors have provided a fair share, then target remaining funds prior to end of FY to address priority needs.
     FY 2000 TARGET: PRM evaluates and, if appropriate, maintains the approach.

- UNRWA – Encourage priority-setting and reform of operations and improvement of cooperation and communication with donors and UNRWA leadership.
  FY 2000 TARGET: Reform continues, ensuring that highest priority needs of the refugees are met within the available resources.

- ICRC – Work with donors to encourage ICRC to give more explicit attention to women and children's issues in its programs.
  FY 2000 TARGET: Joint donor monitoring and evaluation of ICRC's efforts to incorporate women's and children's issues into its programs. Work with ICRC on any problems with implementation of these issues into its programs.

4. To mainstream to the maximum extent possible women's issues, children's issues, and national capacity building into programs funded by PRM.
   FY 2000 TARGET: PRM requests that organizations include explicitly in project plans: (a) how its programs take needs/abilities of women into account, (b) how local capacity will be built into the project, normally through training of local staff to eventually manage the project, (c) how the unique needs of children have been addressed by the program or project. PRM continues to fund training, technical assistance, and capacity building, and continues to monitor funded programs and projects against these targets.

5. To ensure that, in an emergency, humanitarian response organizations are prepared to respond efficiently, effectively, and in a coordinated manner.

   Outside the USG:
   FY 2000 TARGET: Support NGOs to have emergency stand-by capacity, continue support for international organizations stand by capacity. Evaluate emergency response capacity of partner organizations. Develop PRM "best practices" more fully to link back to preparedness and training.

   Within the USG:
   FY 2000 TARGET: USG, especially State and USAID, will jointly plan for humanitarian crises and work closely in actual emergencies.

6. 12. Ensure a supply of qualified staff to work in humanitarian operations, by funding Junior Professional Officers (JPOs) and secondments of American staff to international humanitarian organizations, and by supporting training programs for humanitarian workers that complement USG objectives in humanitarian assistance.
   FY 2000 TARGET: If evaluation shows JPOs to be an effective means of providing long-term expertise to UNHCR, maintain UNHCR and WFP JPO levels, add a third Associate Expert (AE) to IOM.

ASSUMPTIONS:

- Large scale populations (millions) of refugees and conflict victims will require sustained support over a period of several years pending political solutions to the underlying causes of their flight.
- In spite of increased "donor fatigue" contribution levels in 1999 will remain constant.
- The Emergency Refugee and Migration Assistance (ERMA) Account will be available to respond to any new refugee flows (i.e. After August 1, 1998).
- Staffing constraints within both the USG and in IOs will not be at a level to achieve the desired level of advance planning and coordination.
- The large majority of NGOs and IOs which PRM funds endorse the SPHERE standards and they become the internationally accepted norm for humanitarian actions.
- Absence in the near term of a comprehensive peace agreement that creates a durable solution for Palestinian refugees, but they will continue to see UNRWA as the most tangible and visible symbol of the international community's commitment to them.
- Countries in the Near East will continue to be reluctant to accept asylum-seekers from neighboring countries, particularly for long enough to undertake status determinations, even with increased resettlement offers.
- Funding provided to USAID for humanitarian assistance in the Caucasus will continue to obviate the need for PRM to support those same programs.

INDICATORS:

- No extraordinary suffering (including major outbreaks of disease, or excessive death rates) in established refugee situations as compared to that of surrounding population.
- All agencies that contributed to the SPHERE project endorse the final humanitarian response minimum standards.
- At least two donor coordination meetings to discuss humanitarian assistance funding.
- USG contribution to UNHCR General Programs does not exceed 25% of total contributions in most programs.
- Minimum food, water, and shelter needs are being met for the vast majority of a displaced population within 15 days of a mass population movement.
- In an emergency, lack of capacity to respond does not hamper any agency with which PRM has arranged emergency preparedness activities.
- Regional stability in the Near East is not adversely affected by a decline in the humanitarian standards met for Palestinian refugees.
- Decrease or elimination of UNRWA's funding gap and improved efficiencies in operations allow essential services to continue uninterrupted.

STRATEGIC GOAL: Humanitarian Assistance (HA) – Prevent or minimize the human costs of conflict and natural disasters.

GOAL: Support voluntary repatriation of refugees and provide a catalyst for their sustainable reintegration in the country of origin.

NATIONAL INTEREST: Finding a durable solution for refugees that permits their voluntary return home is the most sought after solution of the international community, and is also the normal goal of the U.S. national interest in providing a Humanitarian Response. Voluntary repatriation is done in the context of an end to conflict, and when done in safety and dignity, bolsters our Regional Security interests. The Open Cities initiative directly supports our National Security interest in establishing durable peace in Bosnia. Many aspects of preparing for the return can involve promoting self-governance, tolerance of multiple ethnic groups, and conflict resolution activities that support the Democracy national interest. Finally, reintegration of a returning population should be done in a manner that contributes to sustainable, Broad-based Economic Development.

STRATEGY:

The U.S., in cooperation with IOs and other donor nations, will push for post-conflict resolution and the establishment of conditions, such as linking relief to development, that will encourage safe, voluntary, and sustainable repatriation. When refugees can be repatriated voluntarily and in safety and dignity, the United States leads the international community in supporting programs for their return and initial reintegration. The U.S. will support both spontaneous and organized voluntary repatriations. PRM will work with USIA to devise and conduct public diplomacy programs that promote democracy, tolerance, and conflict resolution principles among targeted publics. PRM will work with USAID toward a sustainable return, implying post-conflict reconciliation in order to maintain regional political stability, as well as links between repatriation, reintegration, and development. When sustainable return is achieved, it prevents the recurrence of chaos and armed conflict. In preparation for return, education can be tailored to support eventual self-sustaining economic activities for the returnees and to prepare them to live in peaceful, tolerant societies upon return home. Vulnerable populations in a repatriation, whose reintegration must be well-planned, include widowed and other single female heads of households, unaccompanied children, and demobilized child soldiers. Successful reintegration links relief to development, and must incorporate sustainable, community-based approaches. Programs of "development-exclusive" entities such as UNDP and international development banks (IDB's) need to be linked to repatriation and reintegration programs of "relief-exclusive" organizations such as UNHCR or ICRC. With other donor countries, the United States will work with international and non-governmental organizations, refugee-hosting governments, and countries of origin toward these ends.

OBJECTIVES:

1. To prepare refugees to live in a peaceful, tolerant society and be economically self-reliant upon repatriation.

   - Education: Tolerance, conflict-resolution, and peace education programs for children and adults
     FY 2000 TARGET: Promote tolerance, conflict-resolution, and peace education programs for children and adults as a regular part of refugee assistance programs as part of preparation for repatriation.

   - Education: Skills/vocational training for heads of households, including focus on women and vulnerable adult and teen populations
     FY 2000 TARGET: Continue the approach, evaluating or supporting "best practices" analysis when appropriate.

   - Refugee participation in operation of assistance programs supported by the international community.
     FY 2000 TARGET: Depending on result of assessment of IOs and NGOs to increase levels of refugee participation, increase funding to programs so that greater capacity-building among refugees is incorporated.

2. To provide specific support for the successful reintegration of vulnerable populations, such as single female heads of households, unaccompanied children, and demobilized soldiers.

   - Support community-based plans for return of unaccompanied children to family, extended family, or community of origin, including tracing of family members, or arranging foster care.

   - Fund programs to provide assistance to single heads of household, especially women, for their reintegration; identify other populations whose reintegration in the specific situation may be problematic and fund programs to address their needs as well.

   - Where armed forces have been demobilized, ensure that programs for child soldiers (including schooling and appropriate psychosocial interventions) are in place.
     FY 2000 TARGET: Either as a result of a best practices examination, or on the basis of direct proposals, PRM would expand its support for projects falling within this category.

3. To link repatriation and initial reintegration activities to longer-term development programs through integrated operational plans.

- Promote repatriation planning done on both sides of the border to incorporate the needs of the returnees as well as the local population so that the entire community is able to adapt to the migration.

- Support repatriation planning designed to link with existing or foreseen development programs in the country of origin, including both relief and development agencies.

- Support the coordination of initial reintegration activities of both development and relief agencies, which should be targeted to regions to which refugees and other conflict victims (including displaced persons) are expected to return.
  FY 2000 TARGET: USG, in cooperation with the UN, evaluates the success of OCHA and UNDG in coordinating the linkage between relief and development activities in Liberia, Rwanda, and Afghanistan. USG continues to apply a coordinated relief and development approach to its own post-conflict activities.

- Promote all aspects of humanitarian demining conducted in connection with refugee repatriation and reintegration programs of UNHCR and other relevant organizations.
  FY 2000 TARGET: PRM will continue to provide expertise on humanitarian demining to the interagency working group (IWG) on demining. UNHCR and other IOs will engage in less humanitarian demining as more and more NGOs develop expertise. This growth in NGOs will lead to an increase in reintegration-specific demining projects.

4. To lead the international community both to achieve successful repatriation of refugees and their reintegration into the economic and social life of their country of origin and to recognize the importance of reintegration to the peace-building process.

   - USG urges governments to institute legal and administrative policies which provide protection that allows for the safe return of their citizens, including amnesty, freedom of movement, property restitution, and equal access to employment, education, and civil opportunities; to adopt fair and equitable policies on civil and human rights for returnees; and to provide a safe environment for return and reintegration.

   - PRM evaluates need for and funds repatriation programs. Where UN Common Programming is in place or where other USG strategic goals can be advanced, targeted effort and funding is provided for reintegration programs.
     FY 2000 TARGET: PRM evaluates its approach to determine if using the criteria of UN Common Programming and USG strategic objectives to determine where to target reintegration assistance had an impact on the achievement of their goals.

SUMPTIONS:

- Renewed international attention to humanitarian demining will result in an increase of resources to repatriation-related demining projects.
- The USG will maintain a national interest in establishing a lasting peace in post-conflict situations.
- The durable solution for the majority of refugees in the world will be repatriation to their countries of origin.
- UN development and relief agencies have common goals related to the establishment of peaceful and stable post-conflict societies and economies.
- Demobilizing child soldiers is a key to future peace in any post-conflict situation where they have been used.

ATORS:

- UN Common Programs (or other coordinated plan) developed for more situations than Afghanistan, and supported by the international community both financially and politically.
- After refugees have returned for two complete planting cycles, assessments of need determine that no vulnerable group among returnees requires international food aid.
- UNHCR repatriation plans which contain a humanitarian demining component (demonstrating a clear linkage to long-term development needs).

STRATEGIC GOAL: Humanitarian Assistance (HA) – Prevent or minimize the human costs of conflict and natural disasters.

GOAL: Provide resettlement opportunities to refugees and other humanitarian migrants and encourage other countries to do so.

NATIONAL INTEREST: Since World War II, a major element of the U.S. Humanitarian Response to refugees has been the offer of a new home in a land of freedom. Especially for refugees in need of protection, resettlement can offer a critical human rights solution, in support of U.S. national interests in Democracy. As an element of humane and effective migration management, refugee resettlement is supportive of the national interest in protecting American Citizens and U.S. Borders.

STRATEGY

The United States resettled approximately 70,000 refugees in FY 1997, yet only 13,000 of them were referred by UNHCR. The remainder of U.S. resettlement was family reunification or direct application by refugees from groups designated by the President, (with input from UNHCR) as "of special humanitarian concern" to the United States. The USG would increase UNHCR's referral capacity to ensure that refugees most in need of this critical and durable form of protection are offered the opportunity for resettlement in the U.S. or other third countries. At the same time, the U.S. would expect to maintain the capacity to resettle the number of refugees agreed to by the Congress through the annual Consultations process. Increased UNHCR referrals will necessitate a USG response in terms of processing refugees that will require mobility of processing teams in a broader geographic reach than has historically been the case in programs that are geographically centered.

Congress has directly controlled the size of U.S. support for humanitarian migration to Israel; PRM will follow Congress' lead as demonstrated in the FY 98 appropriations report language.

OBJECTIVES

1. To make U.S. admissions more responsive to critical refugee "rescue" needs and less dominated by large family reunification programs through increased UNHCR referrals and through encouragement of our embassies to refer appropriate cases for refugee resettlement.
   FY 2000 TARGET: UNHCR increases its resettlement processing staff in the field by a minimum of 20, half of which is funded by the U.S., resulting in a higher percentage of UNHCR referred resettlement cases to the U.S. Embassies become more active in identifying potential Priority 1 referrals as well as notifying PRM of potential cases that may qualify through other priorities.

PRM provides more frequent information to the field and develops capacity to send TDY help to embassies requiring processing assistance.

2. To encourage other resettlement countries to accept UNHCR referrals at a predictable predetermined level.
   FY 2000 TARGET: USG cooperates with other resettlement countries to increase UNHCR capacity to refer cases of refugees for whom third-country resettlement would be an appropriate solution. USG agrees to fund 10 staff positions or support an implementing partner arrangement with UNHCR to do resettlement.

3. To resettle refugees of special humanitarian concern to the United States.
   FY 2000 TARGET: Priority 2 is used to augment UNHCR referrals and family reunification cases and is modified to offer access to groups of refugees that may have been underrepresented in the past, such as unaccompanied minor refugees.

4. To provide refugees with training and assistance to begin the process of becoming self-sufficient, fully integrated members of U.S. society
   FY 2000 TARGET: PRM applies lessons learned regarding cultural orientation, continues monitoring of reception and initial integration activities.

5. To create a centralized, worldwide database that will track all refugees being considered for admission to the U.S. This database will link up all the processing entities overseas with PRM and our Federal, international and voluntary partners. This will make our refugee admissions program more efficient, cost-effective and responsive to shifting caseloads and processing sites.
   FY 2000 TARGET: The field component software will be tested at a pilot site overseas and re-worked as necessary. Acquisition of field system components will take place and the revised software and new system will be implemented at 8 major processing sites overseas with appropriate training. Software development for the domestic component of the program will commence.

6. To provide opportunities for humanitarian migration to Israel.
   FY 2000 TARGET: Follow Congress' guidance from report language attached to FY 98 appropriation which signaled intent for this program to be funded at the level of $60,000,000 in FY 2000. PRM monitors use of grant and number of beneficiaries to ensure basic international standards are maintained at the lower level.

ASSUMPTIONS

- U.S. refugee resettlement ceilings will remain at or above 75,000 per year.
- Refugees in need of resettlement will continue to outnumber UNHCR's capacity to refer them to the U.S. or other resettlement programs.
- UNHCR will not increase its resettlement capacity without direct inducement from the USG.

- U.S. family reunification programs will continue to decline as the FSU program winds down and the U.S. response increases to refugees whose immediate protection is of concern.
- Humanitarian migration to Israel will not increase dramatically.

INDICATORS:

- UNHCR individual case referrals to the U.S. refugee resettlement program increase by 50%.
- Resettlement of UNHCR referred cases in other countries at a rate of 13,000 or greater.
- More refugees admitted by INS from the pool of UNHCR referrals.
- Number of UNHCR staff devoted to refugee resettlement increases by ten.
- No reports of suffering of humanitarian migrants to Israel.
- WRAPS: Project, test, configuration management, and quality assurance plans will be received from contractor. Data model and detailed design for CPF will be finished. Software development for overseas field component will be substantially completed and ready for pilot testing.

STRATEGIC GOAL: Humanitarian Assistance (HA) Prevent or minimize the human costs of conflict and natural disasters.

GOAL: Support efforts to manage international migration flows humanely and effectively by balancing the individual's need for protection with national interests in security of borders in country and regional efforts to manage and cooperate on migration issues.

NATIONAL INTEREST: International migration is a rising Global Issue that straddles the fence between human rights protection for individuals and the sovereign right of states to create and enforce laws to protect their borders and control who is permitted to enter and live in that country. In the purely demographic sense, migration is part of population increases or decreases. Root causes of migration link it to human rights abuses, economic and political opportunity, family reunification, and, increasingly, to environmental degradation. Efforts to manage international migration support our national interests in Democracy and Human Rights by focusing on recognition of the human rights of migrants regardless of their legal status. Humanitarian Response objectives related to protection of refugees and conflict victims are supported, as is International Crime, in view of the need to address migrant trafficking. Finally, in the case of migration to the U.S., international migration ties closely to American Citizens who benefit from the right to family reunification. Uncontrolled mass migration to the United States could theoretically be perceived as a threat to National Security.

STRATEGY:

The USG encourages countries that are popular destinations for migrants to recognize the benefits of migration. While simple in discussions with other countries formed by immigration (e.g., Canada, Australia), other close allies in Europe have difficulties with the concept. Increasingly, the USG must be ready to discuss our hemispheric neighbors' migration concerns, which are more productive when framed in the context of international migration principles and standards, rather than from a purely defensive posture. Over time, such a strategy might increase the influence of the international impact of migration policy on the development of legislation.

The USG believes that development assistance targeted at migration-impacted areas can mitigate future conflict, and reduce the push factors of migration. Examples include reintegration assistance in a post-conflict situation for returning displaced persons and refugees, assistance targeted at communities that have received a large population of asylum seekers. Development strategies that address not only employment, but sustainable management of natural resources and political and social factors that create an environment of hope and opportunity can reduce many of the push factors that cause migrants to feel they have no choice but to migrate.

National legal regimes to allow for legal migration recognize the need for protection of refugees, the need that citizens may have for family reunification, and that of businesses

for labor from outside the country. The USG promotes confidence building measures, especially with new governments, to increase knowledge and comfort with migration issues that will create a positive atmosphere for such national legal regimes.

The USG approaches migration at all levels (bilaterally and multilaterally), but prefers that discussions be limited to regional and sectoral issues in that the multitude of issues are most usefully handled at that level. PRM efforts are principally multilateral, largely through the International Organization for Migration (IOM), multilateral, while CA and INL participate more fully at the bilateral level.

OBJECTIVES:

1. Migration Dialogues: Maintain informal structures to discuss migration policy with other countries to complement the formal structures of international migration fora.
   FY 2000 TARGET: Establish a routine hemisphere-wide American dialogue. Continue East Asian, IGC, and NTA dialogues. Explore establishment of a southern African migration dialogue. As the current CIS Migration Conference follow-up runs its course, transform it into a dialogue process, with more emphasis on policy.

2. Protection for Vulnerable Migrants: Develop policies and programs that cultivate support for basic human rights and fundamental freedoms of migrants, warn them of risks associated with irregular migration.
   FY 2000 TARGET: Coordinate hemispheric implementation of the Summit of the Americas' migrant workers action plan item. Evaluate programs of direct assistance to returnees (in Vietnam and in the Americas) and consider expansion to other countries or categories of migrants. Evaluate information campaigns against trafficking in women and incorporate findings into future plans.

3. Policy Development and Research: Support research, seminars, or efforts to produce routine publicly-available migration information, in areas addressing root causes of migration, the links between migration and development, or expansion of the understanding of migration in under-studied regions.
   FY 2000 TARGET: Arrange for a detail into the bureau to further bureau understanding of root causes and other migration-related issues. Continue to sponsor seminars and other research activities emanating as activities from migration dialogues.

4. Participate in contingency planning for mass migration from the Caribbean.
   FY 2000 TARGET: Participate in updating the plan, as necessary.

ASSUMPTIONS:

- International migration will continue to increase, with the U.S. remaining at the top of the list of favored destinations.

- Measures around the world to repel economic migrants will adversely affect asylum seekers in need of international protection, and will be perceived as insensitive to individual human rights.
- Our closest neighbors will have migration issues high on their list of issues to raise bilaterally with the U.S., especially concerns over treatment of their citizens in our country.
- There will be continued stress among the perceived need to "control our borders", to provide protection to those in need, and the pressure to meet the demand of U.S. (especially agricultural) employers for a cheap labor source (whether legal or illegal).
- Migration issues outside the realm covered by humanitarian policy will continue to grow in importance.
- Trans-border migration will be a major issue in bilateral relations in other parts of the globe, and (e.g. Indonesia/Malaysia, Haiti/Dominican Republic, Nicaragua/Costa Rica, Turkey/European Union).

INDICATORS:

- Identification of concrete steps that can be taken in the context of the Summit of the Americas that is agreed by all participants.
- At least one migration deliverable under the NTA in each EU presidency.
- Completion of activities under the RCM Plan of Action negotiated in Panama by the end of FY 2000.

STRATEGIC GOAL: Population (PO) -- Stabilize world population growth.

NOTE: The PRM BPP includes the Population goal, although no resources from the Migration and Refugee Assistance Account or the Emergency Refugee and Migration Assistance account are used to implement the objectives.

GOAL: A concerted, comprehensive, and coordinated international response to unsustainable global population growth by implementation of the Program of Action agreed to at the 1994 International Conference on Population and Development (ICPD).

NATIONAL INTEREST: Economic Prosperity and social progress can be undermined by rapid population growth, which overburdens the quality and availability of public services, limits employment opportunities, and contributes to environmental degradation. These stresses can contribute to instability (National Security), potentially to conflict and outflows of migrants, and, when exacerbated by human rights abuses, refugees. At the 1994 International Conference on Population and Development (ICPD), 180 countries adopted a comprehensive 20-year Program of Action that, if fully implemented, will harmonize national population growth rates with environmentally sustainable national political, economic and social development strategies and improve overall health worldwide. U.S. leadership on the Global Issue of international population policy and technical assistance can facilitate greater efforts by national governments to adopt national population policies and programs consistent with the ICPD Program of Action. Furthermore, adherence to democratic practices (Democracy) and respect for human rights and reproductive rights (e.g., The basic right to decide freely and responsibly the number and spacing of their children) in implementing the ICPD Program of Action is essential. Full political, economic, and social participation of women will advance their human rights, and is the cornerstone for population and development-related programs.

STRATEGY:

U.S. international population policy is a critical element in our international affairs strategy for sustainable development, which integrates the goals for population and health with those of protecting the environment, building democracy, and encouraging broad-based economic growth.

The scope of USG international population policy is consistent with the international consensus reached in the 1994 International Conference on Population and Development (ICPD) Program of Action. This consensus underscores the integral and mutually reinforcing linkages between population and development. It recognizes that humane and equitable means to achieving population and development goals require collaboration among actors and sectors with diverse policy and program priorities, notably development, the environment, population, health, education, and women's status. Furthermore, it focuses on meeting the needs of individuals and urges the empowerment of women both as a highly important end in itself and as a key to improving the quality of life for everyone.

In the ICPD Program of Action, the international community reached consensus on three quantitative goals to be achieved over the next 20 years: universal access to a broad range of reproductive health care and family planning services; the reduction of infant, child, and maternal mortality; and universal access to education, particularly for girls.

Helping couples and individuals to determine freely and responsibly the number and spacing of their children and to have the information, education, and means to do so, and reducing the use of abortion as a method of family planning will enhance the health and well-being of the population. This, in turn, will help build the foundation necessary for sustainable development. Reducing the high rate of sexually transmitted diseases and improving maternal, infant and child health will impact positively on countries' health care and social infrastructure. Improved health of the population will also contribute to an improved quality of life, higher individual productivity, broad-based economic growth and regional stability.

OBJECTIVES:

1. Coordinate USG policy dialogues with governments to develop strategies to achieve policy and programmatic goals agreed to by the international community in the ICPD Program of Action (POA), including in the areas of the interrelationships between population and development; empowerment of women to advance gender equality; attainment of the highest possible level of health for all; including family planning and other reproductive health; elimination of disparities in access to education by women and girls; and reduction of push factors in migration and the proper treatment of international migrants.
   FY 2000 TARGET: PRM will provide guidance to help embassies in key countries engage regularly with their counterparts and in public on population problems and issues, ensure that senior USG officials are prepared to raise appropriate population issues in their meetings with foreign officials on a regular basis, and monitor changes in national population policies resulting from ICPD+5 review and implementation of the POA.

2. Provide national and international leadership for the five-year review of the ICPD Program of Action ("ICPD plus Five").
   FY 2000 TARGET: PRM coordinates USG, and monitors UN, implementation of actions called for in the review; and sustains and nurtures relationships with U.S. NGOs.

3. Advise and provide leadership to multilateral, international and non-governmental organizations working on programs to implement the ICPD POA.
   FY 2000 TARGET: Continue to press for USG policies and views to be supported by the governing boards of UN organizations. Help integrate the reproductive health aspects of HIV/AIDS into relevant UN organization programs, and support UNAIDS

coordination of those activities. Assist UN agencies and NGOs in implementing ICPD +7 5 conclusions.

4. Increase awareness of population issues; promote the integration of population issues into broader economic growth and sustainable development strategies.
FY 2000 TARGET: Mission plans and post reporting reflect integration of, and attention to population programs, as well as embassy involvement in supporting host governments and international organizations working on population programs. Target five countries with high fertility rates where State Bureaus and key overseas posts should establish a permanent position responsible for reporting on or handling population issues.

ASSUMPTIONS:

- Current Congressional support for U.S. population and family planning assistance programs is maintained.
- International consensus reached in the ICPD Program of Action is maintained.
- Complementary national population stabilization and development activities, such as basic education for girls and microcredit programs for women are concurrent national government priorities.
- ICPD POA continues to be implemented by donors, program countries, and international and non-governmental organizations.

INDICATORS:

- Improved national population policy environment and resource allocation. Successful "ICPD + 5" review, including no substantive policy changes to the Program of Action.
- Increased availability of modern family planning services and other reproductive health care for individuals requesting such services.
- Total fertility rates maintained or decreased as compared to the previous 5-10 years.
- Increased public appreciation for the impact of ICPD goals and objectives on people's lives, especially in the developing world.
- Number of countries expressing interest in a policy dialog on integrating population and development policies.

STRATEGIC GOAL: Humanitarian Assistance -- Prevent or minimize the human costs of conflict and natural disasters.

GOAL: Develop and maintain a skilled, diverse, and flexible work force capable of achieving PRM's objectives and responding to international crises.

STRATEGY: Recruit, retain, and promote qualified and versatile employees and provide them with the training and skills required to meet management and program needs supported by the development of minimum standards for IT competencies and a training curriculum for program monitoring and evaluation. Six positions identified with the Bureau's responsibility for international population policy and coordination are funded in the Department of State's Diplomatic and Consular Program appropriation.

OBJECTIVES:

1. Recruitment/Promotion and Hiring. The Bureau will strive to fill all its career FS and CS positions with the best qualified and diverse staff. WAEs, contractors, PITS, FMAs and other alternative hiring practices will be used as needed to augment career staffing so that the Bureau's Mission can be accomplished.
   FY 2000 TARGET: PRM estimates that all FS and CS positions will be filled most of the time during the year, vacancy gaps, etc. Being the exception. Three new CS positions will be created and filled during the first quarter. Seven new FS positions will be filled during the first (principally) and second quarters. PRM will continue to create circumstances that contribute to meritorious promotions.

2. Training. PRM will provide its staff with the training and skills needed to achieve its program and management goals, with special attention to its initial Orientation, Monitoring and Evaluation Training, and computer competencies.
   FY 2000 TARGET: PRM will continue to provide new staff with Orientation; Monitoring and Evaluation Training remains mandatory for all staff whose responsibilities call for it. All new staff will receive computer training as required. All staff will continue to be supported in their computer training needs through in-house and external training opportunities.

ASSUMPTIONS:

- PRM staff must be flexible and trained in appropriate skills to respond to foreign policy requirements and changes in technology.
- There should be a regional refugee coordinator in each area where the amount of PRM assistance and migration programming and/or refugee admissions present a significant management-intensive challenge.
- Some work force needs will be met through alternative and non-career employment sources such as temporary hires, family member appointments, telecommuting, part-time and job-sharing arrangements, and contracts.

INDICATORS:

- All new staff receives the basic PRM orientation training.
- All staff master basic competencies in the usage of office automation software such as the Microsoft Office 97 Suite and of Internet access methods.
- All staff with policy, program and financial responsibilities receives training in program monitoring and evaluation.
- The Bureau has the right number of employees in the right places to support the Bureau's objectives and national interests.
- The Bureau is moving assertively toward a mix of 50% Civil Service, 50% Foreign Service staffing in the policy and program positions.

STRATEGIC GOAL: Humanitarian Assistance (HA) –. Prevent or minimize the human costs of conflict and natural disasters.

GOAL: Provide appropriate information technology (IT) to effectively support Department and Bureau goals and staff productivity in a secure, expeditious, cost-effective, and timely manner.

STRATEGY:

Apply the appropriate level of IT and resources commensurate with the Departments Strategic and Tactical Information Resource Management (IRM) Plans. In particular, the bureau will:

- Ensure the availability of modernized and secure IT capabilities.
- Provide training to bureau personnel to ensure the effective utilization of modernized technology investments.
- Focus on improved customer support through increased quality of services and products.

OBJECTIVES:

1. Y2K Issues: Through the use of advanced remediation tools, repair all non-Y2K compliant systems, including computer networks and non-computing systems. These actions must be completed by October 1999 in accordance with OMB guidance.
   FY 2000 TARGET: The Y2K compliant systems will be placed on-line in October 1999. All contingency plans will have been fully tested and ready to be implemented if the need arises.

2. IT staffing: The bureau IM staff will remain stable, with 3 IM FTE and 18.5 contractors providing specialized technical support. The FTE IT personnel will complete specialized training in operating and managing installed and planned networks and systems as well as to meet human resource management objectives and career path advancement objectives.
   FY 2000 TARGET: PRM estimates that 17.5 contractors will be needed to support the new admissions computer system and database. 3 FTE's and one contractor will be needed to support in-house PRM domestic staff members.

3. IT Security: Ensure that the bureau adheres to IT security policies and procedures.

4. Operate and maintain Bureau networks. Bureau personnel will have access to one or more desktop systems enabling them to complete their assigned tasks. These networks include the local area network (LAN) equipment, wiring and telecommunication-circuits, desktops with office automation software, and peripherals needed to meet business processes that satisfy the missions of the bureau. These networks provide connectivity with corporate systems and applications such as

the opennet, DOSNET E-mail, SIPRNET, Classnet, Internet, and financial, personnel, and logistics applications. The bureau operates the following networks:

Network Name	Number of users	Location(s)
PRM – Classnet	80	SA-1 and Main State
PRM – DOSNET	80	SA-1
PRM – RIA	80	SA-1 and Main State

5. Operate and maintain Bureau systems. Bureau and other office/agency personnel will have access as authorized/needed to specialized applications and databases meeting unique data processing requirements for the bureau. These application/database systems may operate on the general bureau network systems or on dedicated networks of there own, as needed. These systems include:

Name	Number of Users	Location(s)
ARTS 1 and 2	45	Rosslyn, VA
RDC	45	New York City, New York

6. Provide Optimal support to client users. In accordance with Department and industry standards, provide each client user the most modem in tools and training to ensure that maximum productivity is achieved. Identify and address training requirements to improve the skill levels of users, systems personnel, and managers.

ASSUMPTIONS:

- Investments in new technology are driven by Y2K compliance for FY 1999.
- FY 2000 investments will focus on life cycle replacement of system components and modernization of systems that require replacement.
- IT modernization and Y2K mitigation efforts will require continued retraining of technical staff.
- Savings achieved through more efficient IT practices will offset increased costs of providing enhanced and new technical services.

INDICATORS:

- Y2K: Monthly reports will be received from the contractor detailing remediation progress. Remediation efforts will be completed and contingency plans will be in place if needed.
- IT Staffing: IT staff members will continue to develop the skills needed to perform engineering, administration, and support functions on the newer generations of equipment and software.

Migration And Refugee Assistance
Emergency Refugee And Migration Assistance Fund

FY 2000 Overview
($ in thousands)

	FY 1998 Enacted	FY 1999 Estimate	FY 2000 Request	Inc./Dec. (-)
MRA	650,384	640,000	660,000	20,000
ERMA	50,000	30,000	30,000	--------
TOTAL	700,384	670,000	690,000	20,000

U.S. International Affairs Objectives

Humanitarian Response is a national interest as well as a strategic goal in the United States International Affairs Strategic Plan. The Migration and Refugee Assistance (MRA) appropriation and the U.S. Emergency Refugee and Migration Assistance Fund (ERMA) are the principal funding components of the Department of State for the Humanitarian Response goal. The total FY 2000 request of $690,000,000 for refugee and migration assistance funding consists of $660,000,000 for the MRA appropriation, and $30,000,000 for the ERMA Fund.

- Programs funded by these appropriations also contribute to foreign policy goals pertaining to national security, including preventing and solving crises, promoting cooperation, and international peacekeeping (when done in the context of humanitarian emergencies), as well as to goals contained under global issues, including the protection of health and the environment. For FY 2000, the following areas have been identified as specific goals for MRA funding:
- Protection – Ensure protection and first asylum to refugees and conflict victims.
- Response Capacity and Standards of Care – Maintain viable and efficient international humanitarian response mechanisms to respond to the needs of refugees and victims of conflict at internationally accepted minimum standards.
- Voluntary Repatriation and Reintegration – Support voluntary repatriation of refugees and provide a catalyst for their sustainable reintegration in the country of origin.
- International Migration – Balance the individual's need for protection with national interests in security of borders in country and regional efforts to manage and cooperate on migration issues.
- Resettlement – Provide resettlement opportunities to refugees and other humanitarian migrants and encourage other countries to do so.

Supporting Programs and Implementation Strategies

The MRA appropriation supports programs that uphold the humanitarian principles the United States shares with others in the international community by providing assistance to victims of persecution and civil strife. These programs support the protection of refugees and conflict victims, the provision of basic needs to sustain life and health, and the resolution of refugee problems through voluntary repatriation, local integration, or permanent resettlement in a third country – including the United States. MRA funds also support the efforts to manage international migration flows humanely and effectively.

The MRA is an annual appropriation used to fund: 1) overseas assistance activities, which support the first four goals outlined above; 2) the admission of refugees to the United States, supporting the resettlement goal; 3) a grant to support refugee resettlement in Israel, also supporting the resettlement goal; and 4) the majority of administrative expenses of the Bureau of Population, Refugees, and Migration (PRM). The ERMA Fund is a no-year appropriation, drawn upon by the President to "meet unexpected urgent refugee and migration needs" when it is determined to be "important to the national interest" to do so.

Overseas Assistance: This request will support the continuing assistance requirements for populations of concern, and will focus on the following initiatives:

- Ensuring that basic international life-sustaining standards of care are met across geographic regions, particularly in Africa.
- Working with other governments, international organizations, and NGOs to enhance international protection for vulnerable groups and address the physical security of refugees, conflict victims, and humanitarian workers.
- Enhancing basic education opportunities for refugees worldwide, especially for women and girls.
- Increasing migration policy activities that promote support for basic human rights of migrants, and warn them of risks associated with irregular migration. Focus on the aspects of protection and prevention of trafficking in women and children.
- Expanding our consultation and coordination with other donors and the international organizations to ensure that the collective international effort meets critical humanitarian needs in the most efficient manner possible.

Refugee Admissions: This request supports the admissions of 80,000 refugees to the United States. The final number and regional allocations will be determined by the President following the FY 2000 Congressional consultations process. Refugee admissions are supported through PRM funding of:

- Private U.S. voluntary agencies that conduct refugee processing and cultural orientation overseas, as well as provide initial reception and placement services in the United States.

- The International Organization for Migration (IOM), which provides transportation, processing, medical screening services, and cultural orientation for refugees coming to the United States.

Refugees to Israel: This request will provide a grant to the United Israel Appeal in support of the humanitarian migration of Jewish refugees to Israel.

Administrative Expenses: This request finances the administrative expenses of a staff of 109 permanent positions in the Bureau of Population, Refugees, and Migration. (Costs related to a staff of six permanent positions dedicated to international population activities are included in the Department of State's the Diplomatic and Consular Programs appropriation request.)

Performance Evaluation

PRM's major accomplishments in 1998 advanced five principal objectives:

- Protection: Aiding the most vulnerable refugees and conflict victims. In FY 98, MRA and ERMA funds were the principal source of support for the conflict victims in regions without much global media coverage, such as the victims of the vicious and forgotten conflict in Sierra Leone. In addition, MRA and ERMA funded $10,000,000 in innovative programs specifically addressing the special needs of women and children around the world.

- Response Capacity and Standards of Care: Improving the capacity of our major international organization and NGO implementing partners to meet the needs of refugees and conflict victims. PRM is a major donor to the "SPHERE" project, an ambitious effort by a coalition of international NGOs to establish a set of minimum standards for delivery of humanitarian assistance.

- Voluntary Repatriation and Integration: Supporting U.S. regional policy objectives through effective integration refugee programs and support for durable solutions, particularly voluntary repatriation. Some of the successful programs include the return of ethnic minorities in Croatia and in Bosnia, which resulted in more than 50,000 minority returns in support of the Dayton Peace Accord. In Africa, significant repatriation in such countries as Liberia, Mali, and Somalia played an important part in the post-conflict rebuilding process.

- Resettlement: Strengthening the "rescue and protect" component of our refugee resettlement programs, especially for refugees at risk and in most urgent need of protection, such as those from the former Yugoslavia and from Africa. In FY 98, over 30,000 refugees from the former Yugoslavia were resettled, both as part of the strategy to rescue and protect in Germany and Croatia, and to accelerate resettlement of Croatian Serb refugees in Kosovo. In addition, some 7,000 refugees from Africa were resettled in the United States.

- Migration: Advancing regional cooperation in addressing shared migration challenges through regional migration dialogues in Europe, and in Central and North America. MRA funds supported a successful public information campaign to combat trafficking of women in Ukraine and helped build humane migration management capacities in several countries in the Newly Independent States (NIS) of the former Soviet Union.

Performance Indicators

In cooperation with other donors, including other U.S. agencies, and relevant international and non-governmental organizations:

- Voluntary repatriation is occurring in all refugee situations where a stable peace has been established in the country of origin.

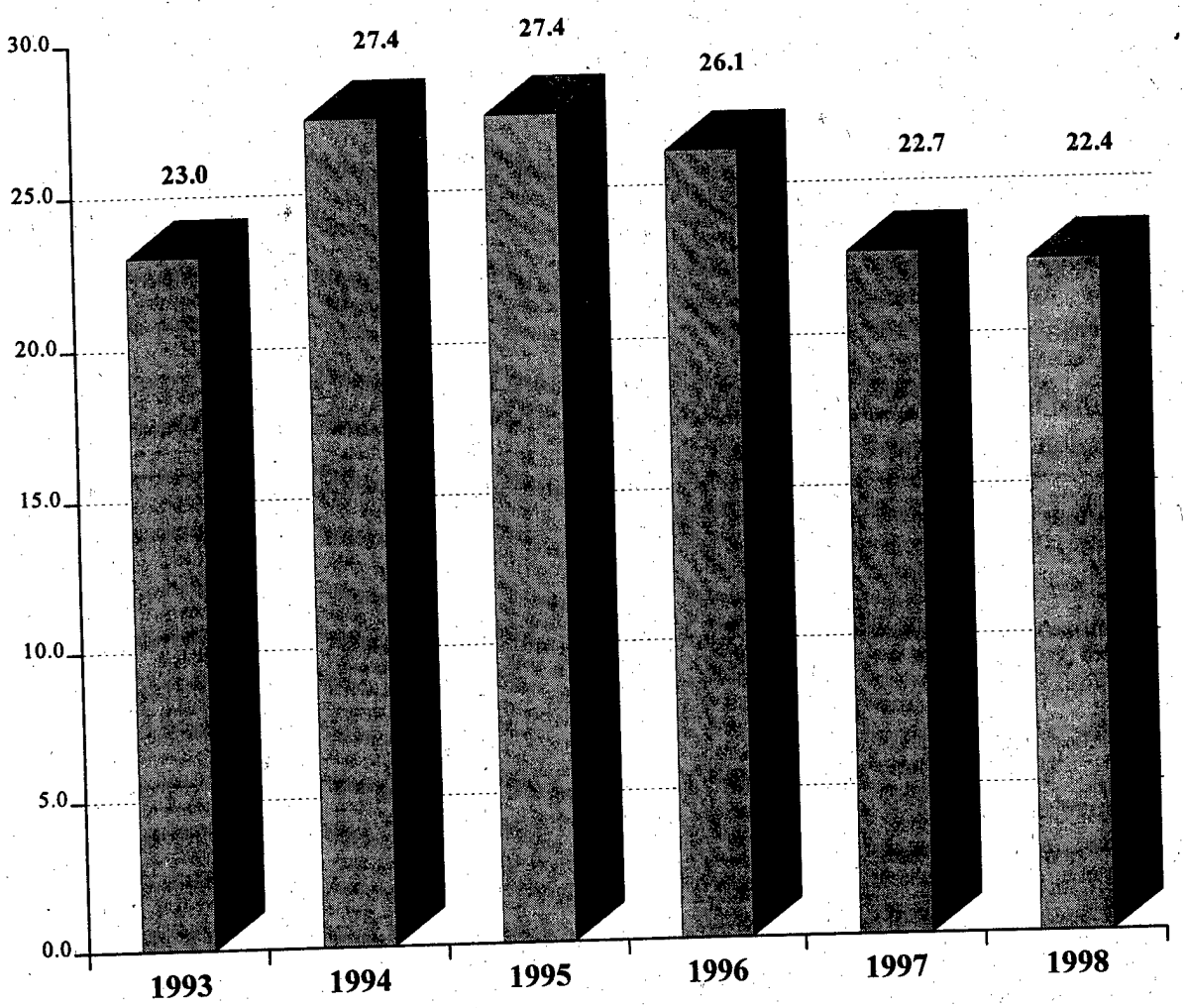
- Policy dialogues on migration in Europe, East Asia, and the Americas are established and lead to effective cooperation on at least one major migration goal in each of these regions.

- The number of refugee admissions to the U.S. from the UNHCR pool of refugees with protection needs is increased.

- Minimum needs for food, water, and shelter are being met for the vast majority of a refugee population within 15 days of a mass population movement.

- No extraordinary suffering (including major outbreaks of disease, or excessive death rates) in established refugee situations as compared to that of surrounding population.

UNHCR PERSONS OF CONCERN*
1993-98



**Persons of Concern* include refugees, former refugees who have returned to their home countries, internally displaced persons, and others including war victims. These figures do not include Palestinian refugees. There are approximately 3.54 million Palestinian refugees who come under the mandate of the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA).

Migration And Refugee Assistance
Overseas Assistance Summary

($ in thousands)

FY 1998 Enacted	FY 1999 Estimate	FY 2000 Request	Inc./Dec.(-)
455,640	454,640	463,300	8,660

The FY 2000 overseas assistance request is $463,300,000, an increase of $8,660,000 from the FY 1999 estimate. This increase reflects the continuing assistance requirements for populations of concern. It includes funds to provide protection and humanitarian assistance to refugees and conflict victims, and to implement international migration policy.

The primary purposes of international protection and assistance funding are to meet short-term, life-sustaining needs of refugees and conflict victims, and to support durable solutions -- notably voluntary repatriation -- overseas. Many nations hosting large groups of refugees and victims of conflict are among the world's least developed. The refugees' presence often strains limited resources and may result in serious problems that affect U.S. foreign policy interests.

A continuing element of the assistance effort will be support for lasting solutions to refugee problems. The FY 2000 request will be used to respond to programs as they evolve from care and maintenance in first asylum countries to self-sufficiency or repatriation. Funds also may be used to assist in the initial reintegration of refugees who have repatriated. U.S. support for repatriations will be provided from MRA funds to the extent possible, once basic care and maintenance requirements for existing refugee populations have been met.

U.S. international migration policy aims to promote sound migration management, which balances governmental respect for the human rights of migrants with governmental responsibility to maintain the security of its territory. MRA funds will support activities to promote international understanding of migration with a special emphasis on protection for those in need of it.

U.S. refugee policy is based on the premise that the care of refugees and other conflict victims, and the pursuit of permanent solutions for refugee crises, are shared international responsibilities. Accordingly, most overseas assistance funds will be contributed to programs administered by international organizations. Although the United States is just one of many donors, in most cases the U.S. Government is the largest individual donor.

The primary recipients of U.S. contributions are listed below and their major activities are discussed in the regional presentations that follow. U.S. support may be provided to other organizations as required to meet specific program needs and objectives.

Chief among the international organizations receiving assistance funds is the Office of the United Nations High Commissioner for Refugees (UNHCR), which has a worldwide mandate to assist host governments to protect and care for refugees as well as to promote lasting solutions to refugee situations. Active promotion of voluntary repatriation where conditions in the country of origin are suitable is also key to both finding refugee solutions and maintaining the willingness of governments to offer first asylum. In 2000, it is anticipated that UNHCR will continue its progress in orienting protection and assistance activities toward refugee women and children, who comprise about 80 percent of most refugee populations.

The International Committee of the Red Cross (ICRC) is an independent, internationally funded, humanitarian institution mandated under the terms of the Geneva Conventions. The United States is party to the Geneva Conventions, under which ICRC is called upon to provide assistance and protection to prisoners of war and political detainees, assist and protect civilian victims of armed conflict, provide needed medical assistance to conflict victims, trace missing persons and separated family members, and disseminate information on the principles of humanitarian law.

The United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) has a continuing mandate from the United Nations to provide educational, medical, relief, and social assistance to the 3.54 million registered Palestinian refugees located in Jordan, Syria, Lebanon, Gaza, and the West Bank.

The International Organization for Migration (IOM) works with governments, other international organizations, and voluntary agencies to provide for the orderly migration of persons in need of international migration services. IOM provides operational services for humanitarian migration and technical assistance to governments and others interested in the development of migration policy, legislation, and administration.

The World Food Program (WFP) is the principal vehicle for multilateral food aid within the UN system. WFP distributes commodities supplied by donor countries for protracted refugee and displaced person projects, and emergency food assistance, as well as development projects. Migration and Refugee Assistance funds will be contributed to WFP toward the expenses of Refugee feeding programs undertaken in cooperation with

UNHCR. The U.S. Government provides food commodities to WFP under other appropriations. In general, funds for overseas assistance will be used to respond to the 2000 calendar year budget appeals issued by international organizations.

The Department intends to use the funds requested for FY 2000 to respond to the calendar year 2000 requirements of the organizations listed above. As assistance needs change, some organizations may find it necessary to issue new or increased appeals for funds during the course of the year. Therefore, this request may be used during the first quarter of the fiscal year to respond to urgent appeals that may be issued late in the 1999 calendar year. Programs of non-governmental organizations may commence at any point in the fiscal year, with funding provided for a twelve-month period. The Department may seek to reallocate funds between regions or organizations within the overseas assistance request level of $463,300,000 in response to changing requirements.

MRA Program Summary
(dollars in thousands)

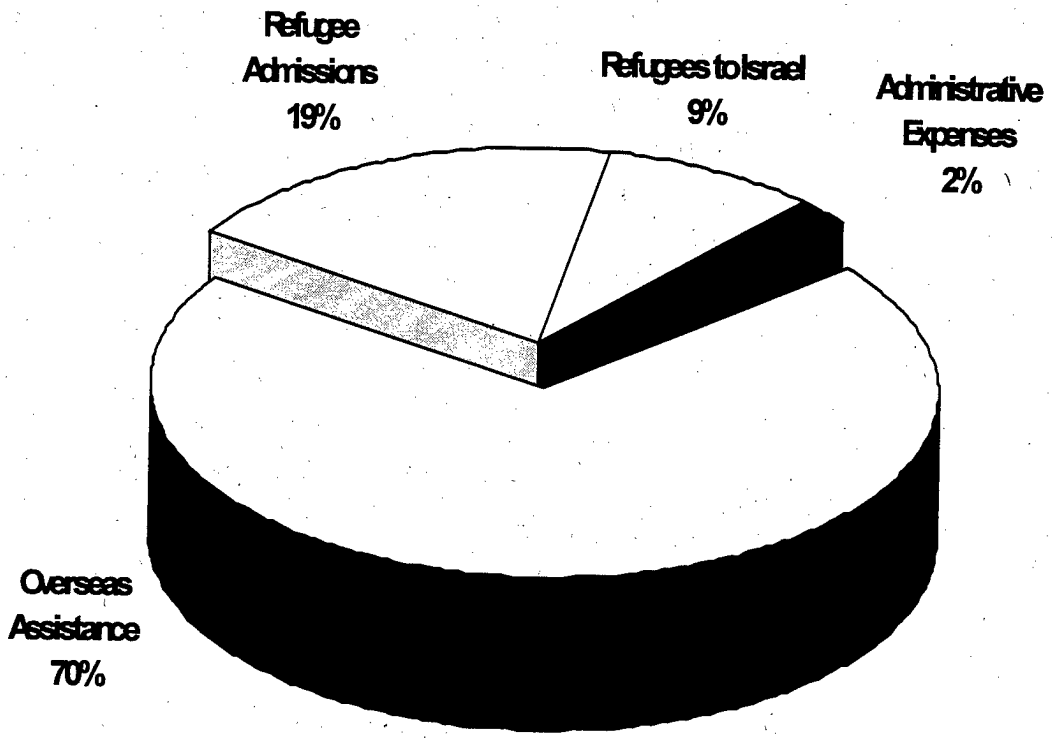
	FY 1998 Enacted	FY 1999 Estimate	FY 2000 Request	Increase
Overseas Assistance				
Africa	130,757	135,550	144,800	9,250
East Asia	17,675	13,950	12,100	(1,850)
Western Hemisphere	14,200	13,000	15,800	2,800
Near East/North Africa	93,541	96,600	99,500	2,900
South Asia	26,316	30,000	26,900	(3,100)
Europe	109,562	91,840	90,300	(1,540)
Multiregional Activities	63,588	73,700	73,900	200
Subtotal, Assistance	455,640	454,640	463,300	8,660
Refugee Admissions	102,360	102,360	122,900	20,540
Refugees to Israel	80,000	70,000	60,000	(10,000)
Administrative Expenses	12,384/a	13,000	13,800	800
Appropriation Total	650,384	640,000	660,000	20,000

/a This amount includes $384,000 transferred from the Diplomatic and Consular Program (D&CP)appropriation for International Cooperative Administrative Support Services (ICASS) implementation.

FY 2000 BUDGET REQUEST

MIGRATION AND REFUGEE ASSISTANCE

TOTAL: $660,000,000



Assistance Programs In Africa

Program Summary
($ in thousands)

FY 1998 Enacted	FY 1999 Estimate	FY 2000 Request	Inc./Dec.(-)
130,757	135,550	144,800	9,250

The Administration requests $144,800,000 to respond with appropriate U.S. contributions to the basic needs of refugees and conflict victims in sub-Saharan Africa. Some 3.5 million of the world's refugees are spread across the African continent. Voluntary repatriations to Ethiopia, Mali, Niger, and Togo were largely completed in 1998; returns to Liberia and northwestern Somalia continued.

The trend lines at the beginning of 1999 were troubling. Renewed wars in Angola, Congo, Congo/Brazzaville, Guinea Bissau, and Sierra Leone were displacing hundreds of thousands. Rebels in Sierra Leone were mutilating thousands of civilian victims in a deliberate attempt to terrorize rather than kill. Ethiopia and Eritrea have gone to war after mutually expelling citizens of the other. Famine threatened the conflicted areas of Somalia and Sudan.

Despite cross border attacks, concerns about the neutrality and security of refugee camps, and problems of humanitarian access, most African countries continue to be generous refugee hosts.

- *United Nations High Commissioner for Refugees*

The U.S. contribution to UNHCR programs in Africa continue to fund protection and the most basic material assistance to save and maintain lives of refugees and other conflict victims of concern to UNHCR. Protection, both legal and physical, including protection of women and children from sexual violence and protection from recruitment into armed conflicts, has become more challenging. UNHCR is expected to build on the Liberian Children's initiative, launched in 1998, to address issues of child soldiers and children traumatized by war. Since humanitarian assistance has not always been up to basic international standards in such life-sustaining sectors as nutrition and water/sanitation, contributions to UNHCR and other implementing partners will seek to address these gaps.

UNHCR will also pursue opportunities for permanent solutions for some refugee populations. In 2000, UNHCR is expected to be implementing continued repatriation and reintegration programs in Liberia and Somalia. Repatriation assistance for returning refugees includes transportation home, a small package of household and agricultural items to facilitate the returnees' re-establishment, and limited rehabilitation of social infrastructure, such as clinics and

Water projects. There will be increasing focus on achieving a hand-off to development agencies that can most effectively deal with post-conflict situations.

- *International Committee of the Red Cross*

ICRC, often in partnership with other elements of the international Red Cross movement, is called upon to provide relief and medical assistance in the most difficult and dangerous areas of countries caught up in armed conflict where success depends largely on the cooperation of the warring parties. This task has become even more difficult in recent times as the principle of neutral humanitarian assistance has been increasingly rejected by parties to conflict. Angola, Burundi, Congo, Sudan and Sierra Leone are examples of such ICRC action. The ICRC program in Africa provides relief and medical assistance to conflict victims and displaced persons, and assistance to political prisoners and prisoners of war. ICRC also undertakes tracing services (for detainees as well as family members separated by conflict), and in some cases refugee protection and assistance.

- *World Food Program*

In recent years, contributions to WFP have supported feeding programs for refugees and displaced persons from Liberia, Guinea Bissau, and Sierra Leone; for Ethiopian and Eritrean refugees in Sudan; for Somali refugees in Ethiopia, Djibouti, and Kenya; for Sudanese refugees in Uganda, Ethiopia, and Kenya; and for refugees and displaced persons from Rwanda, Burundi, and Congo/Zaire. In FY 2000, funds may be contributed to WFP for expenses of such programs undertaken in conjunction with UNHCR.

- *Other International Organizations/Non-Governmental Organizations*

Non-governmental organizations are key partners with the international organizations in Africa, often in specialized areas such as health care and food distribution. Funds will be provided directly to non-governmental organizations to complement the programs of UNHCR and to address the need to bring basic assistance up to minimum worldwide standards. The United Nations Children's Fund (UNICEF), the International Organization for Migration (IOM), the International Federation of Red Cross and Red Crescent Societies (IFRC), and other international organizations or non-governmental organizations may also receive funding for complementary assistance.

Assistance Programs In East Asia

Program Summary
($ in thousands)

FY 1998 Enacted	FY 1999 Estimate	FY 2000 Request	Inc./Dec.(-)
17,675	13,950	12,100	(1,850)

The Administration requests $12,100,000 in FY 2000 for assistance programs in East Asia. Burmese continue to be the largest group of refugees in the region. Of the Rohingya refugees who fled to Bangladesh from late 1991 to mid-1992, over 230,000 had voluntarily repatriated to Burma and small-scale repatriation was occurring at the beginning of 1999. Those remaining in Bangladesh at the end of the organized repatriation (estimated 15,000) will need a durable solution.

At the beginning of 1999, some 110,000 refugees from a variety of ethnic groups in Burma resided in camps in Thailand to which they had fled to escape attacks by the Burmese army and allies as well as the general persecution such as forced labor. 1998 was one of the safest years for refugees in Thailand, with no reports of refugees being pushed back or denied asylum by the Thai authorities.

By the beginning of 1999, fewer than 40,000 Cambodian refugees remained in refugee camps in Surin and Trat provinces in Thailand. With the internal political conflicts that had led to violence and refugee flows in July 1997 essentially resolved, voluntary repatriation was underway, with over 4,000 returning home in January alone.

The ongoing financial crisis and the increase in undocumented migration within the region, including of people in a refugee-like status, has led to heightened concern about trafficking in people and the impact of migration generally.

- *United Nations High Commissioner for Refugees*

By the end of 1999, return and reinstallation of Laotian and Cambodian refugees are expected to have been completed, leaving Burmese as the largest caseload of concern to UNHCR. U.S. contributions to UNHCR will include funds for assistance to any remaining Burmese refugees in Bangladesh as well as for any remaining reintegration needs of those who returned to Burma. Assistance to Burmese refugees in Thailand is provided through NGOs, while UNHCR plays a protection role in registering new arrivals and monitoring refugee security along the border. U.S. contributions will also cover any remaining reintegration needs of those Cambodians who will have returned from Thailand.

- *International Committee of the Red Cross*

U.S. contributions to ICRC support ongoing programs such as visits to detainees and emergency relief and medical care for conflict victims. Armed conflict in Southeast Asia is very localized (e.g., In pockets of Indonesia such as East Timor and Aceh, and Papua New Guinea). Regional delegations throughout East Asia therefore largely concentrate on ICRC's core activities of protection, tracing, dissemination, and medical assistance (such as prosthetics).

- *World Food Program*

Funds may be contributed to WFP toward expenses of programs undertaken in cooperation with UNHCR - for example, the feeding programs for Rohingya refugees in Bangladesh and for Cambodia refugees in Thailand, as well as programs for voluntary repatriates to Burma and Cambodia.

- *Other International Organizations/Non-Governmental Organizations*

Burmese refugees in Thailand are assisted by NGOs that implement public health programs, including water and sanitation and skills training, and provide food aid as well as some basic household assistance such as blankets and mosquito nets. The FY 2000 request will continue funding NGOs working in Thailand along the Burmese border. This funding also provides direct U.S. support for efforts to combat trafficking in people throughout the region, as well as international and non-governmental organization programs that deliver services to refugees, asylum seekers, and repatriates to address needs not covered by programs outlined above.

Assistance Programs In The Western Hemisphere

Program Summary
($ in thousands)

FY 1998 Enacted	FY 1999 Estimate	FY 2000 Request	Inc./Dec.(-)
14,200	13,000	15,800	2,800

The Administration requests $15,800,000 for the Western Hemisphere assistance program. While the lessening of civil and political strife in some parts of the region has dramatically reduced the number of refugees, armed conflicts in Peru, Colombia, and Mexico continue to displace civilians. Hence, there is a continuing need for UNHCR and ICRC activities in the region. The Department of State will continue to pay close attention to the situation in Haiti. As necessary, support for other refugee and migration requirements in the region will be provided. Active participation in international migration dialogues is essential if migration flows within the Hemisphere are to be managed effectively. The Department plans to expand its leadership role in migration dialogues in the hemisphere by assuming the chair in 2000 of the Regional Conference on Migration and by encouraging the establishment of counterpart groupings in the Caribbean and South America. Similarly, within the context of the Summit of the Americas, the Department is serving as "Responsible Coordinator" for promoting the human rights of migrant workers within the hemisphere. In both of these multilateral venues, additional resources are required for coordination and conference activities, as well as program implementation.

- *United Nations High Commissioner for Refugees*

U.S. contributions will help support the regional UNHCR offices that oversee aid to small numbers of refugees throughout the hemisphere and work to assure first asylum for those forced to flee - from Colombia, for example. To work with states to put in place effective regimes (e.g., Status determination processes) for providing legal protection to refugees and preventing their forcible return to a country where they might face torture or persecution.

- *International Committee of the Red Cross*

Funds will be contributed to ICRC assistance programs in Central and South America, primarily for Colombia, Mexico and Peru, and for its network of four regional offices and delegations. With fewer active conflicts in the region, ICRC's emergency relief to conflict victims, aid to prisoners of war, and tracing activities have decreased somewhat (with the notable exception of Colombia), enabling ICRC to focus on prison visits and promotion of international humanitarian law. The periodic outbreaks of hostilities in Chiapas, Mexico demonstrate the underlying tensions that can lead to an urgent need for an ICRC response.

- *Other International Organizations/Non-Governmental Organizations*

The Department may fund activities of IOM, other international organizations, and NGOs as required to meet special requirements for assistance to refugees and migrants in the region and/or complement the assistance efforts of the international organizations outlined above.

Assistance Programs In The Near East And North Africa

Program Summary
($ in thousands)

FY 1998 Enacted	FY 1999 Estimate	FY 2000 Request	Inc./Dec. (-)
93,541	96,600	99,500	2,900

The Administration requests $99,500,000 for the Near East and North Africa assistance programs. The major focus in the region continues to be on the long-standing Palestinian refugee population, which UNRWA is mandated to assist.

- *United Nations Relief and Works Agency for Palestine Refugees in the Near East*

UNRWA is mandated by the United Nations to assist Palestinian refugees in Jordan, Syria, Lebanon, Gaza, and the West Bank. Over 3.54 million refugees are registered with UNRWA, which provides education, vocational training, relief and social services, medical assistance, and small-scale income-generation projects. UNRWA schools and training centers are leading factors in helping Palestinian refugees become economically self-reliant. Since UNRWA began operations in 1950, the United States has been a major contributor toward its programs. U.S. Government funding helps provide some stability in the lives of the Palestinian refugee population in the region, and contributes to a climate conducive to a peaceful resolution of regional problems.

- *United Nations High Commissioner for Refugees*

These funds will support UNHCR operations throughout the Near East and North Africa, including large programs in Egypt, Iran and Iraq. Refugees in Lebanon, Saudi Arabia, Syria, and other countries continue to require protection and monitoring. Somali refugees in Yemen continue to receive UNHCR support, as do the Western Saharan refugees in Algeria who are awaiting a political settlement before returning to the Western Sahara.

- *International Committee of the Red Cross*

Throughout the Near East, ICRC is often the only international humanitarian organization able to access areas of civil strife to provide needed medical and other assistance to conflict victims and displaced persons. ICRC assists conflict victims in the region, with particular emphasis on tracing and protection of detainees. It also addresses unresolved humanitarian problems (particularly POWs and MIAs) related to conflicts where hostilities have ceased. ICRC's emergency programs will continue to

provide emergency shelter, food and water, medical care, And protection to civilians displaced by conflict in the region.

- *Other International Organizations/Non-Governmental Organizations*

Funds may be contributed for special projects of governmental or non-governmental organizations designed to complement the assistance efforts of international organizations or to meet special needs of refugees and migrants in the region.

Assistance Programs In South Asia

Program Summary
($ in thousands)

FY 1998 Enacted	FY 1999 Estimate	FY 2000 Request	Inc./Dec.(-)
26,316	30,000	26,900	(3,100)

The Administration requests $26,900,000 in FY 2000 for assistance programs in South Asia. The preponderant refugee group in the region continues to be the approximately 2.5 million Afghan refugees in Pakistan and Iran. While some 100,000 did voluntarily repatriate in 1998, hopes for large-scale repatriation were dashed by the ongoing struggle in Afghanistan that left the Taliban in control of most of the country. Moreover, most international assistance programs in Afghanistan were suspended or operated at limited levels, owing to concerns over security, Taliban restrictions on relief agencies, and the Taliban's treatment of women and minorities.

New arrivals in Pakistan were not registered as refugees by the government and as they were largely non-ethnic Pashtun, they did not fit as easily into the northwest border regions where long-term refugees may well remain and integrate. The Department will continue to give special attention to the needs of women in the programs of international organizations and NGOs.

There were over 92,000 registered Bhutanese refugees in six camps in eastern Nepal at the beginning of 1999 (out of some 110,000 Bhutanese refugees in Nepal, representing approximately one-sixth of Bhutan's estimated pre-1991 population). Promising talks between the two governments aimed at finding a resolution to the citizenship issues surrounding these refugees were beginning, early in 1999.

Of the original 120,000 Tamil refugees who fled to India from Sri Lanka in June 1990 as a result of ethnic violence, approximately 65,000 refugees remain, living in 133 camps in India's southern Tamil Nadu State. Voluntary repatriation was stalled throughout 1998 as the ongoing conflict in Sri Lanka flared. In addition, India is host to over 100,000 Tibetan refugees. Approximately 2,500 new Tibetan refugees arrive in India each year. 1998 did see the return to western Bangladesh of 45,000 Chakma refugees.

- *United Nations High Commissioner for Refugees*

The primary focus of the U.S. with regard to UNHCR programs in South Asia will be the continued protection as well as care for the most vulnerable refugee groups remaining in Pakistan, with special attention to the needs of refugee women and girls, especially in health and education. At the same time, to the extent possible, our contributions to UNHCR will support

Repatriation and reintegration inside Afghanistan aimed at establishing stability and a return to normal conditions of life for refugee groups who elect to return.

UNHCR is also concerned with the internally displaced and repatriates in Sri Lanka, and with refugees from Sri Lanka in India. In Nepal, UNHCR's presence supports Tibetan refugees in transit to India as well as the growing Bhutanese refugee population and other smaller groups.

- *International Committee of the Red Cross*

ICRC is expected to maintain programs for victims of the Afghan conflict with a focus on emergency medical assistance. ICRC runs a number of surgical and field hospitals for war-wounded Afghans, and operates orthopedic centers that provide complete rehabilitative services to the disabled. ICRC also provides emergency non-food assistance to the internally displaced and vulnerable, as well as water and sanitation projects in urban areas. Protection and tracing activities are important aspects of ICRC's Afghan Conflict Victims program.

ICRC is also involved in protection, tracing, medical assistance, and human rights training in Sri Lanka. With no resolution to the conflict in sight, support for ICRC's critical humanitarian efforts through contributions to its regional appeal will continue.

- *World Food Program*

In recent years, contributions to WFP have supported feeding programs for Afghan refugees and repatriates and Bhutanese refugees. In FY 2000, funds may be contributed to WFP for expenses of such programs undertaken in cooperation with UNHCR.

- *Other International Organizations/Non-Governmental Organizations*

The Department will continue to give special attention to the needs of women, particularly through health and education projects implemented by non-governmental organizations. To the extent possible, the Department will also consider supporting projects, which assist the reintegration of returnees or the repatriation of refugees to Afghanistan.

The Department will continue to support NGO programs that assist Tibetan refugees. Funds may also be contributed for projects of international or non-governmental organizations designed to complement the assistance efforts of UNHCR and ICRC to meet special needs of refugees and migrants in the region.

Assistance Programs In Europe

Program Summary
($ in thousands)

FY 1998 Enacted	FY 1999 Estimate	FY 2000 Request	Inc./Dec.(-)
109,562	91,840	90,300	(1,540)

The Administration requests $90,300,000 to respond to assistance needs in Europe, including the Newly Independent States (NIS) of the former Soviet Union. There are still over 1.6 million Bosnian and Croatian refugees and internally displaced persons. The conflict in Kosovo has resulted in the displacement of an additional 300,000 people in the region. For refugees from Bosnia and Croatia, the international community is now focusing significant energy and resources on facilitating return. It is also working to find other durable solutions for those unable to return due to a well-founded fear of persecution or particular humanitarian needs. As long as the situation in Kosovo remains volatile, the international community will concentrate on providing urgent humanitarian relief. Continued funding is required through FY 1999 to support UNHCR-led relief and repatriation efforts in this region.

Refugee assistance requirements for the region are likely to decline in FY 2000, as UNHCR and other organizations begin to phase down assistance requirements for return to Bosnia and Croatia. Requirements for Kosovo will remain steady or increase, as the international community seeks to assist with return. This region will remain the largest recipient of FY 2000 MRA assistance funds in Europe. Cash contributions provided through the MRA are a particularly important portion of the overall U.S. effort.

In the former Soviet Union, the transformation from Soviet rule to democracy continues to be a volatile process. Some nine million persons in the NIS have been uprooted as refugees, displaced persons, repatriates, and other migrants. Despite the peace accord signed in Tajikistan in 1997, poverty and insecurity wrack this nation and hamper efforts to reintegrate some 80,000 returned refugees. There is little progress in seeking solutions to the conflicts over Nagorno Karabakh or Abkhazia, which affect over 1.2 million internally displaced persons and refugees. The north Caucasus has tens of thousands of Internally Displaced Persons (IDPs) and refugees from several conflicts. Continued instability and the breakdown of law and order could easily ignite new violence. The Administration is also committed to supporting the implementation of the Program of Action of the 1996 Regional Conference on Refugees and Migration in the Commonwealth of 22 Independent States (CIS Conference). Programs throughout the NIS implemented by IOM, the Organization for Security and Cooperation in Europe (OSCE), and UNHCR will require funding in FY 2000.

- *United Nations High Commissioner for Refugees*

In FY 2000, UNHCR's continued assistance efforts will be required to facilitate the return of people displaced by the war in the former Yugoslavia or help them take advantage of other durable solutions. UNHCR will have to continue some level of humanitarian assistance to the most vulnerable groups and individuals.

UNHCR is one of three organizers of the May 1996 CIS Conference which examined a broad range of issues relating to the involuntary movement of people in the NIS. All UNHCR programs in the NIS for the years 1999 and 2000 will be covered under UNHCR's CIS Conference appeals. UNHCR has expanded its programs beyond the traditional provision of protection, emergency assistance for refugees and internally displaced persons, and dissemination of refugee law. Programs, which support the CIS Conference Program of Action, include technical assistance and training to develop appropriate legislation, implementation procedures, and government structures to respond humanely to migration concerns, as well as prevention programs, public awareness projects, and capacity building of both governmental and non-governmental agencies.

- *International Committee of the Red Cross*

In the former Yugoslavia, ICRC plays a unique role among international agencies by facilitating exchange of information on missing persons. ICRC will also continue relief activities to the most vulnerable in FY 2000, while continuing to transfer operations and responsibilities to local Red Cross delegations.

In FY 2000, funds will continue to support ICRC's programs in the NIS to provide emergency assistance, to further develop ICRC's innovative tolerance education programs based on international humanitarian law, and to promote the basic principles of international humanitarian law and the law of war.

- *World Food Program*

Funds will be contributed to WFP for programs undertaken in cooperation with UNHCR. It will continue to provide food and coordinate food supplies for the most vulnerable individuals in FY 2000. In past years, contributions have been made for WFP programs in the former Yugoslavia and toward WFP components of consolidated appeals for Tajikistan, and the Caucasus.

Other International Organizations/Non-Governmental Organizations

Funds will be required to support other international, governmental, and non-governmental organizations facilitating return and providing assistance in the republics of the former Yugoslavia. Non-governmental organizations serve as implementing

partners to the UNHCR assistance and repatriation efforts. In addition, NGOs work independently to target the special needs of specific populations. For example, the Department of State has used NGOs to implement programs facilitating the return of displaced persons to areas where their ethnic group is in the minority.

In the NIS, funding to NGOs is primarily used to support emergency needs of refugees and internally displaced persons not provided by UNHCR and ICRC. NGO programs also focus on building the capacity of their indigenous NGO partners and encouraging self-sufficiency for refugee and IDP communities.

Funds are provided to the Organization for Security and Cooperation in Europe (OSCE) as a co-organizer of the CIS Conference. OSCE funding is targeted to issues affecting refugees, internally displaced and other migrants that are outside UNHCR's mandate.

In addition, funds will be needed in FY 1999 and FY 2000 to support IOM's CIS Conference appeals. IOM is a co-organizer of the Conferences and plays a significant role in its implementation. IOM's main activities support NIS governments' efforts to develop humane migration management systems. IOM also focuses its efforts on NGO capacity building and in providing reintegration assistance to migrants.

Multiregional Activities

Program Summary
($ in thousands)

FY 1998 Enacted	FY 1999 Estimate	FY 2000 Request	Increase (+)
63,588	73,700	73,900	200

For FY 2000, the Administration requests $73,900,000 for Multiregional Activities. These funds support the assessed U.S. contribution to IOM, the headquarters budget of the ICRC, the General Program of UNHCR, the Multiregional refugee activities of international or non-governmental organizations, and international migration activities. (The IOM assessment and the ICRC contribution are paid in Swiss francs, and the dollar amounts will vary according to the exchange rate at the time of payment.) These funds will support enhanced multiregional refugee and migration activities of international and non-governmental organizations, particularly UNHCR, including programs for refugee women and children.

- *International Committee of the Red Cross*

The funding request for the ICRC headquarters budget covers the permanent activities carried out by ICRC staff at the Geneva headquarters only; field-related costs are normally attributed to the regional appeals. The contribution will be calculated at 10 percent of the 2000 ICRC headquarters budget in accordance with the *Foreign Relations Authorization Act, 1988 and 1989*. The ICRC headquarters budget is funded through voluntary contributions by governments and national societies of the Red Cross; approximately 50 percent are contributed by the Swiss Government. U.S. contributions to ICRC's regional appeals are described under the previous regional sections of this document.

- *International Organization for Migration*

As a member of IOM, as provided in the *Migration and Refugee Assistance Act of 1962*, the United States pays a 29.95 percent assessment to its administrative budget. IOM's services and expertise contribute significantly to the development and success of international migration and refugee resettlement programs worldwide.

- *Assistance and Protection Programs*

These funds will support activities of international and non-governmental organizations that do not appear in any specific regional program (e.g., Centrally funded multiregional activities) or that support the ability of organizations to respond to new requirements, including emergency response capacity.

Multiregional program activities include interagency coordination efforts, emergency response teams of international organizations, and special studies. These funds also will be used to support efforts to integrate the special needs of refugee women and children in the program and budget planning process of the international organizations and non-governmental agencies engaged in providing refugee assistance overseas. The multiregional program also supports two-year positions held by Americans with UNHCR, IOM and WFP, through Junior Professional Officer programs. The United States provides unearmarked funding to the UNHCR General Program (from which many of the above activities are funded) under this activity, in addition to the funds provided to UNHCR through region-specific allocations discussed previously in this request.

- *Migration Activities*

International migration activities include cooperation with other governments and with international and non-governmental organizations to understand the root causes of migration, particularly at the regional level, and to encourage humane and effective migration management. IOM will continue to develop its technical assistance and migration information activities. The Intergovernmental Consultations on Asylum, Refugee, and Migration Policies in Europe, North America, and Australia (IGC) is a process through which the United States, Canada, Australia, and twelve European countries cooperate on migration policy matters. Since 1996, policy discussions among eleven governments of North and Central America in the Regional Conference on Migration (RCM) have focused on common migration challenges and cooperative efforts to address concerns related to human rights of migrants, as well as law enforcement efforts.

Migration and asylum figure prominently as part of the dialogue on "Justice and Home Affairs" issues in the New Trans-Atlantic Agenda (NTA) between the United States and the European Union (EU). Since FY 1998, PRM and the European Commission have cooperated on pilot information campaigns to address the problem of trafficking in women. In FY 2000, PRM will continue its efforts to advance cooperation with the EU member states and the European Commission on migration issues.

Finally, assistance will be provided to migrants in pilot projects to support the international migration policy goals for which PRM has primary responsibility, especially with regard to protection and safeguarding the human rights of migrants. MRA funds will not be used for migration related activities for which other appropriations exist (e.g., Law enforcement).

Refugee Admissions

Program Summary
($ in thousands)

FY 1998 Enacted	FY 1999 Estimate	FY 2000 Request	Inc./Dec.
102,360	102,360	122,900	20,540

The Administration requests $122,900,000 to support the Refugee Admissions program in FY 2000, an increase of $20,540,000 over FY 1999 estimated costs. This request is based on a planning level of 80,000 refugee admissions, 5,000 above the level included in the FY 1999 budget.

The requested increase is necessary to finance the higher admissions level, to support increased transportation requirements, and for a proposed increase in the level of the Reception and Placement Grants in support of domestic resettlement.

The President following the annual consultations process with Congress later in FY 1999 will determine the final number of refugee admissions and their regional allocations. The specific regional ceilings established in the consultations process will be based on an assessment of worldwide refugee needs at that time.

The requested funds all related refugee admissions activities and the processing and transportation of a small number of Amerasian immigrants. In FY 2000, PRM will continue to give priority to enhancing accessibility to the refugee admissions program for individuals in need of the protection afforded by resettlement.

Actual U.S. refugee admissions for FY 1998 and the established FY 1999 ceilings are shown below: U.S. Refugee Admissions Levels.

Geographic Region	FY 1998 Actual	FY 2000 Ceiling
Africa	6,888	12,000
East Asia	10,854	9,000
Europe	54,363	45,000
Latin America/Caribbean	1,640	3,000
Near East/South Asia	3,311	4,000
Unallocated		2,000
TOTAL - FUNDED	77,056	75,000
Unfunded: Europe	--	3,000
TOTAL	77,056	78,000

**3,000 admissions numbers are available for refugees from the former Soviet Union and Baltic countries if needed, and if necessary funding can be identified within existing appropriations for the Departments of State and Health and Human Services. The Department will notify Congress should use of this contingency become necessary.*

Africa

Admissions levels for Africa were increased approximately 70 percent in FY 1999, from 7,000 to 12,000 refugees. African refugees of any nationality who are referred for resettlement for protection or durable solution reasons by UNHCR or a U.S. Embassy will be processed.

Several specific groups have been identified as special humanitarian concern and will be eligible for direct registration. In addition, refugees from 18 countries undergoing active or recently concluded armed conflict will be eligible for family reunification processing. In FY 2000, some of the largest populations are expected to be Sudanese, Sierra Leoneans, Somalis, and Liberians.

- *East Asia*

ODP, ROVR, and Amerasians - For nearly 20 years under the Orderly Departure Program (ODP) from Vietnam, refugee cases were processed for those with close ties to the United States, with particular emphasis on former re-education center detainees and Amerasians.

In addition, since FY 1997 the U.S. has processed for refugee admission some 17,000 Vietnamese applicants under the Resettlement Opportunity for Vietnamese Returnees (ROVR). We expect interviews in both these programs will be completed before the end of FY 1999. Large-scale admissions of Amerasian cases were completed several years ago.

First Asylum - All eligible Vietnamese in first asylum camps in the region were resettled by the beginning of FY 1998. In FY 1999, it is expected that only a small number of Burmese in Thailand will continue to be considered for admission to the U.S. as refugees. Small numbers of refugees from other Asian countries, such as China and Cambodia, may also be processed.

- *Europe*

The FY 2000 program will primarily include persons from the former Soviet Union, persons from the former Yugoslavia, and a small residual population of qualifying family member (Visas 93) beneficiaries from East European countries.

Admissions from the former Soviet Union will be primarily persons in the categories specified in the Lautenberg-Morrison Amendment as of special interest to the United States. These include Jews, Evangelical Christians, and Ukrainian religious activists.

The Department of State will continue to closely monitor the situation of religious minorities in Russia. Admissions from the former Yugoslavia will emphasize mixed marriages, vulnerable cases, and other refugees for whom repatriation is not a viable option.

- *Near East and South Asia*

In FY 2000, admissions of Iranians (primarily religious minorities) and Iraqis from processing sites in Europe and the Near East/South Asia region are expected to increase.

- *Western Hemisphere*

Program efforts in this region primarily support the admission of Cubans. The in-country Cuban refugee processing program is designed to allow those individuals most likely to qualify as refugees the opportunity to have their claims heard without resorting to dangerous boat departures.

SUMMARY OF COSTS

The total cost of all admissions activities to be covered from appropriated funds in FY 2000 is estimated at $122,900,000. The requested funds are directly related to costs incurred on behalf of refugees whose actual admission will occur in FY 2000 or in 2001.

After a refugee is approved by the Immigration and Naturalization Service (INS) for the U.S. refugee admissions program, the refugee receives a medical examination, sponsorship in the United States is assured, travel arrangements are prepared, and all other steps necessary for admission to the United States are completed.

Most transportation and Reception and Placement grant costs are incurred when the refugee departs the asylum country for resettlement in the United States. Funds also are used to support all ongoing activities related to admissions, such as pre-screening of refugee applicants, processing of applicant case files, medical examinations, and overseas orientation.

The budget request for refugee admissions funds the programs described below. Funds may also be used for the evaluation of these programs.

- *Amerasian Admissions Costs*

Within the total admissions request, sufficient funds have been included to cover the admissions costs of Amerasian immigrants and their qualifying family members. These funds are included within the category requests that follow, but are not separately identified by activity.

The small number of Amerasian immigrants who enter under the provisions of Section 584 of the *FY 1988 Further Continuing Resolution to the Appropriations Act*, P.L. 100-202, receive the same services provided to refugees.

- *Processing*

The Department funds a number of private voluntary agencies and the International Organization for Migration to assist with the processing of refugees worldwide to be resettled in the United States. Processing responsibilities include screening applicants to assess their eligibility for interview by INS adjudicators under the U.S. refugee program. Some applicants interviewed by INS are not approved for U.S. resettlement. Therefore, more cases are processed during the course of the year than will actually be admitted to the United States as refugees.

Refugees, processing funds also are used to pay for medical examinations, cultural orientation materials and briefings, and required travel documentation.

In addition to overseas processing operations, the Department funds certain services performed in the United States that are essential to the smooth and efficient operation of the admissions process. This includes maintaining a U.S.-based Refugee Data Center which operates a case allocation and Reception and Placement (R&P) grant verification system. The Department also maintains the Washington Processing Center (WPC) as part of the former Soviet Union admissions processing operation.

- *Transportation and Related Services*

In FY 2000, the Administration requests funds for transportation and related services provided by IOM in support of the U.S. admissions program. This activity includes funding for international and domestic airfares, IOM operational support, communications, and transit accommodations where required. The cost of the airfares is provided to refugees on a loan basis; beneficiaries are responsible for repaying their loans over time after resettlement.

Therefore, the requirement for appropriated funds for refugee transportation, in any given year is partially offset by loan repayments to IOM from refugees previously resettled. In addition, some refugees, primarily from the former Soviet Union, elect to travel on privately purchased tickets.

- *Reception and Placement Grants*

Through the Department's Reception and Placement program (R&P), private voluntary agencies receive funds on a per capita basis to provide basic services to refugees for initial resettlement in the United States.

These agencies augment the federal grant by drawing on private cash and in-kind contributions that are essential to the success of this program. Services include pre-arrival planning, reception at the airport, initial housing, orientation to their communities, counseling, and referral to local social service programs.

Within the overall program funding, the Department may support different resettlement services for groups of refugees with special resettlement needs, for example, unaccompanied minors destined for foster care programs.

The Department coordinates its reception and placement services with the refugee assistance programs administered by the Office of Refugee Resettlement in the Department of Health and Human Services (HHS/ORR).

Refugees To Israel

Program Summary
($ in thousands)

FY 1998 Enacted	FY 1999 Estimate	FY 2000 Request	Inc./Dec.
80,000	70,000	60,000	(10,000)

The FY 2000 request includes $60,000,000 to support resettlement in Israel through a grant to the United Israel Appeal (UIA). This grant helps finance programs of the Jewish Agency for Israel that assist in the absorption into Israeli society of Jewish humanitarian migrants coming to Israel from certain countries of distress. The $10,000,000 reduction in the FY 2000 request reflects Congressional guidance and a reduction in the number of individuals seeking resettlement in Israel. In 1991, approximately 145,000 individuals from the former Soviet Union arrived in Israel; by 1998, this number had declined to about 55,000.

Administrative Expenses

Program Summary
($ in thousands)

FY 1998 Enacted		FY 1999 Estimate		FY 2000 Request		Inc./Dec.	
Positions	*Funds*	*Positions*	*Funds*	*Positions*	*Funds*	*Positions*	
99	12,384/a	99	13,000	109	13,800	10	800

/a This amount includes $384,000 transferred from the Diplomatic and Consular Program (D&CP) appropriation for International Cooperative Administrative Support Services (ICASS).

The Administration requests $13,800,000 to finance the salaries and administrative expenses of the Bureau of Population, Refugees, and Migration (PRM). These funds will be used to finance the salaries and operating costs associated with a staff of 109 permanent positions in the Bureau of Population, and Migration, an increase of ten from the FY 1999 estimate. The ten new positions, three overseas and seven domestic, are critically needed to manage the increased resources and broad array of issues that PRM is responsible for. This increase will allow PRM to have an overseas presence in three missions with important humanitarian and refugee responsibilities, which do not currently have full-time refugee positions. Domestically, the additional positions will allow PRM to address more effectively expanding requirements for program design, monitoring and evaluation for operational activities, while maintaining our equally important policy liaison role in supporting other parts of the State Department in integrating refugee and humanitarian issues into broader regional foreign policy concerns.

While the Bureau of Population, Refugees, and Migration is responsible for international population policy and coordination, funds for the salaries and support costs of the six domestic positions dedicated to carrying out this responsibility are requested under the Department of State's Diplomatic and Consular Programs appropriation in FY 2000.

Requirements By Object Class
(dollars in thousands)

Object Class	FY 1998 Enacted	FY 1999 Estimate	FY 2000 Request	Inc./Dec.
Personnel compensation	6,020	6,978	7,529	551
Personnel benefits	1,796	1,976	2,100	124
Benefits for former personnel	--	--	--	--
Travel and Transportation of persons	949	1,121	1,021	(100)
Travel and Transportation of things	23	13	15	2
Rents, communications, And utilities	502	588	696	108
Printing and reproduction	103	130	130	--
Other services	2,099	1,745	1,840	95
Supplies and materials	192	178	198	20
Personnel property	663	270	270	--
Grants, subsidies, And contributions	638,037	627,001	646,201	19,200
Appropriation Total	650,384	640,000	660,000	20,000

Emergency Refugee and Migration Assistance Fund

Summary Statement
($ in thousands)

FY 1998 Enacted	FY 1999 Estimate	FY2000 Request	Inc./Dec. (-)
50,000	30,000	30,000	--

The Emergency Refugee and Migration Assistance Fund (ERMA) is a no-year appropriation, drawn upon by the President to meet "unexpected urgent refugee and migration needs" whenever the President determines that it is "important to the national interest" to do so. *The Migration and Refugee Assistance Act of 1962, as amended,* provides permanent authorization for the account of up to $100,000,000. The Administration's request for $30,000,000 is intended to replenish the ERMA Fund.

Program Activities:
In FY 1998 and FY 1999, as of February, a total of $82,000,000 was drawn down from the ERMA Fund for the following requirements:

Presidential Determination 98-24 -- $37,000,000
On May 29, 1998, $37,000,000 was authorized to meet the urgent and unexpected needs of refugees, displaced persons, victims of conflict, and other persons at risk in Africa and Southeast Asia.

Presidential Determination 98-34 -- $20,000,000
On September 9, 1998, $20,000,000 was authorized to meet the urgent and unexpected needs of refugees, displaced persons, victims of conflict, and other persons at risk due to the Kosovo crisis.

Presidential Determination 99-10 -- $25,000,000
On January 25, 1999, $25,000,000 was authorized to meet the urgent and unexpected needs of refugees, displaced persons, victims of conflict, and other persons at risk due to the Kosovo crisis.

Requirements By Object Class

($ in thousands)

Object Class	FY 1999 Opening Balance	FY 2000 Request
Grants, subsidies, and contributions	105,412 [1]	30,000

[1] Of which, $75,412,337 was carried forward from FY 1998 and $30,000,000 was appropriated in FY 1999.

International Narcotics and Law Enforcement

Foreign Operations Resources:

($ in thousands)

	FY 1998 Actual	FY 1999 Estimate	FY 2000 Request
INC	230,000[1]	493,600[2]	295, 000

U.S. Foreign Policy Objectives:

The overall problem of international crime, including drug trafficking, poses serious threats to the security of Americans. It endangers the health and safety of our people, inflicts enormous economic and social costs on our society, and threatens the political and economic stability of many countries that are important to the United States. The transnational nature of the crime and drug problems requires an international response. Many countries, however, lack the political will or institutional capabilities to respond adequately. The State Department, through its Bureau of International Narcotics and Law Enforcement Affairs (INL), is waging one of the most aggressive and effective attacks ever by the U.S. against the foreign crime and drug threat. INL is doing this with a mere 1.7 percent of the Federal anti-drug budget. Yet, by stopping drugs from ever being produced or reaching our shores, INL's programs probably deliver the largest return of any Federal anti-drug program.

Domestically, the toll of drug abuse on our society is continuing to rise, even as overall use is leveling off. The Office of National Drug Control Policy reports that health, crime, and other direct and indirect economic costs of drug abuse totaled some $110 billion in 1996, up from $97 billion in 1992. Drug-related deaths increased over 60 percent from 1990, reaching nearly 15,000 in 1996. With some 14 million current users, the U.S. market remains volatile and attractive to foreign suppliers: they are, for example, offsetting recent declines in cocaine use with an expanding methamphetamine trade. Domestic prevention and enforcement efforts alone cannot cope with the avalanche of drugs still entering the United States; they must be supported by effective control efforts in the source and transit countries.

Other forms of international crime pose similarly daunting challenges. International crime is expanding into new geographic areas and activities. Central and Eastern Europe and parts of Africa and East Asia have joined the traditional Latin American and Asian narcotics source areas as leading international crime centers.

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[1] Does not reflect FSA, SEED Act and PKO funding transferred from USAID for FY 98 ($56.8 mil).
[2] Does not reflect projected transfer of FSA, SEED Act and PKO funding from USAID for FY 1998. Includes $232.6 million in FY 1999 Emergency Supplemental funds.

Emerging crimes such as trafficking in women and children and high-tech and intellectual property rights piracy are demanding more of our attention, even as we continue to address money laundering, alien smuggling, stolen cars, and firearms trafficking. Together, these crimes take a substantial toll on our economy and foreign interests. We pay through higher costs and poorer quality of goods and services and lower standards of living at home, and through the failure of increasingly dangerous, uncertain, and unregulated foreign environments to protect our investments abroad.

Often, those countries where the international drug and crime problems are the most acute are the ones least capable of responding. Frequently their law enforcement institutions are too weak to resist rich and violent drug and crime syndicates, and their economies too weak or small to generate alternative incomes for drug producers. Once in place, crime syndicates quickly secure their position through corruption and intimidation. Their strategic attacks on the rule of law, and effective corruption of democratic and free market processes—as seen for example in Russia, Colombia, Mexico, Nigeria, South Africa, Pakistan, and elsewhere—erode the very foundations for building stable states, putting our entire range of foreign policy interests at risk.

The President has directed the Administration to act aggressively to neutralize and, where possible, eliminate international drug and criminal activities at the source. For drug syndicates and other criminal organizations, this means making it impossible for them to produce and ship their products, launder money, or carry out any other international financial transactions. For the drug producing countries, it means eliminating illegal drug crops entirely: for the transit countries, it means preventing the flow of drugs through them.

Within the broad International Affairs Strategic Plan, INL's primary mandates are embodied in two strategic goals which appear under the national interest law enforcement heading:

- Minimize the impact of international crime on the U.S. and its citizens, and
- Significantly reduce the entry of illegal drugs into the U.S.

Flowing from these are INL's principal operational goals, which are designed to thwart illegal drugs and crime. These include policies and programs to stimulate more effective foreign political will and financial commitment, to strengthen foreign criminal justice sectors, and to promote concrete international cooperation.

The Bureau's basic policy guidelines for fulfilling these objectives are concretely defined in:

Presidential Decision Directive 42, which sets out objectives for combating international criminal elements;

The May 1998 International Crime Control Strategy;

The National Drug Control Strategy, goals 4 and 5, which include the objectives of shielding America's air, land and sea frontiers from the drug threat and breaking the foreign and domestic drug sources of supply;

Presidential Decision Directive 14, the Andean Strategy, which provides the focus for drug control in the major coca producing countries, also known as the source country strategy; and

Presidential Decision Directive 44, the heroin strategy, which addresses global aspects of this problem.

Supporting Programs and Implementation Strategies:

INL efforts in FY 2000 will build upon previous international and bilateral programs to combat crime and illegal drug trafficking. Where narcotics are concerned, these programs should:

Continue to reduce crop cultivation through a combination of eradication, alternative development, and law enforcement programs;

Strengthen the ability of law enforcement and judicial institutions to investigate and prosecute major drug trafficking organizations, seize and block their assets; and

Improve the capacity of host nation police and military forces to attack narcotics production and trafficking centers.

With respect to international crime, our programs are designed to:

Fund training and information-sharing on combating money laundering, fraud and other financial crimes, and the international trafficking of illegal aliens, women and children, stolen vehicles, and firearms;

Promotion of administration of justice and the rule-of-law, to improve the competence and professionalism of the judicial and security forces and strengthen their institutions; and

INL funds various bilateral and multilateral international drug and crime control programs to accomplish its goals and objectives. The bureau will support the use of legislatively-mandated economic sanctions as necessary against countries that do not fully cooperate in responding to the drug threat as well as IEEPA sanctions against certain drug entities when justified and appropriate.

Performance Evaluation:

With a mere 1.7 percent of the overall Federal anti-drug budget, INL's programs have had a significant impact on strengthening international drug and crime control efforts. Much of this success is due to focusing our efforts on the "center of gravity" of the drug and crime threats: on the drug crops, narcotics kingpins, and crime bosses who plot to eviscerate the rule of law, and the authorities and institutions struggling to uphold it.

Coca production is declining and is now at the lowest level since we began keeping statistics in 1987; net cultivation is down a remarkable 53% in Peru alone since 1994. Recent statistics in Bolivia indicate a 17% net reduction in coca cultivation for the 1998 calendar year.

The Government Colombia, faced with especially challenging geographic, topographic, and security challenges in the drug cultivation zones, is implementing a massive aerially-applied herbicide spray campaign as the most immediate and viable response to burgeoning cultivation. The program has succeeded in stopping the increase in poppy cultivation, while reducing coca cultivation by over 25% in the areas where such operations are conducted.

Colombia's notorious Medellin and Cali cartel trafficking organizations have been completely dismantled and authorities are now focusing on Mexican traffickers. Thailand continues to follow-up on a major heroin investigation it began in 1994 that resulted in arrest and extradition of 14 major traffickers associated with the notorious Khun Sa of Burma.

INL has expanded its drug control programs in Asia, and opium poppy cultivation is declining everywhere that the United States is supporting comprehensive alternative development and enforcement programs.

INL has encouraged and assisted governments in strengthening their judicial and banking systems resulting in modernized laws, improvements in court systems, and progress on extradition.

The Department has developed and funded an extensive training program to combat international financial crime. In conjunction with the Departments of Justice and Treasury, INL has provided training to law enforcement investigators, financial regulators, and court officials in vulnerable money laundering countries in Latin America, Central and Eastern Europe, and the Newly Independent States.

International Narcotics And Law Enforcement Affairs
FY 2000 Budget Request

($ in thousands)

	FY 1998 Actual	FY 1999 Estimate	FY2000 Request
NARCOTICS PROGRAMS			
Latin America			
Bahamas	500	1,000	1,000
Bolivia	35,000	54,000	48,000
Brazil	500	1,200	1,500
Colombia	43,000	203,160	40,000
Ecuador	500	1,200	1,200
Guatemala	2,000	3,500	3,000
Jamaica	600	800	800
Mexico	5,000	8,000	10,000
Peru	32,000	76,940	48,000
Venezuela	600	700	700
Latin America Regional	4,000	24,500	10,000
Subtotal	**123,700**	**375,000**	**164,200**
Asia/Africa/Europe			
Laos	3,500	3,700	4,000
Pakistan	1,500	2,200	2,500
Thailand	2,000	2,700	3,000
Turkey	500	500	500
Asia/Africa/ME Regional	683	3,000	5,500
Subtotal	**8,183**	**12,100**	**15,500**

Continued from last page			
Interregional Aviation Support	38,000	51,000	50,000
Total Country Programs	**169,883**	**438,100**	**229,700**
International Organizations	4,517	9,200	12,000
Law Enforcement Training and Demand Reduction	9,000	8,000	9,000
Systems Support/Upgrades C - 26	4,000	4,500	5,000
Huey Upgrades - Colombia	14,000	--	--
Total Systems Support/Upgrades	***18,000***	***4,500***	***5,000***
Program Development and Support	8,600	8,800	9,300
TOTAL NARCOTICS PROGRAMS	***210,000***	***468,600***	***265,000***
ANTI-CRIME PROGRAMS	15,000	25,000	30,000
BOSNIA POLICE PROGRAMS	5,000	--[3]	--
TOTAL INL PROGRAMS	***230,000***	***493,600***	***295,000***

[3] The FY 1999 and 2000 budgets do not reflect FAA, SEED Act and PKO funding. This funding is included in the USAID budget request and will be allocated to INL. In FY 1999 INL received $232.6 million in Emergency Supplemental counterdrug funding.

FY 1998 - FY 2000
International Narcotics And Law Enforcement Affairs
Budget Summary By Functional Activity

(Dollars in thousands)

	FY 1998 Actual	% Of Total Narc	FY 1999 Request	% Of Total Narc	FY 2000 Request	% Of Total Narc
Law Enforcement Assistance and Institution Development	93,419	44.5	301,390	64.3	105,500	39.8
Alternative Develop/Eradication	80,126	38.2	126,775	27.1	112,600	42.5
International Organizations	4,000	1.9	8,000	1.7	12,000	4.5
Drug Awareness/Demand Reduction	4,555	2.2	6,090	1.3	7,700	2.9
Law Enforcement Training	6,700	3.2	6,200	1.3	6,500	2.5
Program Development and Support	21,200	10.1	20,145	4.3	20,700	7.8
Total Narcotics Programs	**210,000**	100	**468,600**	100	**265,000**	100
Anticrime Programs[4]	**20,000**		**25,000**		**30,000**	
Total Program Plan	**230,000**		**493,600**		**295,000**	

[4] Does not include FSA, SEED Act or PKO funding allocated from USAID for anticrime programs.

Latin America

Foreign Operations Resources:

($ in thousands)

	FY 1998 Actual	FY 1999 Estimate	FY 2000 Request
INC	123,700	375,000	164,200

Our greatest antidrug efforts in Latin America, focused on eliminating the cocaine and heroin trades and combating emerging methamphetamine trafficking from Mexico. Our objectives are to reduce coca and opium poppy cultivation significantly, disrupt processing and trafficking operations in the region, and dismantle the organizations that dominate and finance the drug trade. Based on the presidential directive, most of our effort is in the source countries of Colombia, Peru, and Bolivia. We are also attacking the major drug transit routes from South America to the United States. They tend to shift between Mexico/Central America, and the countries of the western and eastern Caribbean depending on the levels of enforcement. We will intensify efforts in the Caribbean against renewed trafficking there, while we continue to work with Mexico to close the leading drug smuggling gateway into the United States. Details of the country programs can be found in the country papers section.

Major Asian Country Programs

Foreign Operations Resources:

($ in thousands)

	FY 1998 Actual	FY 1999 Estimate	FY 2000 Request
INC	7,500	9,100	10,000

Our narcotics control priority in Asia is heroin. Efforts to attack the trade are complicated by security and political barriers that limit our access to the major opium and heroin producing countries—Burma and Afghanistan. Instead we are working through diplomatic and public channels to boost international awareness of the expanding heroin threat; promoting the United Nations Drug Control Program and regional financial institution involvement in its elimination; bringing law enforcement efforts to bear against the leading heroin production and international trafficking organizations; and addressing the underground banking systems that finance drug operations.

We will continue to support crop suppression programs in Laos—the third leading producer—Pakistan, and Thailand where we have government cooperation. Through

training, institution building, and information sharing, we will continue to strengthen law enforcement efforts against the major organizations that target the United States. Details of the country programs can be found in the country papers.

Africa/Middle East Regional Cooperation

Foreign Operations Resources:

($ in thousands)

	FY 1998 Actual	FY 1999 Estimate	FY 2000 Request
INC	683	3,000	5,500

U.S. Foreign Policy Objectives:

The INL Africa/Asia/Middle East Regional account encourages countries in the hemisphere to adopt and implement strong narcotics control legislation, halt production of illicit crops, improve the efficiency of judicial institutions to bring drug offenders to justice, and develop bilateral and multilateral cooperation. In multilateral fora, the U.S. Government seeks the contribution of other major donors for counternarcotics activities, promotes enactment of money laundering and asset seizure legislation, and sends the same counternarcotics messages to producing and trafficking nations. U.S. funding strengthens host nations' capabilities to deal with drug trafficking and production, money laundering and drug related crime. INL funds develop governmental and NGO institutional capabilities to address the issue of drug abuse and prevention. Programs in producer countries seek to reduce the cultivation and production of illegal drugs through alternative development/eradication. In the licit producer countries, programs are aimed at enhanced controls to prevent diversion from licit opium production and safeguard a sufficient supply of licit opiates.

Performance Indicators:

In Afghanistan, regional account funding enabled communities in a small part of the country to restore irrigation facilities so farmers could return to cultivation of food crops rather than opium poppy. The Afghan project is teaching farmers that fruits, cumin, wheat and other crops can produce similar or greater income than opium.

In other countries, INL regional funds have been used to support demand reduction activities where poverty encourages addiction, yet neither the government nor community organizations can fund outreach. The improvements are measured by increased public awareness of the dangers posed by narcotics.

***Justification*:**

Continued evidence of expanding heroin shipments to, and addiction in, the United States dictates that counter-opium resources be applied with maximum flexibility over half the globe. This regional account complements U.S. drug control funding through international organizations, such as United Nations International Drug Control Program (UNDCP). Illicit drug production in Southeast and Southwest Asia has soared as opium poppy cultivation increases in Burma and Afghanistan. Drug trafficking patterns continue to expand exponentially through South and East Asia and into the Middle East and Africa as local criminal organizations prosper and develop into worldwide networks. Weak governments with poorly developed and financed law enforcement infrastructures provide fertile environments in which trafficking organizations have flourished. The transnational character of illicit narcotics trafficking requires a regional approach for multilateral and bilateral programs.

The Regional Cooperation Fund is designed to help governments establish counternarcotics law enforcement units, obtain training or equipment, and conduct demand reduction/public awareness campaigns. The intent is not to permanently fund programs, but to provide seed money for countries to help themselves and to complement UNDCP and other donor programs.

- **East Asia:** The program in Asia is designed to strengthen countries' law enforcement and judicial institutions and to help them develop the capability to deal with drug abuse by providing training and equipment, and some alternative development assistance. This is particularly true for China, Vietnam and Cambodia, where drug trafficking and abuse are rapidly growing problems, but where the governments have limited experience and capabilities in confronting these challenges. The program will also assist countries in developing legislative and judicial structures to deal more effectively with drug trafficking and money laundering. Small programs to enhance law enforcement and demand reduction capabilities are planned for a variety of countries in the region. The United States will also encourage and enhance existing regional cooperation in addressing narcotics control.

Southwest Asia: This program focuses on opium poppy cultivation in Afghanistan. It has supported limited crop substitution activities there. In FY 1999 and 2000, increases to Afghan programs will enable an expansion of alternative development/crop substitution programs in major producing areas. In other countries, the program supports law enforcement equipment and small demand reduction programs run by NGOs.

Africa: The U.S. regional counternarcotics program budget for Africa focuses on narcotics problems in Nigeria and southern Africa. In addition, there are a number of small projects in a variety of nearby countries designed primarily to assist with law enforcement institution-building in drug transit countries.

Training will remain paramount in the Africa/Middle East program. Although Nigeria is still the most serious threat, southern Africa will be an equally important focal point as the political flux allows narcotics trafficking and consumption to spread. Customs training, management training for counternarcotics units, demand reduction programs, technical assistance and public education campaigns will also be useful. In addition, the United States is working closely with other donors to coordinate these efforts.

Performance Indicators for FY 2000:

- Increased institutional capacities of counternarcotics law enforcement agencies in the region, as measured by quantities of drugs interdicted, arrests of major traffickers and disruption of trafficker networks;
- Adoption of effective counternarcotics and money laundering legislation and counter-corruption measures;
- Effective use of counternarcotics legislation, including conspiracy and asset forfeiture statutes;
- Reduction in the cultivation and production of illegal narcotics in the region; and
- Increased public awareness of the dangers of drug abuse, decreased levels of abuse, and increased in the resources committed to the problem by host governments.

Interregional Aviation

Foreign Operations Resources:

($ in thousands)

	FY 1998 Actual	FY 1999 Estimate	FY 2000 Request
INC	38,000	51,000	50,000

U.S. Foreign Policy Objectives:

The interregional aviation program supports governments in South and Central America and the Caribbean to eradicate drug crops, interdict drug trafficking, and develop their own institutional counternarcotics aviation capabilities. The Administration's strategy continues to emphasize crop control in source countries. Since nearly all drugs are produced in remote, underdeveloped, inaccessible regions where both infrastructure and law enforcement are minimal, aircraft are required to eradicate drug crops and to move personnel and equipment. In response to host government requests, the interregional aviation program provides eradication aircraft and aviation support services.

Primary U.S. objectives for the interregional aviation program are to:

- Aerially-eradicate drug crops with herbicides and/or transport workers for manual destruction of drug crops;
- Strengthen the counternarcotics aviation programs of cooperating host governments;
- Support host government law enforcement agencies' efforts to destroy cocaine and heroin processing laboratories and interdict the aerial transport of illicit drugs;
- Conduct aerial reconnaissance to locate drug crops and production facilities and verify eradication program results.
- Develop and deploy technological innovations to improve effectiveness and safety of aerial eradication and interdiction efforts.

Performance Indicators:

Aerial eradication programs are now underway in most South American drug-producing countries. U.S.-funded institution-building assistance is making important progress throughout Latin America, leading to enhanced local capabilities and reduced American contractor staffing. In Bolivia, all missions are flown by Bolivian Air Force (BAF) pilots, including those requiring night vision goggles, and an increasing share of maintenance and logistics support is performed by the BAF. In Peru, all missions are flown by pilots of the Peruvian National Police (PNP), which are pursuing an aggressive maintenance training program. The Colombian National Police (CNP) are utilizing U.S. assistance to pursue aggressive eradication efforts against opium and coca cultivation, with record-setting results achieved in FY 1998/1999.

Interregional aviation activities are vital in implementing the President's shift of emphasis for U.S.-funded international counternarcotics interdiction activities from the drug transit zone to drug producing countries. Under a mobile basing strategy in Peru, U.S.-owned helicopters transport PNP personnel and U.S. law enforcement advisors on counternarcotics operations throughout eastern Peru. In Bolivia, U.S.-owned helicopters enable the Bolivian government to project authority over vast areas where drug traffickers previously operated with impunity. While some support for interdiction projects in Central American drug transit countries has been reduced, we have retained a regional capability to intercept drug smuggling aircraft, day or night, on a short notice temporary deployment basis.

Justification:

In FY 2000, interregional aviation activities will continue to focus on Colombia, Bolivia and Peru, with temporary deployments of aircraft and personnel, on an as-needed basis, elsewhere in the Andean region and Central America. INL will exploit

all opportunities for aerial eradication while maintaining aggressive interdiction activities. Progress will continue toward reaching self-sufficiency status of aircraft maintenance and training programs in Bolivia and Peru. Further emphasis will be placed on programs to upgrade spray aircraft capabilities, including granular herbicides and night flying. Finally, the Aviation Division plans to phase in additional State Department direct-hire or contract personnel as replacements for DOD detailees to ensure continuity of operations.

Performance Indicators for FY 2000:

- Hectares of drug crops eradicated with aerially-applied herbicides;
- Success of host country interdiction of drug production and trafficking activities supported by INL air assets;
- Enhanced host governments' institutional capabilities to undertake counternarcotics air operations safely and effectively;
- Continued personnel transport, resupply activities, and provision of other logistics support for field activities; and
- Aerial reconnaissance missions to pinpoint drug production areas and facilities and verify eradication.

International Organizations

Foreign Operations Resources:

($ in thousands)

	FY 1998 Actual	FY 1999 Estimate	FY 2000 Request
INC	4,517	9,200	12,000

U.S. Foreign Policy Objectives:

International organizations continue to be a key element in transnational drug control. Support for UN and other multilateral responses to the drug threat is a central and increasingly important aspect of our overall counternarcotics policy as reflected in PDD-14, PDD-44, and the Santiago Summit. Moreover, at the UNGA Special Session on Narcotics – attended by President Clinton and more than 30 other heads of state – the USG strongly promoted UNDCP's plan for the global elimination of illicit coca and opium poppy cultivation by 2008. This is a long-term initiative that will include extensive alternative development and eradication programs, which will be coming on-line in 1999 and 2000. The increased emphasis on multilateral issues, such as chemical control and maritime cooperation, as well as the need for new ways to attack the

escalating heroin problem and implement the Presidential Decision Directive against heroin, entail additional INL support for effective international organization initiatives.

Building counternarcotics institutions will strengthen democracy and promote the rule of law in many countries. Multilateral organizations offer the advantage of leveraging contributions from other donors and decreasing the perception that drugs are exclusively an U.S. problem. Multilateral programs also allow access in regions where the United States is unable to operate for political or logistical reasons. Activities and initiatives sponsored by the UN, OAS, or other multilateral organization are often more palatable to countries sensitive to sovereignty concerns.

Specifically, the demands for OAS involvement in the counterdrug arena are also increasing. CICAD is critical to U.S. international objectives in the wake of the Santiago Summit of the Americas. In addition to commitments by heads of state to fully implement the anti-drug strategy in the hemisphere – which includes expansion of ongoing CICAD program and training activities – the Summit Action Plan includes endorsement of a U.S. proposal to develop a multilateral mechanism to monitor and evaluate counterdrug performance by the OAS member states. Assisting governments develop or refine drug strategies and improve their national antidrug capabilities is critical to the ultimate success of the mechanism. This is one of CICAD's most important roles and its ability to assist member states is dependent upon continued support from the USG.

This International Organizations program provides funds to the United Nations International Drug Control Program (UNDCP), the OAS Inter-American Drug Abuse Control Commission (CICAD), and the Colombo Plan's Drug Advisory Program, among others. UN agencies, international financial institutions, and multilateral development banks engaged in development programs in drug source countries also have a role to play by factoring counternarcotics goals into their activities. INL will promote activities through UNDCP for implementation by these bodies. Key objectives for the international organizations are to:

- Maintain strategic leadership in guiding the international drug control effort and create a political atmosphere which encourages other countries to view drug control as a major foreign policy concern and motivates them to strengthen domestic measures;

- Assist countries in developing the institutional infrastructure to reduce the production and trafficking of drugs by strengthening law enforcement agencies, modernizing judicial systems, developing drug laws so that countries can investigate, prosecute, and punish major drug kingpins, and reducing the demand for drugs;

- Use UNDCP, OAS/CICAD, and other international organizations to execute programs which expand multilateral cooperation, advance U.S. drug control

goals, or replace U.S.-funded programs in countries where the U.S. presence is limited; and

- Support efforts to make drug control an integral part of UN programs and to ensure that a wide range of UN assistance efforts further counternarcotics goals.

Performance Indicators:

U.S. contributions to UNDCP have a significant impact on the operations and expansion of UN counternarcotics programs and policy. The level of U.S. contributions has also led to increased commitment from other donors, whose primary vehicle for international drug control efforts continues to be the UN. Recent U.S. contributions to UNDCP have led to:

- Expansion of the Southeast Asia program targeting Burma, the largest opium producer, through a cooperative program that includes China, Thailand, and Laos. In addition to new programs in Vietnam and Cambodia, the regional program includes a pilot project in the Wa-controlled area in Burma and a project for the Kachin-controlled area;

- Development of a program to support the eradication campaign in Nangarhar province, a key opium cultivation area in Afghanistan—the second largest opium producer;

- Provision of UNDCP chemical control investigative training and administrative advice for Southwest Asia, Central Europe, the Caribbean and Latin America;

- Development of a maritime training program;

- Establishment of a regional training project in the Caribbean to train prosecutors and judges in order to improve conviction rates on narcotics-related cases;

- Establishment of a demand reduction training center for Central European nations and the Newly-Independent States;

- Provision of legislative advice which led to significant changes in anti-drug laws in Central Europe and the Newly Independent States (NIS) in order to implement the 1988 UN Convention; and

- Coordination of bilateral and multilateral aid to Central Europe and the NIS, and provision of training and advice to bolster enforcement and customs institutions.

U.S. contributions to OAS/CICAD have leveraged increases from other donors, such as the EU and European nations, Japan, and UNDCP. The OAS program concentrates on

building regional programs in Latin America and the Caribbean. Some of the direct results of U.S. contributions to OAS/CICAD include:

- Development of model regulations and workshops to target money laundering and asset forfeiture, and a similar program for chemical control;

- Implementation of a legal program in Central America to assist governments to develop and harmonize anti-drug laws and sentencing guidelines; and

Development of a regional demand reduction strategy for the hemisphere, public awareness and drug abuse prevention campaigns through governments and non-governmental organizations, and coordination of demand reduction programming for street children;

Justification:

Increased USG assistance to UNDCP will focus on supporting Executive Director Arlacchi's global strategy to eliminate opium and coca in ten years. The FY 2000 request will support UNDCP programs to: 1) begin and sustain projects in the largest opium producing areas of Southeast Asia where the U.S. has limited access, i.e., Burma, China, Laos, Vietnam, and Cambodia; 2) leverage additional European support for programs in Southwest Asia where opium cultivation is escalating, i.e., Afghanistan and Pakistan; 3) establish drug control institutions and regional cooperation in the New Independent States; 4) coordinate and provide law enforcement training, judicial assistance, and demand reduction assistance to strengthen the counterdrug institutions in Central Europe; 5) in the Western Hemisphere, provide additional technical assistance to support the strengthening of host government institutions involved in the investigation, prosecution, and confinement of major drug traffickers through a program at the University of the West Indies in Bridgetown and through parallel law enforcement training programs; 6) continue legal advice to assist the drafting and implementation of legislation to implement the 1988 UN Convention; 7) continue chemical control training to assist governments to implement chemical control regimes; and 8) develop a maritime cooperation training program.

As a primary funding source for CICAD, the USG plans to fund much of CICAD's key role in supporting hemispheric cooperation and coordination. The FY 2000 request will support OAS/CICAD programs to: 1) strengthen national drug commissions, promote interagency cooperation, maximize use of national resources, and establish a means of permitting these commissions to exchange information; 2) enhance the Central American Legal Development Center in Costa Rica, and initiate parallel centers for the Andean region and the Caribbean; 3) promote effective national control of precursor chemicals, money laundering and arms trafficking; 4) develop a program for coordinating international law enforcement training; 5) provide specialized law enforcement training activities, such as port security training, witness protection, and court reporting; 6) further develop and provide demand reduction assistance programs;

and 7) conduct follow-on activities identified in the Alternative Development working-level planning meeting.

Remaining FY 2000 INL funds will: 1) support regional treatment and drug intelligence gathering seminars in Southeast and Southwest Asia; 2) expand the Southwest Asia drug prevention program coalition; 3) conduct public awareness campaigns throughout Asia; 4) develop a regional fora for law enforcement agencies in Southeast and Southwest Asia; and 5) promote new initiatives in Burma, Laos, Vietnam and Cambodia.

Narcotics Law Enforcement Training And Drug Awareness And Demand Reduction

Foreign Operations Resources:

($ in thousands)

	FY 1998 Actual	FY 1999 Estimate	FY 2000 Request
INC	9,000	8,000	9,000

Narcotics Law Enforcement Training

U.S. Foreign Policy Objectives:

Law Enforcement Training is designed to assist cooperating countries in creating effective national organizations for investigating drug trafficking and interdicting illegal narcotics, thereby reducing the flow of illegal drugs to the United States. Key objectives of Narcotics Law Enforcement Training are to:

- Contribute to the basic infrastructure for carrying out counternarcotics law enforcement activities in cooperating countries;
- Improve technical and investigative skills of drug law enforcement personnel in key drug producing countries; and
- Increase cooperation and coordination between U.S. and foreign law enforcement officials.

International anti-narcotics training is managed and funded by the Department of State, and carried out by DEA, the U.S. Customs Service, and the U.S. Coast Guard. Since 1971, INL has transferred approximately $115 million to DEA, Customs and the Coast Guard, resulting in training for more than 66,000 foreign anti-narcotics officials. Generally, training programs in the United States are tailored to senior-level management and policy-level officials, while programs offered overseas are normally for operational personnel.

INL's law enforcement training programs constitute one of the surest means of implementing the current U.S. counternarcotics strategy for institution-building and promotion of host-nation self-sufficiency. U.S. counternarcotics efforts overseas will be evaluated by their achievements in establishing effective host country enforcement institutions which remove drugs from circulation before leaving the country of production. The prime responsibility of U.S. personnel overseas is to promote the creation of host government systems, which are compatible with and serve the same broad goals as those in the United States.

INL-funded training will continue to support the major U.S. and international strategies for combating narcotics trafficking worldwide. Major emphasis will be given to training on a regional basis utilizing the newly established International Law Enforcement Academies as a venue where appropriate, and to contributing to the activities of international organizations, such as the UNDCP and the OAS.

The United States will continue to furnish programs only to those countries considered to be of high priority for U.S. anti-narcotics interests. Through the meetings of major donors, the Dublin Group, UNDCP and other international fora, the United States will coordinate with and urge other states to shoulder greater responsibility in providing training which serves their particular strategic interests. This coordination will also help to avoid wasteful duplication of training efforts.

Programs dealing with financial crimes (i.e., methods for promoting asset seizure and combating money laundering) will continue to expand. INL will continue to coordinate the activities of Washington agencies in response to assistance requests from U.S. Embassies. This will avoid duplication of effort, and ensure that presentations represent the full range of U.S. Government policies and procedures.

Performance Indicators:

During the past year, INL training has become increasingly focused on encouraging self-sufficiency in foreign law enforcement agencies through infrastructure development. Basic instruction programs were provided only in countries having limited experience with anti-narcotics activities. Most of the training scheduled was in more sophisticated areas, such as executive and management development, asset forfeiture and financial investigations, use of special enforcement teams, counternarcotics security measures, partnerships with the private sector and instructional techniques.

Law enforcement training continued to give particular attention to the emerging problem of heroin trafficking and abuse. Programs were provided to opium production and transit countries where U.S. access has recently improved such as China, Vietnam, Cambodia and the Central Asian republics. Training also focused on the New Independent States, paving the way for a much broader U.S. law enforcement

assistance program, which was implemented during the fiscal year. Emphasis was maintained on the South and Central American countries that are the prime source of narcotics destined for the United States.

Justification:

The demand from foreign governments and U.S. embassies abroad for INL-sponsored training continues. Funds requested for FY 2000 will allow the United States to accommodate the demand and the growing emphasis on law enforcement training as a vehicle for achieving many of the basic objectives of its counternarcotics policy.

Drug Awareness And Demand Reduction

U.S. Foreign Policy Objectives:

Drug Awareness and Demand Reduction programs seek to reduce the worldwide demand for illicit drugs and minimize the flow of narcotics to the U.S. by stimulating foreign governments and institutions to increase attention on the effects of drug abuse on their societies, and to target the trafficking groups responsible for these problems. Key objectives of Drug Awareness and Demand Reduction Training are to:

- Strengthen the ability of host nations to conduct more effective demand reduction efforts on their own;

- Encourage drug producing and transit countries to invest resources in drug awareness, demand reduction, and training to build public support and political will for counternarcotics programs; and

- Improve coordination and support of international drug awareness and demand reduction amongst the U.S., donor countries, and international organizations.

INL-funded training helps host nation counternarcotics institutions to independently conduct more effective demand reduction and public awareness programs. Particular attention is given to cocaine producing and transit countries in Latin America and the emerging heroin threat from South Asia. Eastern Europe, the former Soviet Union and South Africa will constitute other areas of focus. These activities will be undertaken in collaboration with other donor countries and international organizations to enhance multilateral activities and reduce costs to the USG.

INL will continue its collaborative arrangements with other U.S. agencies (NIDA, USIA) and regional organizations (OAS). Training and technical assistance in FY 2000 will continue to emphasize treatment, prevention, education, and drug research. While training will go on in these four critical areas, the program will enhance its focus on the development of national, regional, and international coalitions of public/private sector organizations to strengthen national and international cooperation and actions against

the drug trade. In response to PDD-42 on international organized crime, the training program will address the role of youth gangs and related violence in the international drug trade by providing technical assistance on the development of intervention methods for this high-risk population, which represents a prime recruiting pool for organized crime groups.

The public awareness program will strengthen the ability of host countries to build public support and bolster the political will for implementing counternarcotics programs. Training will focus on the development of national-level drug awareness campaigns that demonstrate connections between the drug trade and other concerns such as economic growth, democracy, and the environment. On the local level, training will focus on the establishment of effective drug awareness/education campaigns in schools and the community (including the use of media and advertising resources). Technical assistance will help host governments conduct sustained drug awareness campaigns by developing linkages between the corporate sector and the mass media. The public awareness program will also help develop regional and international coalitions of non-government organizations (NGOs) to mobilize international opinion against the drug trade and encourage governments to develop and implement strong counternarcotics policies and programs.

The demand reduction program will continue work at the grassroots levels to build a base among the public/private sectors to sustain pressure against the drug trade. The program will help establish and sustain strong community partnerships and coalitions of public/private sector programs for drug prevention/treatment, create or enhance effective community- and school-based prevention programs, and improve services provided by treatment and after-care programs.

Performance Indicators:

Through INL-funded training and technical assistance, host governments have been able to engage their own national institutions, communities and resources to reduce their demand for illicit drugs. INL has been able to convince other donor countries and international organizations to provide support to priority U.S. international demand reduction programs.

Significant demand reduction program achievements include:

- Fourteen key countries in Latin America and South Asia continue to develop and staff their own drug treatment/prevention programs;

- All source and key transit countries implemented their own national level drug awareness campaigns and conducted their own national level epidemiological surveys in South America;

- Countries in South America and Asia developed training and prevention coalitions in each region for demand reduction;

- The European Community, UNDCP, OAS, UNICEF, Colombo Plan, and host governments co-sponsored with INL regional training events in Latin America, South Asia, and Eastern Europe, and developed specialized drug prevention projects for high-risk youth in Latin America.

Justification:

Foreign governments frequently request training assistance for their demand reduction efforts, pointing out that drugs affect their children as well as those in the United States. In return for their efforts against production and trafficking, they request information on the latest U.S. demand reduction technology. Drug research training helps host nations to document existing drug problems; public awareness training helps disseminate this information to the general public and mobilize private/public sector responses against drug trafficking. When countries fund their own treatment and prevention programs, they not only acknowledge the existence of a drug problem, but also tend to target those groups (e.g., traffickers) responsible for that problem. The requested demand reduction budget has been reduced slightly since costs for expanded activities will come from collaboration with other donor countries and international organizations.

Program Development and Support

Foreign Operations Resources:

($in thousands)

	FY 1998 Actual	FY 1999 Estimate	FY2000 Request
INC	8,600	8,800	9,300

U.S. Foreign Policy Objectives:

Program Development and Support (PD&S) funds provide for the domestic administrative operating costs associated with INL. The key objectives of PD&S funds are to:

- Develop and manage narcotics control and international crime activities of the Department of State;

- Coordinate with other U.S. Government agencies; and

- Provide program, financial, procurement, and administrative guidance and assistance for narcotics and crime programs worldwide.

Performance Indicators:

Within the Department of State, INL maintains a cadre of program and technical experts to meet overseas and domestic requirements and support field needs. Washington staff activities include but are not limited to the following: overall policy formulation, guidance, and analysis; developing, guiding, evaluating, and backstopping programs overseas; conducting periodic visits to embassy narcotics affairs sections to review, analyze, and make recommendations on programs; developing or sponsoring management control seminars for overseas staff; developing training programs for new personnel; and coordinating its activities with other agencies and governments.

Justification:

More than 67 per cent of the requested funds will be used for the salaries and benefits of INL Washington-based employees and of employees loaned to INL from other State Department bureaus and other agencies. Travel is also funded with PD&S funds. Staff travel is essential to review and evaluate the many programs the Bureau supports worldwide, as well as to promote and advance international counternarcotics foreign policy objectives. In addition, PD&S funds are used for special studies, short-term technical assistance, staff training, equipment, administrative services and supplies.

FY 2000
International Narcotics Control
Direct Hire Staffing

FY 2000 Staffing: The Bureau of International Narcotics and Law Enforcement Affairs (INL) expects to have a total of 150 permanent positions, not including the Assistant Secretary, whose salary is paid by the Department of State's Salary and Expenses account. Of the 150 Bureau positions, 15 would be dedicated to International Criminal Justice programs and are funded by State's Salary and Expenses account. The remaining 135 positions are funded by the International Narcotics Control account.

Of these 135 Bureau-funded positions, 87 would be Washington-based and funded with Program Development and Support funds, including three reimbursable support personnel positions assigned to other bureaus. In addition, the Bureau has one direct-hire American regional narcotics affairs officer in Miami whose position is financed from the program funds of that office. Overseas, a total of 30 direct-hire American field positions and 17 direct-hire foreign national positions are financed from INL country program funds to implement the Bureau's narcotics efforts overseas.

INL Anti-Crime Programs

Foreign Operations Resources:

($ in thousands)

	FY 1998 Actual	FY 1999 Estimate	FY 2000 Request
INC	20,000[5]	25,000[6]	30,000[7]

***U.S. Foreign Policy Objectives*:**

In his May 1998 letter of transmittal for the International Crime Control Strategy, the President referred to the growing danger of international organized crime as being not only a law enforcement problem, but also a national security threat to the United States. Transparent national borders, fewer trade restrictions, and truly global financial and telecommunications systems provide significant opportunities for criminal organizations to expand operations beyond national boundaries. The global reach of organized crime makes it more difficult for industrialized countries and emerging democracies to detect, investigate, and prosecute criminals. Emerging democracies sometimes lack the resources, laws, and capabilities to counter threats posed by sophisticated criminal networks. Organized crime groups from the former Soviet Union, Asia, and Italy are forming partnerships among themselves as well as with the drug barons of Latin America. Their activities pose major challenges to U.S. national interests abroad, such as American businesses and their employees, U.S. tourists, and to the security and prosperity of Americans at home.

The Secretary of State mandated the Bureau of International Narcotics and Law Enforcement Affairs to fund, coordinate, and provide policy guidance for international crime matters. This includes responsibility for law enforcement training assistance and procurement of equipment for those countries in which international criminal activity arises. The key objectives are to:

- Combat the growing threat to U.S. national security posed by international organized crime;

- Assist emerging democracies to strengthen their national judicial and law enforcement institutions to counter illegal criminal activities through training, equipment and technical assistance to promote effectiveness by sponsoring coordination task forces;

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[5] Does not reflect FSA, SEED Act and PKO funding transferred from USAID for FY 98 (total $56.8 million).

[6] The FY 1999 and FY 2000 budgets do not reflect FSA and SEED Act funding. This funding will be allocated to INL.

[7] Ibid.

Other Assistance

- Strengthen efforts by the UN and other international organizations to assist member states in combating international criminal activity;

- As required by the OAS Convention, develop and provide training on the illicit manufacture and trafficking of firearms for Central and Latin America;

- Develop regional Small Arms Centers in Africa to ensure compliance with the Mali moratorium, and provide technical assistance and training with the goal of building stronger law enforcement networks to fight the uncontrolled trafficking in small arms on the continent;

- Create networking among federal law enforcement agencies and counterparts in other nations to more effectively prosecute crimes in the U.S.;

- Provide sophisticated high-tech and technical assistance to combat new financial and money laundering;

- Provide training in intellectual property rights, computer and telecommunications related crimes through local and regional issues based training;

- Provide training programs to help curb alien smuggling, trafficking in women and children, and violence against women and children; and

- Support the establishment of international law enforcement training academies for South/Central America and Bangkok and continue support of the Budapest training program.

- Development programs to protect the critical cyber controlled infrastructure from attacks

Performance Indicators:

The United States is making strides in several fora towards enhancing international cooperation in the fight against international organized crime. In FY 1998, over 4,000 law enforcement officers from Central Europe and the NIS received training under INL/ENT's Anti-Crime Training and Technical Assistance Program (ACTTA). Several agencies reported that partnerships forged through training with their Central European and NIS counterparts are solving cases of mutual concern. The State/INL-funded International Law Enforcement Academy (ILEA) in Budapest trained 250 NIS and Central European police managers in its eight-week program in 1998. Germany, the United Kingdom, Canada, Italy, Russia and the Council of Europe are providing instructors to teach units on nuclear smuggling, organized crime, VAT tax evasion, human rights, and media relations as part of the eight-week program at ILEA. President Clinton's UNGA speech in October 1995 referred to the Budapest Academy as a model for developing other regional academies around the world.

Other Assistance

INL has developed a financial training program for providing law enforcement, rule of law, and central bank training and assistance to emerging democracies. A prime focus of the training program is a multi-agency approach to addressing international financial crimes, law enforcement development, organized crime, and counternarcotics training. Supported by and in cooperation with INL, the Department of Justice (DOJ), Treasury Department component agencies (including the Financial Crimes Enforcement Network (FINCEN) and the Office of the Comptroller of the Currency (OCC)), the Board of Governors of the Federal Reserve (FRB), and non-government organizations offered law enforcement and criminal justice programs worldwide.

During 1998, INL funded numerous programs to combat international financial crimes, including money laundering. Nearly every federal law enforcement agency assisted in this effort by providing basic and advanced training courses in all aspects of financial criminal activity. In addition, many federal agencies were provided funding to conduct assessments and develop specialized training in identified countries worldwide.

As in previous years, INL training programs continue to focus on the interagency approach and bring together, where possible, law enforcement, judicial and central bank authorities in assessments and training programs. This approach allows for an exchange of information and a dialogue usually not undertaken by those attending the training seminars. This approach has proven successful in various parts of the globe, from Central and South America to Russia, the Newly Independent States (NIS) of the former Soviet Union, and Central Europe.

An initiative to work with the National Insurance Crime Bureau, the FBI and USCS is designed to recover U.S. stolen vehicles from Central America and the Caribbean. The U.S. has developed a model treaty to identify, recover, and return stolen vehicles to their owners, and a training program for local law enforcement to recover these vehicles. This treaty has been signed with Belize, the Dominican Republic and Guatemala. Talks are still underway with Honduras, Panama, and Venezuela with signed agreements hoped for 1999. Panama, El Salvador, Honduras, and Venezuela have received training on ways to combat stolen car trafficking.

State sponsored ATF/USCS provided Basic Firearms Trafficking training courses in Latin America and the Caribbean, and advanced courses (conducted in the U.S.) for fifteen countries in these regions. Teams from these two agencies also performed needs assessments and assisted authorities in tracing of seized firearms in ten countries. In addition, an International Firearms Regional Seminar attended by key law enforcement personnel from 15 countries was conducted in Miami.

Since 1993, an inter-agency working group chaired by INL has coordinated the interdictions of 15 Chinese alien smuggling vessels and the return of its illegal immigrants to China. Moreover, the United States is working with the Inter-Governmental Consultations group (IGC), the International Organization for Migration, the European Union, the Budapest Group, and the P-8 to coordinate enforcement efforts, assist sending and transit countries to combat alien smuggling,

trafficking in people, and to enact anti-smuggling laws where none currently exist. The United Nations General Assembly, the United Nations Crime Commission, and the International Maritime Organization have adopted resolutions condemning alien smuggling and directing the creation of protocols to the Organized Crime Convention regarding alien smuggling and trafficking of women and children.

The Caribbean Crime Initiative is designed to enhance ongoing efforts to combat organized criminal activity in the region. A regional witness security training program, for example, has been developed as part of this initiative. This program is being implemented to improve Caribbean government protection of witnesses prior to and during the trial.

Justification:

The INL FY 2000 budget request is based on the requirements set forth in PDD-42, "International Organized Crime," and reflects the consolidated management of law enforcement and police training programs. INL will use federal, state and local law enforcement agencies, the International Criminal Investigative Assistance Program (ICITAP), and other organizations to provide law enforcement training programs and technical assistance to the Latin America, Africa, and East Asia. Funding for programs in the New Independent States (NIS), Russia and Central Europe are funded out of the Freedom Support Act and Support for Eastern European Democracy accounts, respectively. The program, generally, will place significant emphasis on financial crimes money laundering, alien and weapons trafficking, and combating organized and financial crime.

ILEA: INL will continue funding for law enforcement and criminal justice training programs at the International Law Enforcement Training Academy (ILEA) in Budapest, Hungary, Bangkok and the Western Hemisphere. ILEA provides an eight-week personal and professional development program for approximately 250 mid-level police managers each year. In addition, over 400 criminal justice officials receive specialized training on a wide range of subjects each year.

Alien Smuggling/Trafficking in Women and Children: INL will assist the NIS, Russia, and Central Europe to more effectively combat alien smuggling/trafficking in women and children by enacting anti-smuggling legislation, training and working through existing fora, such as the G-8 Senior Experts Group on Transnational Organized Crime (the Lyon Group) and the Budapest Group.

Legal and Regulatory Reform: Working with Justice and Treasury agencies against international organized crime, INL will continue the development of programs to assist central banks and other financial institutions to prevent and investigate financial fraud and money laundering. INL will also provide programs on drug and crime prevention, including prevention and investigating of domestic violence, sexual assault, witness protection and community policing.

Critical Infrastructure Protection: INL will carry out its responsibilities as the Department's functional coordinator for critical infrastructure protection (CIP) issues, including leading the USG international outreach effort under PDD-63, through a program of inter-agency meetings and coordination, establishment of a database of USG international CIP activities, and travel to engage other nations, international organizations and multinational corporations in CIP discussions and efforts.

Latin America

Law Enforcement Training: INL will support programs to assist justice sector, law enforcement and regulatory agencies in Latin America and the Caribbean in their efforts to combat international criminal activities, particularly financial fraud and money laundering. These programs will be designed to complement INL's ongoing counternarcotics programs.

Stolen Cars: INL will fund the next phase of the program to negotiate bilateral agreements with regional governments. These agreements will provide standard procedures for the recovery and return from Central America of stolen U.S. vehicles and provide training for law enforcement agencies to reduce the annual several hundred million-dollar losses in car theft from the United States. The U.S. insurance industry strongly supports this program, which will expand to South America and other parts of the world where stolen U.S. vehicles are being marketed in large numbers.

Alien Smuggling/Trafficking in Women and Children: Through INL's efforts, many Latin American countries are beginning to improve their efforts to combat alien smuggling by enacting anti-smuggling legislation, and by coordinating enforcement operations against alien smugglers. INL will continue to assist these countries to combat alien smuggling through training, information sharing, and coordinated enforcement operations.

Firearms Trafficking: INL will continue to coordinate the third year of a joint ATF/Customs training program to assist Latin American countries in developing their own programs to combat firearms trafficking as required by the OAS Convention. Assistance will include teaching weapons identification, classification, nomenclature, markings for the purpose of conducting traces and procedures for requesting U.S. law enforcement assistance.

Africa and East Asia

Africa: INL, in conjunction with Treasury, Justice, DOD, CIA, and other State Department bureaus, is in the process of developing Small Arms Centers to provide law enforcement training and technical assistance in newly-emerging democracies that will emphasize respect for human rights by demonstrating how U.S. agencies function to enhance the rule of law. INL also will provide technical assistance to law enforcement

agencies in South Africa responsible for preventing illegal trafficking in nuclear materials and small arms, community-based policing, administration of justice, money laundering and legislative and judicial reform.

East Asia: INL will provide law enforcement training to prevent financial fraud and money laundering, and to combat organized crime groups involved in alien smuggling/trafficking in women and children.

Multilateral Organizations/Other

International Criminal Investigative Training Assistance Program (ICITAP): ICITAP law enforcement and forensics training will be provided for countries in transition from civil strife or military rule to democratic rule (i.e., Haiti, Bosnia).

Multilateral Organizations and Initiatives: Funding for the UN's Crime Prevention and Criminal Justice Branch and other multilateral organizations will be provided for specific justice sector and law enforcement training and technical assistance programs.

Financial Action Task Force (FATF): Contributions to key research activities and meetings of the FATF not otherwise funded by the U.S. Government, international organizations, or operational expenses of the office will aid in addressing money-laundering crimes (i.e., Asia/Pacific Group (APG); Caribbean Financial Action Task Force (CFATF); OAS/CICAD and the Council of Europe).

Performance Indicators:

- Minimized duplication of U.S. police formulation to combat international organized crime-international financial and economic crimes, particularly money-laundering, and international illegal trafficking, particularly alien smuggling and trafficking in women and children;
- Strengthened ability of emerging democracies and their institutions to deal with the challenges of organized crime groups and other crimes;
- Partnerships formed between U.S. law enforcement agencies and their counterparts in solving international cases of mutual concern;
- Reduction of organized criminal groups, illegal trafficking, and financial and economic crimes in the countries listed above; and
- Improved law enforcement capability and effectiveness of member states of the United Nations Commission on Crime Prevention and Criminal Justice.

Systems Support and Upgrade

Foreign Operations Resources:

($ in thousands)

	FY 1998 Actual	FY 1999 Estimate	FY 2000 Request
INC	18,000	4,500	5,000

U.S. Foreign Policy Objectives:

In FY 1997, INL initiated a program to maintain aviation systems deployed throughout the world, rather than including funding for these in individual country programs. This approach provides standardization of services and support, and allows savings through economy of scale in procurement. Because costs incurred within contracts for individual items are subject to negotiation and may be higher or lower than our estimates, this provides INL the flexibility of a line item covering several different systems to allow adjustments in funding levels. Specific Systems Support and Upgrade projects include C-26 support, an airborne surveillance initiative and refurbishment of OV-10 Broncos.

Through this funding, specialized systems which are currently not available will be provided to meet counternarcotics mission requirements in support of surveillance, detection, eradication, interdiction, and logistics. The Bureau will also be able to improve the performance characteristics of existing systems to better utilize their capability, extend their useful life, and increase the effectiveness of reconnaissance, eradication, and interdiction efforts.

Performance Indicators:

C-26 Support: A total of 19 C-26 aircraft have been or will be transferred under Section 506(a)(2) authority to the governments of Mexico, Peru, Colombia, Venezuela, and Barbados (in support of the regional security system). To assist these countries in optimizing the utility of these aircraft, the U.S. will investigate the feasibility of and encourage host nation participation in a centrally managed logistics system that will allow nations to minimize spares inventory while maximizing availability. The result will be a reduction in total cost of ownership, higher flying rates, and greater levels of safety and standardization.

Airborne Surveillance Initiative: One of the remaining critical shortfalls in the current counternarcotics operational structure overseas is the lack of host government surveillance, detection, and monitoring capability. Traffickers operate with near impunity as they violate border integrity while transporting a variety of forms of contraband. Customs laws have become meaningless as air, land, and maritime

conveyances choose arrival ports/points at their discretion. In short, most nations of this hemisphere lack the fundamental means of assuring their own sovereignty.

In response, INL is funding the development of an airborne surveillance system that will be integrated and installed in a number of C-26 aircraft. These systems will be tailored to host government needs and will provide critical information to command and control centers capable of analyzing and disseminating data to appropriate regulatory or enforcement units. The system will be developed to augment and complement other effective elements of the enforcement system. Additionally, INL will coordinate with C-26 user nations to facilitate the movement of relevant surveillance information across national boundaries.

OV-10 Refurbishment: In FY 1997, INL received 22 OV-10D aircraft previously used by DOD which have increased capabilities for conducting massive coca and opium aerial eradication campaigns throughout Latin America compared to existing T-65 aircraft. The employment of these aircraft, equipped with armored cockpits and twin engines, will increase speed, range, pilot safety, and herbicide carrying capacity. The OV-10 refurbishment program will allow for major modification of these airframes to reduce weight and modernize electrical, avionics, cockpit configuration, and special mission equipment to take full advantage of the aircraft's capability and extend its useful life. These aircraft will have a full day/night eradication capability.

Performance Indicators for FY 2000:

- Provide specialized systems, especially air assets, to meet counternarcotics mission requirements; and

- Improve performance ability of existing systems to extend their effectiveness and useful life.

IV. SUPPORTING INFORMATION

Arms Control Considerations

Security assistance continues to be an indispensable U.S. policy instrument in the post-Cold War era for exerting constructive leadership in advancing international peace and security, and increasing the number of states with democratic political institutions and free market economies. Judiciously used, arms transfers can deter aggression, foster internal and regional stability, strengthen and revitalize mutual security relationships, and demonstrate enduring interest in the security of friends and allies. New and creative uses of security assistance, such as the worldwide Nonproliferation and Disarmament Fund, promote bilateral and multilateral efforts to control the spread of missiles, nuclear and chemical/biological weapons, and destabilizing conventional arms transfers. These mutually reinforcing approaches to international security promote regional and global stability by enhancing the deterrent and defense capabilities of U.S. friends and allies, and actively advancing U.S. nonproliferation and arms control objectives.

The U.S. security assistance program complements U.S. arms control policy of promoting international security through negotiation and support for bilateral, regional, and multilateral agreements and arrangements, and assuring compliance with existing agreements. It also enhances the United States' ability to limit the proliferation of potentially destabilizing weapons, especially in regions of tension and conflict, by giving countries other means for ensuring their security. As the President's arms transfer policy states, the United states will actively seek greater transparency and responsibility in the area of arms transfers to regions of instability. Carefully structured security assistance programs support U.S. arms control policy of allowing transfers which enhance stability, and U.S. nonproliferation objectives of curbing the spread of weapons of mass destruction, their delivery systems, and destabilizing conventional arms transfers.

The President's arms transfer policy requires the careful, case-by-case evaluation of each request for arms in terms of its contributions to foreign policy and national security. The arms control implications of each transfer are essential elements of this evaluation, and each transfer is specifically reviewed for its impact upon U.S. arms control and nonproliferation objectives. Such a review considers, inter alia, whether a proposed transfer is consistent with U.S. interests in maintaining or enhancing stability within the region; whether the proposed transfer can be absorbed without overburdening the recipient's military support system or financial resources; whether the proposed transfer adds or detracts from fulfilling our nonproliferation goals; and whether possible adverse effects of the transfer are offset by positive contributions to U.S. regional interests and objectives. After integration of the Arms Control and Disarmament Agency (ACDA) into the Department of State, arms control and nonproliferation concerns will continue to be given full consideration in decisions on arms transfers and security assistance within a reorganized Department structure.

Estimating Foreign Military Sales

Foreign Military Sales (FMS) policies derive from U.S. statutes, Presidential directives, and policies of the Departments of State and Defense. The U.S. offers to sell defense articles and services (including training) under FMS procedures only in response to specific requests from authorized representatives from foreign governments or eligible international organizations.

The following table is in two parts. The first part shows the total dollar value by country of government-to-government FMS Letters of Offer and Acceptance (LOA's) signed in FY 1998, regardless of when the articles and services were or will be delivered.

The second part shows the estimated dollar values projected for FY 1999 and FY 2000. These estimates are derived through an analysis of each country under conditions of extreme uncertainty. Projections are based on: analysis of expectations of interests by potential purchasers which may not result in official requests; judgments of which requests may be approved and which may result in actual sales offers after completion of a thorough, and often lengthy, U.S. Government review process; and a judgment not only of how essential the military equipment or defense service is to the country's defense needs, but also of whether the purchase will be approved during the purchasing country's budget process. Projections include an estimate of potential requests for major increases in scope (amendments) to prior-year cases. These amendments are reflected as a sale in the current fiscal year. In some instances, training, publications, maps, medical supplies, technical assistance, and some spare parts are not included in these figures. (Further information is provided in the classified annex to this document).

Each phase of the request/offer/acceptance process has many variables that make it difficult to determine exactly when--or even if--a particular sale may occur. Variance of one day in a purchasing country's acceptance of a single significant sales agreement could shift the recording of the transaction from one fiscal year to the next. In addition, U.S. agreements cannot always be segregated on a cash or financing basis when Letters of Acceptances are concluded by purchasing countries. Also, for countries eligible for U.S. financing, it is not always possible to determine until full payment has been made how much of that payment was U.S.-financed.

Foreign Military Sales & Contruction Sales Agreements
(Dollars in thousands)

	Actual FY 1998 Defense Art/Serv	Actual FY 1998 Constr/ Design	TOTAL	Estimated FY 1999	Estimated FY 2000
Africa:					
Angola	0	0	0	1,500	1,000
Benin	1,552	0	1,552	900	900
Botswana	599	0	599	2,000	1,000
Cameroon	0	0	0	10	0
Cape Verde	0	0	0	100	20
Central African Rep	0	0	0	160	0
Chad	100	0	100	450	400
Cote d'Ivoire	0	0	0	500	0
Eritrea	27	889	916	2,300	2,800
Ethiopia	10,159	0	10,159	2,000	2,500
Gabon	0	0	0	68	0
Gambia	0	0	0	0	100
Ghana	1,200	0	1,200	12,040	900
Guinea	338	0	338	200	200
Kenya	591	0	591	4,000	2,000
Malawi	569	0	569	910	80
Mali	672	0	672	80	0
Mauritania	0	0	0	0	100
Mozambique	0	0	0	500	750
Namibia	375	0	375	550	100
Niger	0	0	0	0	290
Nigeria	0	0	0	0	34
Rwanda	60	0	60	350	700
Sao Tome & Principe	190	0	190	100	100
Senegal	0	0	0	1,280	500
Sierra Leone	0	0	0	180	180
South Africa	0	0	0	350	500
Tanzania	24	0	24	100	150
Uganda	618	0	618	1,900	2,000
Zambia	0	0	0	0	50
Zimbabwe	0	0	0	350	350
Regional Total	17,074	889	17,963	32,878	17,704
Western Hemisphere:					
Antigua-Barbuda*	2	0	2	310	645
Argentina	5,093	0	5,093	20,000	24,500
Bahamas, The	60	0	60	75	150
Barbados*	7,642	0	7,642	350	510
Belize	18	0	18	100	200
Bolivia	454	0	454	2,500	2,500
Bolivia – Intl. Narc.	1,120	0	1,120	6,500	8,000
Brazil	24,618	0	24,618	24,000	42,300
Canada	96,760	0	96,760	128,000	128,000
Chile	1,371	0	1,371	76,065	147,000
Colombia	8,653	0	8,653	18,000	18,000
Colombia – Intl. Narc.	2,034	0	2,034	10,000	10,000
Costa Rica	0	0	0	150	2,630
Dominica*	0	0	0	90	120
Dominican Republic	116	0	116	200	450
Ecuador	3,548	0	3,548	8,500	4,000
Ecuador – Intl. Narc.	76	0	76	3,410	3,410
El Salvador	6,960	763	7,723	5,767	6,409
Grenada*	0	0	0	90	120
Guyana	0	0	0	2,300	7,000
Haiti	191	340	531	485	450

	Actual FY 1998 Defense Articles/Services	Actual FY 1998 Foreign Military Financing	Actual FY 1998 Total	Estimate FY 1999	Estimate FY 2000
Western Hemis Cont					
Honduras	2,526	789	3,315	4,320	7,270
Jamaica	217	0	217	425	650
Mexico	1,313	0	1,313	8,000	8,000
Panama	0	0	0	125	440
Paraguay	116	0	116	75	75
Peru	4,220	0	4,220	3,700	3,700
Peru – Intl. Narc.	472	0	472	0	0
St. Kitts And Nevis*	0	0	0	100	120
St. Lucia*	0	0	0	160	260
St. Vincent & Gren.*	0	0	0	100	120
Suriname	0	0	0	0	75
Trinidad & Tobago	303	0	303	425	650
Uruguay	462	0	462	1,850	2,820
Venezuela	5,968	0	5,968	10,000	10,000
Regional Total	174,313	1,892	176,205	336,172	440,574
East Asia & Pacific:					
Australia	216,233	0	216,233	87,252	223,500
Cambodia	1,516	0	1,516	2,000	2,000
Indonesia	283	0	283	5,000	5,000
Japan	348,039	0	348,039	481,462	451,381
Laos	435	0	435	0	0
Malaysia	970	0	970	18,000	18,000
New Zealand	13,830	0	13,830	123,800	2,500
Philippines	3,425	0	3,425	8,700	18,200
Singapore	150,343	0	150,343	820,000	257,500
South Korea	266,929	0	266,929	299,000	200,000
Taiwan	440,921	0	440,921	611,000	608,000
Thailand	43,659	0	43,659	25,000	53,000
Regional Total	1,486,583	0	1,486,583	2,481,214	1,839,081
Europe and the NIS:					
Albania	0	0	0	2,000	2,500
Austria	1,603	0	1,603	2,000	2,000
Belgium	20,580	0	20,580	18,000	16,000
Bosnia-Herzegovina	168	0	168	2,000	2,000
Bulgaria	3,523	0	3,523	9,500	3,000
Czech Republic	5,886	0	5,886	17,550	13,000
Denmark	10,476	0	10,476	9,000	5,000
Estonia	5,243	0	5,243	7,350	6,250
Finland	1,820	0	1,820	47,000	3,000
France	20,621	0	20,621	40,000	20,000
Georgia	1,499	0	1,499	1,650	1,650
Germany	185,696	73,022	258,718	175,000	160,000
Greece	531,357	0	531,357	900,000	430,000
Hungary	5,648	0	5,648	10,800	11,000
Italy	94,816	0	94,816	77,000	77,000
Kazakstan	1,746	0	1,746	1,700	1,500
Kyrgyzstan	0	0	0	1,500	1,000
Latvia	4,696	0	4,696	6,000	6,750
Lithuania	4,081	0	4,081	6,700	6,250
Luxembourg	742	0	742	300	200
Macedonia (FYROM)	10,516	0	10,516	7,200	10,000
Moldova	781	0	781	2,850	850
Netherlands	193,582	0	193,582	220,000	250,000
Norway	79,945	0	79,945	20,000	15,000
Poland	9,615	0	9,615	30,000	60,000
Portugal	18,049	0	18,049	363,790	11,000
Romania	4,883	0	4,883	20,000	16,000
Russia	0	0	0	4,500	1,500

	Actual FY 1998 Defense Art/Serv	Actual FY 1998 Constr/ Design	TOTAL	Estimated FY 1999	Estimated FY 2000
Eur & NIS Cont					
Slovakia	5,039	0	5,039	2,560	3,300
Slovenia	5,735	0	5,735	2,750	2,650
Spain	67,256	0	67,256	310,300	308,000
Sweden	2,388	0	2,388	3,000	5,000
Switzerland	8,925	0	8,925	10,000	15,000
Turkey	240,518	0	240,518	340,500	575,000
Turkmenistan	0	0	0	1,100	600
Ukraine	1,133	0	1,133	9,900	3,400
United Kingdom	96,175	0	96,175	309,000	309,000
Uzbekistan	1,579	0	1,579	1,750	1,500
Regional Total	1,646,315	73,022	1,719,338	2,994,250	2,355,900
Near East/South Asia					
Algeria	0	0	0	200	200
Bahrain	286,253	0	286,253	69,000	7,500
Bangladesh	31,708	0	31,708	0	0
Egypt	949,426	77,114	1,026,540	1,308,000	1,543,000
India	5	0	5	0	0
Israel	628,399	0	628,399	1,665,000	535,000
Jordan	16,689	0	16,689	45,000	75,000
Kuwait	92,357	0	92,357	469,000	230,000
Lebanon	7,865	0	7,865	15,000	15,000
Morocco	2,114	0	2,114	4,000	4,000
Oman	1,972	0	1,972	11,594	0
Pakistan	37	0	37	0	0
Qatar	0	0	0	500	0
Saudi Arabia	2,153,039	187,493	2,340,532	450,800	790,000
Sri Lanka	3	0	3	0	0
Tunisia	2,282	0	2,282	2,060	3,000
United Arab Emirates	69,822	0	69,282	28,200	150,000
Yemen	0	0	0	1,300	2,300
Regional Total	4,241,971	264,607	4,506,578	4,069,654	3,355,000
Non-Regional:					
Classified Totals (A)	629,950	0	629,950	743,359	912,000
International Org.	34,329	971	35,300	100,730	100,730
Non-Regional Total	664,279	971	665,250	844,089	1,012,730
WORLDWIDE	8,230,535	341,381	8,571,917	10,758,257	9,020,989

Note: Totals May Not Add Due To Rounding.

* These Countries Comprise The Eastern Caribbean. See Eastern Caribbean Programs.

(A) For Further Information, Please See Classified Annex To This Document.

Foreign Military Sales Administrative Costs

The Foreign Military Sales (FMS) program is implemented, for the most part, by the same Department of Defense personnel who work in the military departments and defense agency procurement, logistics support and administrative organizations established to carry out DOD's requirements for procurement and support of weapons, equipment, supplies and services needed by our Army, Navy, Air Force and Marines. A small number of fully dedicated security assistance organizations and personnel are also employed by the military departments and defense agencies in accomplishing the FMS mission. This integration of FMS provides organizational efficiencies and procurement cost economies to both the U.S. and the FMS customer countries.

The Arms Export Control Act (AECA) requires that the costs of implementing FMS be paid by FMS customer countries. To satisfy this requirement, an "administrative surcharge" of three percent is applied to most FMS cases. A five percent rate is applied to non-standard articles and services and supply support arrangements. In addition, a "logistics support charge" of 3.1 percent is also applied on certain deliveries of spare parts, equipment modifications, secondary support equipment and supplies. These administrative funds, collected from the FMS customer, are made available to the military departments and defense agencies to pay for their FMS administrative costs related to such functions as FMS case preparation (including preparation of price and availability estimates/information), sales negotiations, case implementation, procurement, program control, ADP operations, accounting, budgeting and other financial and program management. A majority of the operating costs of overseas Security Assistance Organizations (SAOs) are also financed from FMS administrative funds. DSCA administers an annual budget process to develop estimated funding requirements and establish approved administrative funding levels.

The Foreign Operations, Export Financing and Related Programs Appropriations Act of 1998, P.L. 105-277, included for FY 1999 only, a ceiling of $340 million on obligations of FMS administrative funds. All FMS administrative budget obligations and expenditures are from FMS customers' funds which have been collected into the U.S. Treasury in the Foreign Military Sales Trust Fund account.

In FY 2000, $330 million is required. Fewer work years will be financed in FY 2000 versus prior years, lowering payroll costs for FMS management in line with declining workload. However, the payroll reduction, part of a continually updated cost reduction plan, will be offset by the non-recurring initial cost to develop a single FMS management information system and the cost of FMS re-invention efforts, a broad review of DOD's FMS business processes, and implementation of reforms.

Description:

The requested funding provides for the cost of administrative activities related to non-FMS security assistance programs implemented by the Unified Commands, Military Departments and DSAA.

Objectives:

- Cost-effectively sustain the necessary workload associated with worldwide administration of International Military Education and Training (IMET)
- Support administrative costs for all security assistance activities incurred by the Unified Commands
- Support administrative costs incurred by the Military Departments and DSAA headquarters for all security assistance activity not related to Foreign Military Sales (FMS)
- Fund operating costs of non-FMS activities of overseas security assistance offices (SAO)

Justification:

The proposed program level represents the projected costs required to prudently, and effectively, accomplish the managerial and administrative actions necessary to manage and implement the non-FMS segments of security assistance programs, as authorized under the AECA and the FAA. These functions include staff headquarters, personnel management, budgeting and accounting, officer services, and facilities and support for non-FMS functions of the Security Assistance Organizations (SAOs).

The Defense Administrative Costs account implements such non-FMS activities as: administration of the IMET program; management of drawdowns of military equipment and services; grant transfers of excess defense articles; as well as fulfilling responsibility for monitoring military items previously transferred under the former Military Assistance Program (MAP). The initiation and expansion of security assistance relationships with many new democracies around the world, but principally in Central Europe, the New Independent States, and South Africa, require the establishment of SAOs in an increasing number of locations over the next few years. The FY 2000 request for Defense Administrative costs will fund the establishment and/or the continuing operating costs of these SAOs and is essential to the effective management of security assistance programs with these new defense partners. The expansion of IMET from $26 million in FY 1995, $39 million in FY 1996, $43 million in FY 1997, $50 million in FY 1998, and $50 million in FY1999 also increases administrative workload and funding requirements. The amount requested is the minimum essential funding to do the job.

Measures of Effectiveness

Effective administration of grant military assistance programs, within the requested budget level.

The following table shows FMS administrative budget amounts for FY's 1998 - 2000.

FMS ADMINISTRATIVE COSTS/WORKYEARS
(Dollars in Millions)

	Actual FY 1998		Estimated FY 1999		Proposed FY 2000	
	Workyrs	Dollars	Workyrs	Dollars	Workyrs	Dollars
Military Departments	3,382	229.895	3,215	217.341	3,086	211.906
Other Defense Activities	829	96.355	825	99.259	800	94.984
SAOs (Net)	363	23.750	352	23.400	340	23.110
Total	4,574	350.000	4,392	340.000	4,226	330.000

Overseas Military Program Management

United States military personnel are assigned to Security Assistance Organizations (SAOs) overseas to ensure effective planning and management of host country security assistance programs. These individuals, along with U.S. civilians and local national civilians serve under the direction and supervision of the Chiefs of U.S. Diplomatic Missions. The SAO provides liaison among the Mission, the Department of Defense, and the host country defense establishment in security assistance matters.

SAO personnel work closely with members of the host country defense establishment to develop and execute training programs and to accomplish realistic and effective procurement actions. These efforts are key to the development of a defense infrastructure capable of integrating weapons and support systems into the existing force structure. Professional exchanges and cooperative planning contribute to effective and efficient country security assistance programs.

The Department of Defense reviews staffing authorizations in coordination with the Department of State, the Chiefs of U.S. Diplomatic Missions, and the regional area military Commanders-in-Chief to ensure that SAOs are properly staffed to conduct their missions efficiently. These reviews have resulted in a reduction of total SAO personnel authorizations from the 709 (Actual for FY 1997) reported in last year's CPD to 697 Actual for FY 1998.

In FY 1999, separate SAOs will be assigned to fifty-five countries. In forty-two additional countries, programs will be administered by augmentation personnel assigned to carry out security assistance management functions under the supervision of the Defense Attaché or other Mission staff. In other countries with which the U.S. maintains a security assistance relationship, Defense Attaches and other Mission personnel manage the programs without augmentation personnel.

The following tables identify the security assistance authorized staffing levels and associated costs at the conclusion of FY 1998 and the estimated levels for FY 1999 and FY 2000. Actual assigned strengths for FY 1999 and FY 2000 may be less than the authorized levels shown. Staffing requirements may change as individual country programs develop.

The following is a glossary of Organizations assigned to U.S. Diplomatic Missions overseas that manage host country security assistance programs:

U.S. SECURITY ASSISTANCE ORGANIZATIONS

DAO	Defense Attaché Office
JUSMAG	Joint U.S. Military Assistance Group
JUSMAG-K	Joint U.S. Military Affairs Group - Korea
KUSLO	Kenya U.S. Liaison Office
MAP	Military Assistance Program
MDAO	Mutual Defense Assistance Office
NLO	Navy Liaison Office
ODC	Office of Defense Cooperation
ODR	Office of Representative
ODRP	Office of Defense Representative - Pakistan
OMC	Office of Military Cooperation
OMC-K	Office of Military Cooperation - Kuwait
SAO	Security Assistance Office
USLO	U.S. Liaison Office
USMAAG	U.S. Military Assistance Advisory Group
USMILGP	U.S. Military Group
USMLO	U.S. Military Liaison Office
USMTM	U.S. Military Training Mission

OVERSEAS MILITARY PROGRAM MANAGEMENT COSTS
(DOLLARS IN THOUSANDS)

		ACTUAL FY 1998			ESTIMATED FY 1999			PROPOSED FY 2000		
	ORG.	FMF COSTS	FMS COSTS	TOTAL	FMF COSTS	FMS COSTS	TOTAL	FMF COSTS	FMS COSTS	TOTAL
Africa:										
Angola	DAO	10	0	10	9	0	9	9	2	11
Benin	EMBASSY	55	0	55	56	0	56	56	0	56
Botswana	ODC	382	90	472	369	82	451	342	80	422
Cameroon	DAO	9	1	10	9	1	10	10	1	11
Cape Verde	EMBASSY	8	0	8	10	0	10	11	0	11
Chad	DAO	35	8	43	36	9	45	38	9	47
Cote d'Ivoire	DAO	9	1	10	10	1	11	11	1	12
Djibouti	USLO	336	0	336	360	0	360	355	0	355
Eritrea	USLO	103	103	206	162	88	250	108	108	216
Ethiopia	DAO	55	55	110	101	55	156	50	75	125
Gabon	EMBASSY	12	0	12	7	0	7	8	0	8
Ghana	EMBASSY	38	4	42	39	4	43	41	5	46
Guinea	EMBASSY	9	1	10	6	1	7	7	1	8
Kenya	KUSLO	445	190	635	481	159	640	439	189	628
Lesotho	EMBASSY	9	0	9	10	0	10	11	0	11
Madagascar	EMBASSY	16	0	16	28	0	28	22	0	22
Malawi	DAO	33	8	41	30	7	37	30	8	38
Mali	EMBASSY	14	0	14	9	0	9	11	0	11
Mozambique	DAO	9	0	9	9	1	10	9	2	11
Namibia	EMBASSY	34	9	43	38	9	47	41	10	51
Rwanda	DAO	24	3	27	25	3	28	25	3	28
Senegal	DAO	260	65	325	246	62	308	249	61	310
Seychelles	EMBASSY	12	0	12	25	0	25	29	0	29
Sierra Leone	EMBASSY	9	0	9	0	0	0	0	0	0
South Africa	DAO	269	30	299	210	36	246	210	37	247
Tanzania	EMBASSY	4	1	5	5	1	6	5	1	6
Uganda	EMBASSY	10	0	10	11	0	11	12	0	12
Zambia	EMBASSY	10	0	10	11	0	11	12	0	12
Zimbabwe	DAO	9	2	11	9	1	10	10	1	11
Regional Total		2,228	571	2,799	2,321	520	2,841	2,161	594	2,755
Western Hemisphere:										
Argentina	USMILGP	366	180	546	326	161	487	334	164	498
Bahamas	USNLO	27	3	30	37	2	39	32	4	36
Belize	USMLO	229	116	345	224	108	332	207	101	308
Bolivia	USMILGP	551	367	918	666	358	1,024	677	365	1,042
Brazil	USMLO	394	263	657	365	224	589	344	230	574
Canada	DAO	0	71	71	0	61	61	0	61	61
Chile	USMILGP	267	115	382	242	109	351	226	111	337
Colombia	USMILGP	802	535	1,337	734	479	1,213	822	443	1,265
Costa Rica	ODR	252	27	279	194	22	216	197	22	219
Dominican Republic	MAAG	328	110	438	289	96	385	292	97	389
Eastern Caribbean	USMLO	393	69	462	373	24	397	336	69	405
Ecuador	USMILGP	293	126	419	278	119	397	268	115	383
El Salvador	USMILGP	395	482	877	426	349	775	375	306	681
Guatemala	USMILGP	231	41	271	191	42	233	178	44	222
Haiti	USMLO	227	151	378	280	151	431	256	126	382

OVERSEAS MILITARY PROGRAM MANAGEMENT COSTS
(DOLLARS IN THOUSANDS)

	ORG	ACTUAL FY 1998 FMF COSTS	ACTUAL FY 1998 FMS COSTS	ACTUAL FY 1998 TOTAL	ESTIMATED FY 1999 FMF COSTS	ESTIMATED FY 1999 FMS COSTS	ESTIMATED FY 1999 TOTAL	PROPOSED FY 2000 FMF COSTS	PROPOSED FY 2000 FMS COSTS	PROPOSED FY 2000 TOTAL
Western Hemisphere (Cont):										
Honduras	USMILGP	407	320	727	506	330	836	503	323	826
Jamaica	USMLO	295	197	492	290	156	446	314	169	483
Mexico	USMLO	182	149	331	222	181	403	232	155	387
Panama	USDRO	79	79	158	101	83	184	88	71	159
Paraguay	ODC	335	36	371	244	26	270	215	24	239
Peru	MAAG	551	29	580	514	33	547	516	27	543
Trinidad & Tobago	USMLO	8	1	9	21	3	24	20	4	24
Uruguay	ODC	325	108	433	317	106	423	302	100	402
Venezuela	USMILGP	413	222	635	312	160	472	301	162	463
Regional Total		7,350	3,797	11,147	7,152	3,383	10,535	7,035	3,293	10,328
East Asia & Pacific:										
Australia	DAO	18	165	183	18	164	182	20	177	197
Cambodia	DAO	29	7	36	34	8	42	36	9	45
China	DAO	34	0	34	20	0	20	20	0	20
Fiji	DAO	9	0	9	16	0	16	13	0	13
Indonesia	DAO	333	273	606	510	127	637	502	126	628
Japan	MDAO	52	980	1,032	55	1,037	1,092	51	967	1,018
Malaysia	DAO	155	189	344	222	224	446	237	194	431
Mauritius	EMBASSY	17	0	17	31	0	31	33	0	33
Mongolia	EMBASSY	13	0	13	57	0	57	60	0	60
New Zealand	DAO	0	11	11	0	19	19	0	13	13
Philippines	JUSMAG	305	304	609	386	257	643	426	229	655
Singapore	ODC	134	475	609	178	533	711	180	541	721
South Korea	JUSMAG-K	634	952	1,586	846	1,035	1,881	1,305	702	2,007
Thailand	JUSMAG	878	705	1,583	833	555	1,388	798	532	1,330
Regional Total		2,611	4,061	6,672	3,206	3,959	7,165	3,681	3,490	7,171
Europe:										
Albania	SAO	114	76	190	133	73	206	115	77	192
Austria	SAO	101	101	202	114	114	228	110	110	220
Belarus	DAO	9	0	9	31	0	31	66	0	66
Belgium	ODC	110	442	552	105	422	527	104	416	520
Bosnia	SAO	62	21	83	83	35	118	76	33	109
Bulgaria	SAO	111	74	185	96	96	192	113	113	226
Croatia	SAO	145	0	145	191	0	191	193	0	193
Czech Republic	ODC	100	100	200	136	137	273	142	142	284
Denmark	ODC	70	297	367	83	331	414	87	343	430
Estonia	SAO	95	51	146	114	60	174	111	60	171
Finland	DAO	0	17	17	0	19	19	0	17	17
France	ODC	0	597	597	0	569	569	0	584	584
Georgia	DAO	46	0	46	42	11	53	46	15	61
Germany	ODC	0	997	997	0	882	882	0	891	891
Greece	ODC	761	930	1,691	658	804	1,462	595	788	1,383
Hungary	ODC	170	113	283	163	123	286	178	145	323
Italy	ODC	114	644	758	122	640	762	114	645	759
Kazakhstan	DAO	53	0	53	176	0	176	177	0	177

OVERSEAS MILITARY PROGRAM MANAGEMENT - COSTS
(DOLLARS IN THOUSANDS)

	ORG.	ACTUAL FY 1998 FMF COSTS	ACTUAL FY 1998 FMS COSTS	ACTUAL FY 1998 TOTAL	ESTIMATED FY 1999 FMF COSTS	ESTIMATED FY 1999 FMS COSTS	ESTIMATED FY 1999 TOTAL	PROPOSED FY 2000 FMF COSTS	PROPOSED FY 2000 FMS COSTS	PROPOSED FY 2000 TOTAL
Kyrgyzstan	DAO	41	0	41	204	0	204	206	0	206
Europe Cont:										
Latvia	SAO	107	36	143	111	35	146	114	38	152
Lithuania	SAO	98	33	131	111	37	148	105	45	150
Luxembourg	ODC	3	23	26	3	23	26	3	26	29
Macedonia (FYROM)	SAO	96	70	166	124	67	191	113	76	189
Moldova	DAO	10	0	10	14	1	15	59	7	66
Netherlands	ODC	63	354	417	82	329	411	58	327	385
Norway	ODC	53	213	266	60	227	287	59	238	297
Poland	ODC	342	184	526	332	179	511	338	174	512
Portugal	ODC	288	432	720	336	410	746	285	467	752
Romania	ODC	143	16	159	159	18	177	247	27	274
Russia	SAO	226	0	226	240	0	240	231	26	257
Slovakia	SAO	75	76	151	80	80	161	71	71	142
Slovenia	SAO	76	51	127	84	59	143	84	58	142
Spain	ODC	223	334	557	213	306	519	221	305	526
Sweden	DAO	0	0	0	0	8	8	0	8	8
Switzerland	DAO	0	7	7	0	8	8	0	11	11
Turkey	ODC	2,042	1,959	4,001	1,592	1,530	3,122	1,603	1,542	3,145
Turkmenistan	DAO	2	0	2	28	0	28	34	4	38
Ukraine	SAO	182	20	202	237	52	289	205	69	275
United Kingdom	ODC	0	190	190	0	181	181	0	163	163
Uzbekistan	DAO	41	0	41	39	0	39	41	0	41
Regional Total		6,172	8,458	14,630	6,296	7,866	14,162	6,304	8,061	14,365
Near East & South Asia:										
Bahrain	OMC	288	288	576	314	313	627	331	330	661
Bangladesh	DAO	45	19	64	59	20	79	58	19	77
Egypt	OMC	1,138	2,419	3,557	1,302	2,761	4,063	1,255	2,668	3,923
India	DAO	188	21	209	213	0	213	221	0	221
Israel	SAO	0	65	65	0	102	102	0	101	101
Jordan	MAP	346	642	988	336	625	961	341	633	974
Kuwait	OMC-K	45	404	449	52	420	472	49	438	487
Lebanon	OMC	309	206	515	334	223	557	338	225	563
Morocco	ODC	641	160	801	533	133	666	522	131	653
Nepal	DAO	31	2	33	48	1	49	48	1	49
Oman	OMC	317	317	634	324	323	647	323	323	646
Pakistan	ODRP	322	57	379	452	50	502	551	29	580
Qatar	USLO	203	212	415	161	196	357	166	203	369
Saudi Arabia	USMTM	0	1,112	1,112	0	1,603	1,603	0	1,613	1,613
Sri Lanka	DAO	41	14	55	48	16	64	49	17	66
Tunisia	ODC	452	223	675	438	216	654	449	221	670
United Arab Emir.	USLO	37	702	739	58	670	728	54	720	774
Yemen	DAO	7	0	7	13	0	13	14	0	14
Regional Total		4,410	6,863	11,273	4,685	7,672	12,357	4,769	7,672	12,441
WORLDWIDE TOTAL		22,771	23,750	46,521	23,660	23,400	47,060	23,950	23,110	47,060

OVERSEAS MILITARY PROGRAM MANAGEMENT - PERSONNEL STRENGTHS

	ORG.	ACTUAL FY 1998 MIL	CIV	LOCAL	TOT	ESTIMATED FY 1999 MIL	CIV	LOCAL	TOT	PROPOSED FY 2000 MIL	CIV	LOCAL	TOT
Africa:													
Botswana	ODC	3	0	1	4	3	0	1	4	3	0	1	4
Chad	DAO a/	0	0	1	1	0	0	1	1	0	0	1	1
Djibouti	USLO	1	0	1	2	1	0	1	2	1	0	1	2
Eritrea	USLO	1	0	0	1	1	0	0	1	1	0	0	1
Ethiopia	DAO a/	1	0	0	1	1	0	0	1	1	0	0	1
Ghana	EMBASSY b/	0	1	0	1	0	1	0	1	0	1	0	1
Kenya	KUSLO	4	2	1	7	4	2	1	7	4	2	1	7
Namibia	EMBASSY b/	0	1	0	1	0	1	0	1	0	1	0	1
Niger	ODC	0	0	1	1	0	0	1	1	0	0	1	1
Rwanda	DAO a/	0	0	1	1	0	0	1	1	0	0	1	1
Senegal	DAO a/	1	1	2	4	1	1	2	4	1	1	2	4
South Africa	DAO a/	1	0	0	1	1	0	0	1	2	0	0	2
Regional Total		12	5	8	25	12	5	8	25	13	5	8	26
Western Hemisphere:													
Argentina	USMILGP	3	1	2	6	3	0	2	5	3	0	2	5
Barbados	USMLO c/	4	0	0	4	4	0	0	4	4	0	0	4
Belize	USMLO	2	1	0	3	2	1	0	3	2	1	0	3
Bolivia	USMILGP	5	5	3	13	5	4	3	12	5	4	3	12
Brazil	USMLO	3	2	1	6	3	2	1	6	3	2	1	6
Canada	DAO a/	1	0	1	2	1	0	1	2	1	0	1	2
Chile	USMILGP	2	0	2	4	2	0	2	4	2	0	2	4
Colombia	USMILGP	9	3	10	22	8	3	10	21	7	3	10	20
Costa Rica	ODR	1	0	2	3	1	0	2	3	1	0	2	3
Dominican Rep.	USMAAG	3	0	1	4	3	0	1	4	3	0	1	4
Ecuador	USMILGP	5	1	5	11	5	1	5	11	5	1	5	11
El Salvador	USMILGP	5	1	10	16	5	1	8	14	5	1	6	12
Guatemala	USMILGP	2	0	1	3	1	0	1	2	1	0	1	2
Haiti	USMLO	2	0	1	3	2	0	1	3	2	0	1	3
Honduras	USMILGP	5	2	7	14	5	2	7	14	5	2	5	12
Jamaica	USMLO	3	1	0	4	3	1	0	4	3	1	0	4
Mexico	DAO a/	3	0	3	6	3	0	3	6	3	0	3	6
Panama	DAO a/	1	0	1	2	1	0	1	2	1	0	1	2
Paraguay	ODC	1	0	3	4	1	0	3	4	1	0	3	4
Peru	MAAG	3	2	5	10	3	2	5	10	3	2	5	10
Uruguay	ODC	1	0	4	5	1	0	4	5	1	0	4	5
Venezuela	USMILGP	5	4	5	14	5	4	4	13	4	4	4	12
Regional Total		69	23	67	159	67	21	64	152	65	21	60	146
East Asia & Pacific:													
Australia	DAO a/	2	1	0	3	2	1	0	3	2	1	0	3
Cambodia	DAO a/	0	0	1	1	0	0	1	1	0	0	1	1
Indonesia	DAO a/	5	0	8	13	5	0	8	13	5	0	7	12
Japan	MDAO	5	4	5	14	5	4	5	14	5	3	5	13
Malaysia	DAO a/	3	0	4	7	3	0	4	7	4	0	4	8
Mongolia	EMBASSY b/	0	0	1	1	0	0	1	1	0	0	1	1
Philippines	JUSMAG	5	1	4	10	5	1	4	10	5	1	4	10
Singapore	SAO	6	1	2	9	6	1	2	9	6	1	2	9
South Korea	JUSMAG-K	23	1	14	38	23	1	13	37	23	1	10	34
Thailand	JUSMAG	21	1	15	37	20	1	15	36	19	0	13	32
Regional Total		70	9	54	133	69	9	53	131	69	7	47	123

OVERSEAS MILITARY PROGRAM MANAGEMENT - PERSONNEL STRENGTHS

		ACTUAL FY 1996				ESTIMATED FY 1997				PROPOSED FY 1998			
	ORG	MIL	CIV	LOCAL	TOTAL	MIL	CIV	LOCAL	TOTAL	MIL	CIV	LOCAL	TOTAL
Europe:													
Albania	DAO a/	2	0	0	2	2	0	0	2	2	0	0	2
Austria	DAO a/	2	0	0	2	2	0	0	2	2	0	0	2
Belarus	DAO a/	0	0	0	0	0	0	0	0	1	0	1	2
Belgium	ODC	1	1	2	4	1	1	2	4	1	1	2	4
Bosnia	DAO a/	1	0	1	2	1	0	1	2	1	0	1	2
Bulgaria	DAO a/	2	0	0	2	2	0	0	2	2	0	0	2
Croatia	DAO a/	1	1	0	2	1	1	0	2	1	1	0	2
Czech Republic	ODC	2	0	2	4	2	0	2	4	3	0	2	5
Denmark	ODC	1	1	2	4	1	1	2	4	1	1	2	4
Estonia	DAO a/	1	0	0	1	1	0	0	1	1	0	0	1
France	ODC	1	1	3	5	1	1	3	5	1	1	3	5
Georgia	DAO a/	0	0	0	0	1	0	1	2	1	0	1	2
Germany	ODC	5	2	2	9	5	2	2	9	5	2	2	9
Greece	ODC	9	3	10	22	9	3	8	20	9	3	8	20
Hungary	DAO a/	2	0	1	3	2	0	1	3	2	0	1	3
Italy	ODC	3	0	4	7	3	0	4	7	3	0	4	7
Kazakstan	DAO a/	0	0	0	0	0	1	1	2	0	1	1	2
Kyrgyzstan	DAO a/	0	0	0	0	1	0	1	2	1	0	1	2
Latvia	DAO a/	1	0	1	2	1	0	1	2	1	0	1	2
Lithuania	DAO a/	1	0	1	2	1	0	1	2	1	0	1	2
Macedonia (FYROM)	DAO a/	1	0	1	2	2	0	2	4	2	0	2	4
Moldova	DAO a/	0	0	0	0	1	0	1	2	1	0	1	2
Netherlands	ODC	2	1	2	5	2	1	2	5	2	1	2	5
Norway	ODC	2	0	2	4	2	0	2	4	2	0	2	4
Poland	ODC	3	0	3	6	3	0	3	6	3	0	3	6
Portugal	ODC	6	1	4	11	5	1	4	10	5	1	4	10
Romania	ODC	1	0	1	2	1	0	2	3	2	0	2	4
Russia	DAO a/	2	0	0	2	2	0	0	2	2	0	0	2
Slovakia	DAO a/	2	0	0	2	2	0	0	2	2	0	0	2
Slovenia	DAO a/	1	0	1	2	1	0	1	2	1	0	1	2
Spain	ODC	4	2	1	7	4	1	1	6	4	1	1	6
Turkey	ODC	23	4	9	36	23	3	9	35	22	3	9	34
Turkmenistan	DAO a/	0	0	0	0	0	0	0	0	0	0	0	0
Ukraine	DAO a/	1	1	0	2	3	0	1	4	3	0	1	4
United Kingdom	ODC	2	1	0	3	2	1	0	3	2	1	0	3
Uzbekistan	DAO a/	0	0	0	0	0	1	0	1	0	1	0	1
Regional Total		85	19	53	157	90	18	58	166	92	18	59	169
Near East/South Asia:													
Bahrain	OMC	6	1	0	7	6	1	0	7	6	1	0	7
Bangladesh	DAO a/	0	0	1	1	0	0	1	1	0	0	1	1
Egypt	OMC	27	9	18	54	27	9	18	54	27	9	12	48
India	DAO a/	1	1	2	4	1	1	2	4	1	1	2	4
Israel	DAO a/	0	1	0	1	0	1	0	1	0	1	0	1
Jordan	MAP	8	2	4	14	8	2	4	14	8	2	4	14
Kuwait	OMC-K	11	2	1	14	11	2	1	14	11	2	1	14
Lebanon	DAO a/	1	0	3	4	1	0	3	4	1	0	3	4
Morocco	ODC	4	1	4	9	4	1	4	9	4	1	4	9
Nepal	EMBASSY b/	0	0	1	1	0	0	1	1	0	0	1	1
Oman	OMC	5	1	1	7	5	1	1	7	5	1	1	7
Pakistan	ODRP	3	0	5	8	3	0	4	7	3	0	4	7
Qatar	USLO	2	1	0	3	2	1	0	3	2	1	0	3
Saudi Arabia	USMTM	66	3	9	78	65	3	9	77	65	2	9	76
Sri Lanka	DAO a/	0	0	1	1	0	0	1	1	0	0	1	1
Tunisia	ODC	6	1	1	8	6	1	1	8	6	1	1	8
United Arab Emirates	USLO	6	1	2	9	6	1	1	9	6	1	2	9
Regional Total		146	24	53	223	145	24	51	221	145	23	46	214
Worldwide Total		382	80	235	697	383	77	234	695	384	74	220	678

a/ Personnel authorized to assist the DAO with security assistance management functions.
b/ Personnel authorized to assist the Embassy with security assistance management functions.
c/ Manages programs for Eastern Caribbean countries.

Grant Excess Defense Articles

Grant excess defense articles (EDA) enable the United States to meet many of its foreign policy objectives while simultaneously supporting our friends and allies in improving their defense capabilities. Providing EDA on a grant basis, turns U.S. defense items which are in excess of our Approved Force Acquisition Objective and Approved Force Retention Stock, into instruments which meet many of our national security interests. Some of the objectives met by grant EDA are: strengthening coalitions; cementing bilateral foreign military relationships; enhancing interoperability; furthering legitimate modernization efforts of our allies; aiding in multilateral peacekeeping efforts; combating illegal narcotics production and narco-trafficking; and aiding in demining assistance programs. Furthermore, our Partnership for Peace (PfP) initiatives are greatly augmented by providing grant materiel which meets NATO standards; this equipment is readily and immediately accessible, and fulfills valid modernization and standardization needs of eligible PfP partners.

Grant EDA assists in preventing or containing armed conflict and in restoring peace and stability throughout the world; a prudent investment of no-longer needed Department of Defense items. EDA articles are transferred in an "as is, where is" condition to the recipient and are only offered in response to a demonstrated requirement. The grant EDA program operates at essentially no cost to the U.S. with the recipient responsible for any required refurbishment and repair of the items as well as any associated transportation costs. The vast majority of EDA items are of low to medium technologies which takes into account our proliferation concerns.

Each grant eligible country has a justification statement providing the objective and proposed use of potential EDA within each country paper. Eligibility simply permits a nation to be considered for grant EDA and does not guarantee the transfer of any EDA nor does it circumvent or bypass in any way the comprehensive case-by-case review each potential EDA offer receives. Furthermore, all potential EDA transfers are subject to the same rigorous Conventional Arms Transfer Policy interagency review as any other government-to-government transfer.

Grant EDA has contributed to our foreign policy successes. This overage equipment has helped our Latin American and Caribbean friends combat the threat of illegal narco-trafficking, and has permitted many South American and African nations to participate in support of U.S. and U.N. peacekeeping operations. Grant EDA supports the militaries of the newly democratic nations of Central Europe, and contributes to regional stability by supporting the ongoing military reform efforts of the democratic Central Europe and Baltic governments. Grant EDA has been instrumental in aiding demining activities in Southeast Asia and northern Africa. Finally, grant EDA has a positive global impact--furthering U.S. national security interests and supporting the growth and strengthening of democracies, promoting military reform, and fighting the spread of illicit narcotics.

NOTE: This year the CPD will not have a consolidated list of grant EDA eligible countries.

SALES OF EXCESS DEFENSE ARTICLES
UNDER FOREIGN MILITARY SALES
IN FY 1998
(Dollars in Thousands)

	OFFERED		DELIVERED IN FY 1998	
	ACQ. VALUE	CURRENT VALUE	ACQ. VALUE	CURRENT VALUE
East Asia & Pacific:				
Australia	59,569	6,886	1,216	459
Japan	359	179	63	25
Korea	1,629	741	1,628	740
New Zealand	813	126	0	0
Taiwan	51,574	9,329	0	0
Regional Total	113,944	17,261	2,907	1,224
Europe:				
Austria	304	153	0	0
Denmark	35	15	0	0
Finland	78	39	0	0
Germany	873	180	873	180
Netherlands	546	109	0	0
Norway	11,444	1,144	0	0
Spain	35,244	4,127	1,759	874
Turkey	2,324	1,162	0	0
United Kingdom	109	37	51	14
Regional Total	50,957	6,966	2,683	1,068
Near East & South Asia:				
Egypt	339,758	125,755	339,758	125,755
Jordan	184	92	0	0
Lebanon	6,267	776	0	0
United Arab Emirates	3,061	153	0	0
Regional Total	349,270	126,776	339,758	125,755
Non-Regional:				
Namsa	13,000	2,165	0	0
Non-Regional Total	13,000	2,165	0	0
Western Hemisphere:				
Argentina	97	49	0	0
Brazil	3,598	445	0	0
Canada	4,250	1,208	1,834	308
Ecuador	2,025	177	0	0
Jamaica	613	31	0	0
Mexico	30,630	1,531	0	0
Peru	2,227	172	0	0
Regional Total	43,440	3,613	1,834	308
Worldwide Total	570,611	156,781	347,182	128,355

[redacted]

Africa:				
Botswana	5,086	591	0	0
Rwanda	345	67	0	0
Regional Total	5,431	658	0	0
East Asia & Pacific				
Philippines	673	337	0	0
Thailand	53,142	5,202	0	0
Regional Total	53,815	5,539	0	0
Europe:				
Bosnia Herzegovina	3,965	1,983	0	0
Estonia	7,863	3,461	278	139
Greece	62,456	7,789	26,801	4,784
Latvia	2,171	678	278	139
Lithuania	8,363	3,207	295	143
Macedonia (FYROM)	8,480	2,224	2,224	4,784
Moldova	3,995	425	0	0
Portugal	237,535	54,873	0	0
Romania	2,803	449	0	0
Slovakia	7,799	1,543	0	0
Turkey	111,547	25,451	0	0
Regional Total	456,977	102,083	29,876	5,504
Near East & South Asia:				
Bahrain	102,496	20,243	101,316	19,653
Egypt	23,526	3,425	0	0
Israel	14,935	5,262	3,807	1,604
Jordan	4,766	965	0	0
Lebanon	112	56	0	0
Morocco	136,858	60,774	3,635	653
Oman	41,952	4,539	38,756	3,876
Sri Lanka	5,844	584	0	0
Tunisia	17,008	5,022	1,605	321
Regional Total	347,497	100,870	149,119	26,107
Western Hemisphere:				
Antigua	571	134	375	75
Argentina	24,059	5,509	2,330	699
Bolivia	1,759	616	0	0
Chile	83,864	23,199	1,584	201
Colombia	12,454	1,209	0	0
Dominican Republic	2,660	133	2,660	133
Ecuador	1,875	375	0	0
Honduras	17	3	17	3
St. Lucia	375	75	375	75
Trinidad	9,064	1,136	0	0
Venezuela	750	150	750	150
Regional Total	137,448	32,539	8,091	1,336
Worldwide Total	1,001,168	241,689	187,086	32,947

Leased Defense Articles

Lease of defense articles can be authorized under the Arms Export Control Act (AECA), Chapter 6, if there are compelling U.S. foreign policy and national security reasons for providing defense articles on a lease rather than a sales basis. Defense articles can not be leased if they are needed for public use during the period of the lease.

Except for leases entered into for the purposes of cooperative research or development, military exercises, or communications or electronics interface projects, the country leasing the defense articles must agree to pay, in U.S. dollars, all costs incurred by the United States Government in leasing the articles. These costs include reimbursement for depreciation of the articles while leased. In addition, the country must also pay the cost of restoration or replacement if the articles are damaged while leased. If articles are lost or destroyed while leased, the U.S. requires funds to cover the replacement cost (less depreciation, if any) or an amount equal to the actual value (less depreciation) when the articles will not be replaced in the U.S. inventory.

The President may waive reimbursement of depreciation for any defense article, which has passed three-quarters of its normal service life, if the President determines that to do so is important to the national security interests of the United States. In some cases, the President may waive the reimbursement of all lease charges with respect to a lease that is made in exchange with the lessee for a lease on substantially reciprocal terms of defense articles for the Department of Defense. Waivers for depreciation or reciprocity are made before the implementation of the lease agreement.

Leases are concluded for a fixed duration of time not to exceed five years and provide that, at any time during the lease, the U.S. may terminate the lease and require the immediate return of the defense articles.

LEASES UNDER THE ARMS EXPORT CONTROL ACT IMPLEMENTED FY 1998 (Dollars in Thousands)	REPLACEMENT VALUE		TOTAL RENTAL VALUE
American Republics:			
Chile	5,303		1,148
Venezuela	3,350		88
Regional Total	8,653		1,236
East Asia & Pacific:			
Australia	685		38
Japan	2,448		0
New Zealand	272		41
Taiwan	1,600		13
Regional Total	5,005		92
Europe:			
Denmark	2,450		173
France	21,986		2,539
Greece	18,151		7,321
Germany	2,278		0
Turkey	55,267		31,903
United Kingdom	200		23
Regional Total	100,332		41,959
Near East & South Asia:			
	0		0
Regional Total	0		0
Non-Regional:			
United Nations	8,100		239
Non-Regional Total	8,100		239
Worldwide Total	122,090		43,526

Stockpiling of Defense Articles For Foreign Countries

Section 514(b) of the Foreign Assistance Act of 1961 (FAA), as amended, establishes annual ceilings on the value of additions of defense articles located abroad that may be set aside, reserved, or otherwise earmarked from U.S. military inventories for use as War Reserves Stocks by Allies (WRSA) or other foreign countries (other than NATO). Most defense articles added to stockpiles under this ceiling will come from existing stocks.

The Foreign Operations, Export Financing and Related programs Appropriations Act for Fiscal Year 1999 (P. L. 105-277) authorized additions of $320M for Korea, and an additional $20M for Thailand in order to fulfill U.S. obligations under the Memorandum of Understanding establishing the Thai WRSA program.

In FY00 an additional $40M is required for the Korean program. This authorization is required to transfer excess items (U.S.-titled material), to the WRSA program. Recently, U.S. Forces Korea reviewed its munitions assets, updated weapons systems, and its fire support plan. It was determined that large amounts of excess and obsolete munitions exist in U.S. inventories. As a result of this review, U.S. Forces Korea seeks an increase in authority to transfer $40M in additions to the FY00 WRSA-K. The additions include primarily excess munitions, with the remainder being other supply-type items.

While alternative disposition of excess and obsolete munitions exists in the form of foreign military sales (FMS) and demilitarization, FMS to other countries is limited due to the extra cost incurred by the buyer to transport the munitions off the Korean peninsula, and demilitarization is a very slow and expensive process. Transfer of excess and obsolete munitions to the WRSA-K from the U.S. inventory will result in the avoidance of maintenance, storage, transportation, and demilitarization costs by the U.S., resulting in increased storage space for U.S. Forces Korea, and improvement in ROK readiness. [By agreement with the Government of Korea, the U.S. does not pay for the storage of assets designated as WRSA, although the assets remain under U.S. title.]

In FY00 an additional $20M authorization is requested for the Thailand program. This authorization is requested to fulfill any residual U.S. obligations under the Memorandum of Understanding establishing the Thai WRSA program. The U.S. contribution will be matched dollar-for-dollar by the Government of Thailand. The goal of the program is to bring the total value of U.S. contributions since the establishment of the program in 1987 to $100M.

As the term "war reserves" implies, these stocks are intended for use only in emergencies. In all cases, title to and control of the additions remain with the U.S. Government. Pursuant to Section 514(a) of the FAA, any transfer to an allied or friendly

country must be in accordance with the provisions of the security assistance legislation prevailing at the time.

Some additions in FY00 may consist of overseas U.S. defense stocks currently identified as war reserves for U.S. armed forces. These reserves would be identified in FY00 as war reserves to be held for emergency use under the terms of Section 514 of the FAA. While some of these additions may not be wholly relocated within the territory of the intended recipient in FY00, their value will not be counted a second time, when eventually relocated.

VALUE OF ANNUAL CEILINGS FOR STOCKPILING
($ in thousands)

FISCAL YEAR	AMOUNT STOCKPILED
1976 and 1977	96,750
1977	152,000
1978	270,000
1979	90,000
1980	95,000
1981	85,000
1982	130,000
1983	125,000
1984	125,000
1985	248,000
1986	360,000
1981	125,000
1988	116,000
1989	77,000
1990	165,000
1991	378,000
1992	300,000
1993	389,000
1994	292,000
1995	250,000
1996	50,000
1997	50,000
1998	60,000
1999	340,000
2000	60,000

Countries And International Organizations Eligible for Purchasing Defense Articles and Services from The United States Government

Pursuant to Section 25(a)(8) of the Arms Export Control Act (AECA), the following is a listing of the countries and international organizations that the President has determined to be eligible under Section 3(a)(1) of the AECA to purchase defense articles and services. That a determination of record under Section 3(a)(1) exists does not signify in itself that sales will be made.

COUNTRY	DATE OF DETERMINATION
Africa	
Angola	July 28, 1995
Benin	January 2, 1973
Botswana	February 6, 1979
Burkina Faso	January 2, 1973
Burundi	August 24, 1991
Cameroon	January 2, 1973
Cape Verde	June 10, 1985
Central African Republic	February 2, 1987
Chad	September 1, 1977
Comoros	May 26, 1992
Congo	August 24, 1991
Djibouti	May 17, 1982
Equatorial Guinea	November 28, 1983
Eritrea	February 18, 1994
Ethiopia	January 2, 1973
Gabon	January 2, 1973
Gambia	February 2, 1987
Ghana	January 2, 1973
Guinea	January 2, 1973
Guinea-Bissau	June 10, 1985
Ivory Coast	January 2, 1973
Kenya	October 29, 1974/May 20, 1975
Lesotho	October 25, 1990
Liberia	January 2, 1973
Madagascar	October 29, 1974
Malawi	February 4, 1985
Mali	January 2, 1973
Mauritania	June 10, 1985
Mauritius	October 29, 1974
Mongolia	August 22, 1995

Countries And International Organizations Eligible for Purchasing Defense Articles and Services from The United States Government (continued)

COUNTRY	DATE OF DETERMINATION
Mozambique	April 10, 1985
Namibia	October 25, 1990
Niger	January 2, 1973
Nigeria	January 2, 1973
Rwanda	February 27, 1981
South Africa	June 27, 1994
Sao Tome & Principe	May 27, 1988
Senegal	January 2, 1973
Seychelles	July 20, 1989
Sierra Leone	February 5, 1985
Somalia	November 5, 1976 and March 3, 1980
Sudan	November 5, 1976
Tanzania	July 20, 1989
Togo	February 11, 1985
Uganda	July 20, 1989
Zaire	January 2, 1973
Zambia	August 11, 1992
Zimbabwe	October 26, 1982
Latin America & the Caribbean	
Antigua & Barbuda	April 8, 1982
Argentina	January 2, 1973
Bahamas	December 13, 1973
Barbados	June 21, 1979
Belize	November 23, 1981
Bolivia	January 2, 1973
Brazil	January 2, 1973
Chile	January 2, 1973
Colombia	January 2, 1973
Costa Rica	January 2, 1973
Dominica	March 13, 1980
Dominican Republic	January 2, 1973
Ecuador	January 2, 1973
El Salvador	January 2, 1973
Grenada	April 3, 1984
Guatemala	January 2, 1973

Countries And International Organizations Eligible for Purchasing Defense Articles and Services from The United States Government (continued)

COUNTRY	DATE OF DETERMINATION
Guyana	August 30, 1993
Haiti	January 2, 1973
Honduras	January 2, 1973
Jamaica	January 2, 1973
Mexico	January 2, 1973
Nicaragua	January 2, 1973
Panama	January 2, 1973
Paraguay	January 2, 1973
Peru	April 9, 1984
St. Kitts-Nevis	March 13, 1980
St. Lucia	March 13, 1980
St. Vincent and the Grenadines	April 14, 1976
Suriname	January 2, 1973
Trinidad and Tobago	January 2, 1973
Uruguay	January 2, 1973
Venezuela	
East Asia & the Pacific	
Australia	January 2, 1973
Brunei	January 2, 1973
Burma	January 2, 1973
Cambodia	January 2, 1973
China	June 12, 1984
Cook Islands	January 6, 1993
Fiji	August 5, 1975
Indonesia	January 2, 1973
Japan	January 2, 1973
Korea	January 2, 1973
Laos	January 2, 1973
Malaysia	January 2, 1973
Marshall Islands	January 6, 1993
Micronesia	January 6, 1993
Mongolia	August 22, 1995
New Zealand	January 2, 1973
Papua New Guinea	December 4, 1980
Philippines	January 2, 1973

Countries And International Organizations Eligible for Purchasing Defense Articles and Services from The United States Government (continued)

COUNTRY	DATE OF DETERMINATION
Singapore	January 2, 1973
Solomon Islands	January 6, 1993
Taiwan	January 2, 1973; reaffirmed
12/30/78	
Thailand	January 2, 1973
Tonga	November 5, 1987
Vanuatu	January 6, 1993
Vietnam	January 2, 1973
Western Samoa	January 6, 1993
Europe and Canada	
Albania	March 22, 1994
Austria	January 2, 1973
Belgium	January 2, 1973
Bosnia-Herzegovina	February 23, 1996
Bulgaria	March 22, 1994
Canada	January 2, 1973
Czech Republic	January 5, 1994
Denmark	January 2, 1973
Estonia	March 22, 1994
Finland	January 2, 1973
The Former Yugoslav Republic of Macedonia	March 8, 1996
France	January 2, 1973
Germany	January 2, 1973
Greece	January 2, 1973
Hungary	December 6, 1991
Iceland	January 2, 1973
Ireland	January 2, 1973
Italy	January 2, 1973
Latvia	March 22, 1994
Luxembourg	January 2, 1973
Lithuania	March 22, 1994
Malta	January 2, 1973
Netherlands	January 2, 1973
Norway	January 2, 1973
Poland	December 6, 1991

Countries And International Organizations Eligible for Purchasing Defense Articles and Services from The United States Government (continued)

COUNTRY	DATE OF DETERMINATION
Portugal	January 2, 1973
Romania	March 22, 1994
Slovakia	January 5, 1994
Slovenia	March 8, 1996
Spain	January 2, 1973
Sweden	January 2, 1973
Switzerland	January 2, 1973
Turkey	January 2, 1973
United Kingdom	January 2, 1973
Yugoslavia	January 2, 1973
Near East	
Algeria	April 8, 1983/April 10, 1985
Bahrain	January 2, 1973
Egypt	August 1, 1977
Iran	January 2, 1973
Israel	January 2, 1973
Jordan	January 2, 1973
Kuwait	January 2, 1973
Lebanon	January 2, 1973
Libya	January 2, 1973
Morocco	January 2, 1973
Oman	January 2, 1973
Qatar	January 2, 1973
Saudi Arabia	January 2, 1973
Tunisia	January 2, 1973
United Arab Emirates	January 2, 1973
Yemen Arab Republic	January 2, 1973 /a
New Independent States	
Georgia	March 11, 1997
Kazakstan	March 11, 1997
Kyrgystan	March 11, 1997
Moldova	March 11, 1997
Russia	March 11, 1997

Countries And International Organizations Eligible for Purchasing Defense Articles and Services from The United States Government (continued)

COUNTRY	DATE OF DETERMINATION
Turkmenistan	March 11, 1997
Ukraine	March 11, 1997
Uzbekistan	March 11, 1997
South Asia	
Afghanistan	January 2, 1973
Bangladesh	December 31, 1980
India	January 2, 1973
Nepal	January 2, 1973
Pakistan	January 2, 1973
Sri Lanka	January 2, 1973
International Organization	
NATO and its Agencies	January 2, 1973
United Nations and its Agencies	January 2, 1973
Organization of African Unity	August 25, 1992
Organization of American States	January 2, 1973

Commercial Exports Licensed or Approved Under the Arms Export Control Act

The Office of Defense Trade Controls (DTC) in the Bureau of Political-Military Affairs at the Department of State, administers the United States Government's program to control commercial exports of defense articles, services and technical data. DTC implements the Arms Export Control Act (AECA) through the International Traffic in Arms Regulations (ITAR), which includes the United States Munitions List (USML). DTC reviews all requests for licenses and other approvals to export defense articles, services or technical data; establishes licensing policies and procedures; and enforces compliance with the ITAR.

The data in the following chart on commercial arms sales are compiled by DTC based on information as of September 1997. The chart is in two parts. The first column, entitled "Actual Deliveries (Preliminary)", shows the preliminary dollar value totals by destination of exports during fiscal year 1997. These export totals are compiled from expired or completed licenses returned to DTC by the U.S. Customs Service, unless a more comprehensive method is available. The totals are preliminary because DTC licenses are approved for four calendar years, thereby allowing shipments to span five fiscal years, and are not returned by the U.S. Customs Service until the license is completed or expired. In some instances, training and technical assistance are not included in these figures. For further information, see also the classified annex to this document.

The second and third columns in the chart show the estimated dollar value totals by destination of possible deliveries in fiscal years 1998 and 1999. These estimates are based primarily on the dollar value of licenses approved for each destination during the prior two fiscal years (the dollar values of the authorized licenses are not shown). Not all approved licenses result in signed contracts and actual exports. Factors which affect the final export value include the availability of the licensed item for shipping, and how quickly the license will be returned to DTC. (See also the classified annex.) Other factors which cannot be quantified are economic and security conditions at the destination, and changing U.S. foreign policy and national security considerations. Countries for whom there were no actual deliveries in fiscal year 1997 and which had no authorized licenses for fiscal years 1996 and 1997 do not appear in this report.

The procedures for estimating defense commercial sales for out years (fiscal years 1998 and 1999) were revised for the 1995 CPD. Previous procedures for such estimates called for extrapolating exports for the first out year at forty percent of the actual dollar value of licenses approved in the previous two fiscal years. The second out year's exports would have been estimated at sixty percent of that two year total.

An analysis of preliminary worldwide exports for fiscal years 1988-1992 showed, however, exports ranging from an average of 4.3 percent to 21.18 percent of the total dollar value of approvals for the previous two years. It further showed that actual

shipments for some countries have ranged from zero to values in excess of previous years' approvals, owing to changing economic and security conditions or acquisition of major defense systems. Based on this historical data, DTC now estimates exports for the first out year (fiscal year 1998) to be 10 percent of the total dollar value of approved licenses for the previous two years (fiscal years 1996 and 1997). The exports for the second out year (fiscal year 1999) are estimated to be fifty percent of those for fiscal year 1997.

End-Use Monitoring of Defense Articles And Defense Services

The Blue Lantern end-use check program assists the Department in verifying the end-use, end-user, and destination of U.S.-origin defense articles, defense services and related technical data that are exported commercially.

The Office of Defense Trade Controls in the Bureau of Political-Military Affairs, (PM/DTC), is responsible for administering the International Traffic in Arms Regulations (ITAR) which includes a review of license applications for the export of defense articles, defense services, and related technical data. Established in 1990, the Blue Lantern end-use check program has been critical in ensuring that the Department makes fully informed licensing decisions and effectively enforces the AECA and the ITAR. The verification of the ultimate destination and specific end-use of U.S.-origin defense articles, defense services and related technical data that are exported commercially supports specific policy goals related to restraints placed on arms sales and facilitation of legitimate defense trade. These goals include:

Impeding potential adversaries' access to militarily significant items and technologies, including those which contribute to the proliferation of weapons of mass destruction;

Promoting a capable defense industrial base to ensure global competitiveness and continued technology advantages enjoyed by U.S. military forces over potential adversaries;

Encouraging foreign government support for U.S. principles, laws, regulations, and practices concerning sale, transfer, and end-use of defense equipment and services.

As such, end-use checks performed in commercial defense export cases have been a strong indicator of compliance capabilities in U.S. industry and abroad, and have significantly encouraged compliance with legal and regulatory requirements. A primary goal is to ensure that U.S.-origin defense exports are sent only to the country of ultimate destination for the specific end-use and end-user stated on the export license or other written approval from the Department. Blue lantern is a global program and over 418 end-use checks were initiated in FY-98. Some 3500 checks have been conducted since the inception of the program.

Blue Lantern is administered by the Office of Defense Trade Controls (DTC). The currently authorized DTC complement consists of 47 full-time State Department personnel and the staff ranges in grade from GS-7 to the Senior Executive Service. All officers in DTC's two principal divisions, Arms Licensing and Compliance and Enforcement, participate in Blue Lantern implementation. In Fiscal Year 1998, compensation for DTC employees amounted to approximately two million dollars.

During this time period, DTC also established a team to enhance analysis and monitoring of defense exports. It includes three contract personnel (former senior U.S. Customs agents with extensive experience in export controls enforcement activities).

Responses in a large majority (70 percent) of FY-98 Blue Lantern cases were positive (i.e., bona fides of parties to the export were confirmed as were the end-users and end-uses per authorization of the State Department). Unfavorable results led to denials/revocations of licenses, imposition of sanctions or prosecution of export law violators. Moreover, as a result of Blue Lantern program implementation, many foreign government recipients of U.S. defense exports recognize that offenses against arms export control laws and regulations are prejudicial to security, foreign policy and commercial interests they share with the U.S., and accept the need for international cooperation in the administration and enforcement of arms export control laws.

The following are a few examples in Fiscal Year 1998 of the effectiveness of Blue Lantern checks:

The Department requested Blue Lantern inquiries regarding two separate Hong Kong entities which revealed that neither one was aware that military electronics and helicopter parts they had imported from the U.S. were restricted to use in Hong Kong only, and that transfers to the PRC-proper were not authorized. Through this Blue Lantern check, Hong Kong authorities have since become aware of this restriction in its importation of U.S. defense articles and technology;

Israeli authorities confirmed that a proposed distributor of U.S. armored vehicle and artillery parts does not exist at the address provided to the Department. Based on this information, the Department denied the license;

UAE officials, the purported end-user of an export, were unable to confirm that they ordered C-130 parts which, according to the license, was to be filled by a company in Italy. Based on this information the Department revoked the license.

A recently constituted end-use monitoring unit, as noted above, has already bolstered Department efforts in end-use verification. Working closely with arms licensing and other compliance personnel in the Office of Defense Trade Controls and other agencies, the team is attempting to examine trends in illicit arms trafficking and diversions, to identify targets for law enforcement action, and to develop information and guidance for Department officers abroad who carry out end-use monitoring functions. The end-use monitoring unit has already embarked on significant reviews. During the passed year, contract and full-time State Department compliance specialists conducted physical inspections of U.S. equipment exported to Israel in support of the Arrow Aces missile program, and reviewed end-use of this equipment with senior Israeli government and private sector representatives. Another contingent met with officials in three European countries to discuss and support foreign investigations into an arms diversion network that has diverted U.S.-origin defense articles to proscribed destinations.

Supporting Information

***** THIS TABLE WAS REVISED AND UPDATED SUBSEQUENT TO THE INITIAL PRINTING AND PUBLICATION OF THIS DOCUMENT *****

COMMERCIAL EXPORTS LICENSED OR APPROVED UNDER THE AECA
(Dollars in Thousands)

COUNTRY NAME	ACTUAL FY 1998	ESTIMATED DELIVERIES FY 1999	FY 2000
AFRICA:			
ANGOLA	1	**	0
BOTSWANA	650	852	2,757
BURKINA FASO	1	**	1
CAMEROON	18	101	5,032
CAPE VERDE	0	**	0
CHAD	0	**	**
COTE D'IVOIRE	0	7	0
ERITREA	7	91	3
GABON	0	32	**
GHANA	1	338	21
KENYA	68	100	191
MALAWI	**	0	0
MAURITIUS	0	10	21
NAMIBIA	22	64	257
NIGER	1	**	0
REUNION	0	4	10
SENEGAL	4	23	114
SOUTH AFRICA	915	4,723	18,254
TANZANIA	58	1	7
UGANDA	0	1,002	501
ZAMBIA	**	82	8
ZIMBABWE	72	50	189
REGIONAL TOTAL	1,819	7,480	27,367
WESTERN HEMISPHERE:			
ANTIGUA-BARBUDA*	8	1	7
ARGENTINA	1,312	25,626	106,202
ARUBA	15	25	18
BAHAMAS	1	2,749	0
BARBADOS*	15	14	23
BELIZE	208	152	21
BERMUDA	0	114	536
BOLIVIA	684	384	1,683
BRAZIL	6,530	22,584	66,220
BRITISH VIRGIN ISLANDS	0	**	0
CANADA	1551	112,301	327,073
CAYMAN ISLANDS	7	4	3
CHILE	3,333	5,737	18,905
COLOMBIA	42,699	5,217	40,122
COSTA RICA	326	327	1,009
DOMINICA*	0	1	250
DOMINICAN REPUBLIC	206	1,003	11,703
ECUADOR	2,964	2,040	28,319
EL SALVADOR	132	1,631	1,981
FRENCH GUIANA	1,550	685	658
GRENADA*	**	7	6
GUATEMALA	300	512	404
GUYANA	49	29	121
HAITI	12	22	71
HONDURAS	278	878	1,473
JAMAICA	47	77	924
MARTINIQUE	0	6	0
MEXICO	5,193	21,321	91,168
NETHERLANDS ANTILLES	114	256	820
NICARAGUA	1	9	4

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(Dollars in Thousands)

COUNTRY NAME	ACTUAL FY 1998	ESTIMATED DELIVERIES FY 1999	FY 2000
WESTERN HEMISPHERE (CONT):			
PANAMA	265	1,553	1,787
PARAGUAY	111	45	152
PERU	39	2,479	9,642
ST KITTS AND NEVIS*	3	89	1
ST LUCIA*	6	9	25
ST VINCENT & GRENADINES*	**	**	**
SURINAME	2	34	99
TRINIDAD & TOBAGO	115	136	309
TURKS & CAICOS ISLANDS	1	**	**
URUGUAY	152	1,765	1,211
VENEZUELA	3,181	54,569	93,094
REGIONAL TOTAL	71,409	264,392	806,045
EAST ASIA & PACIFIC:			
AUSTRALIA	71,076	238,304	789,269
BRUNEI	21,369	4,906	13,989
CAMBODIA	0	1	0
CHINA***	389	750,000	750,000
FIJI	0	2	9
FRENCH POLYNESIA	0	**	1
HONG KONG	1,388	611	1,974
INDONESIA	4,349	10,694	16,362
JAPAN	249,498	86,024	1,487,088
MACAU	30	16	43
MALAYSIA	2,900	29,161	40,094
NAURU	0	2	0
NEW CALEDONIA	16	95	354
NEW ZEALAND	6,766	35,772	97,066
PAPUA NEW GUINEA	76	94	261
PHILIPPINES	1,583	37,064	150,131
SINGAPORE	3,087	174,083	734,137
SOLOMON ISLANDS	74	78	10
SOUTH KOREA	60,105	242,398	877,303
TAIWAN	173,055	200,000	200,000
THAILAND	22,666	41,225	135,035
REGIONAL TOTAL	618,426	1,850,532	5,293,128
EUROPE & NIS:			
ALBANIA	0	1	0
ANDORRA	1	7	15
AUSTRIA	2,606	4,992	6,624
BELGIUM	9,118	30,683	68,087
BOSNIA-HERZEGOVINA	0	17,667	66,178
BULGARIA	15	408	1,811
CROATIA	0	1,591	2,392
CYPRUS	2	2	5
CZECH REPUBLIC	76	65,175	137,192
DENMARK	3,991	18,737	36,656
ESTONIA	**	252	1,253
FAEROE ISLANDS	0	**	1
FINLAND	139,408	141,621	615,035
FRANCE	18,646	71,607	208,380
GEORGIA	0	95	474
GERMANY	41,403	200,644	524,189
GIBRALTAR	0	1	**
GREECE	13,626	47,608	213,156
GREENLAND	0	1	0

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COMMERCIAL EXPORTS LICENSED OR APPROVED UNDER THE AECA
(Dollars in Thousands)

COUNTRY NAME	ACTUAL FY 1998	ESTIMATED DELIVERIES FY 1999	FY 2000
EUROPE & NIS (CONT):			
HUNGARY	30	1,956	447
ICELAND	8	5,544	25,325
IRELAND	209	3,341	658
ITALY	20,799	86,024	147,070
KAZAKHSTAN	0	367	190
LATVIA	0	253	1,260
LITHUANIA	0	315	1,373
LUXEMBOURG	611	5,703	25,521
MACEDONIA (FYROM)	0	284	1,289
MALTA	1	**	**
MOLDOVA	0	4	0
MONACO	4	2	1
NETHERLANDS	10,144	104,946	205,474
NORWAY	3,716	42,969	104,289
POLAND	195	5,589	10,473
PORTUGAL	1,509	7,361	9,817
ROMANIA	49	91,470	46,980
RUSSIA	12	16,204	45,434
SLOVAKIA	0	1,636	205
SLOVENIA	5	2,706	6,980
SPAIN	16,529	87,303	200,483
SWEDEN	15,177	95,956	206,222
SWITZERLAND	3,737	75,386	85,140
TURKEY	567,150	201,000	803,275
UKRAINE	0	14	31
UNITED KINGDOM	50,636	869,045	1,512,107
UZBEKISTAN	0	1	0
REGIONAL TOTAL	919,410	2,306,470	5,321,494
NEAR EAST:			
ALGERIA	375	32,304	2,416
BAHRAIN	122	6,755	21,984
EGYPT	2,395	33,972	101,217
ISRAEL	11,508	218,188	500,253
JORDAN	330	4,847	22,089
KUWAIT	4,305	29,081	132,028
LEBANON	778	175	464
MALDIVES	43	**	61
MOROCCO	1,617	6,826	12,952
OMAN	199	849	2,442
QATAR	323	2,098	8,948
SAUDI ARABIA	11,714	201,370	264,409
TUNISIA	184	35,937	3,466
UNITED ARAB EMIRATES	1,591	4,345	131,302
YEMEN	0	643	638
REGIONAL TOTAL	35,483	577,390	1,204,669
SOUTH ASIA:			
BANGLADESH	3,256	886	3,138
BHUTAN	0	10	0
NEPAL	20	422	19
PAKISTAN	346	0	0
SRI LANKA	294	1,410	5,945
REGIONAL TOTAL	3,915	2,729	9,102

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COMMERCIAL EXPORTS LICENSED OR APPROVED UNDER THE AECA
(Dollars in Thousands)

COUNTRY NAME	ACTUAL FY 1998	ESTIMATED DELIVERIES FY 1999	ESTIMATED DELIVERIES FY 2000
NON REGIONAL:			
CLASSIFIED TOTALS (a)	392,742	1,000,000	1,000,000
INTERNATIONAL ORG.	1,723	28,836	1,610,039
NON-REGIONAL TOTAL	394,465	1,028,836	2,610,039
WORLD-WIDE TOTAL	2,044,928	6,037,829	15,271,844

NOTE: Totals may not add due to rounding.

* These countries comprise the Eastern Caribbean. See Eastern Caribbean narrative for a discussion of specific country programs.

** Less than $500.

*** Estimated deliveries for China are illustrative of anticipated exports of commercial satellites for launch in that country. China is not an approved destination for any other defense articles or services.

(a) For further information, please see the Classified Annex to this document.

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FUNDING
(Dollars in Millions)

FOREIGN MILITARY FINANCING GRANTS (11-1082)

	Actual FY 1998	Estimated FY 1999	Proposed FY 2000
Grant for Israel	1,800.000	1,860.000	1,920.000
Grant for Egypt	1,300.000	1,300.000	1,300.000
Grant - All Others	173.300	140.090	178.700
Administrative Costs	23.203	29.910	31.300
Unobligated Expenses - Admin	0.047	0.000	0.000
Total Appropriation	3,296.550	3,330.000	3,430.000
Reimbursements - MAP	**1.747**	0.000	0.000
Transfer From Other Accounts - Other Grants	**47.660**	0.000	0.000
Transfer From Other Accounts - Admin	5.771	0.000	0.000
Transfer to ESF (Lockerbie)	**-3.000**	0.000	0.000
Total Budget Authority	**3,348.728**	3,330.000	3,430.000
Unobligated Balance Expiring - Admin	-0.047	0.000	0.000
Total Obligations - FMF	**3,348.681**	3,330.000	3,430.000
Reimbursement - Other Grants (NADR)	**2.406**	0.000	0.000
Total Obligations	**3,351.087**	0.000	0.000
Net Outlays	3,118.499	3,233.310	3,157.119

NOTE: Supplemental appropriation submitted in PB 2000 to include grant funds in the amounts of $600.000 for Israel and $100.000 for Jordan in FY 1999. Supplemental appropriation submitted in PB 2000 to include grant funds in the amounts of $300.000 for Israel and $50.000 for Jordan in FY 2000.

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FUNDING (Continued)
(Dollars in Millions)

FOREIGN MILITARY FINANCING PROGRAM ACCOUNT (11-1085)

	Actual FY 1998	Estimated FY 1999	Proposed FY 2000
Direct Loan Subsidy Appropriation	60.000	20.000	0.000
Transfers to Other Accounts	-47.660	0.000	0.000
Subsidy Re-estimates	18.171	0.000	0.000
Budget Authority	30.511	20.000	0.000
Total Obligations	30.511	20.000	0.000
Net Outlays	52.466	32.945	40.175

Note: Rescission Supplemental submitted to PB 2000 to rescind $18.240 of subsidy from the FY 1997 program.

FOREIGN MILITARY LOAN LIQUIDATING ACCOUNT (11-4121)

	Actual FY 1998	Estimated FY 1999	Proposed FY 2000
Obligations:			
Guarantee Claims	45.763	43.340	42.793
Total Obligations	45.763	43.340	42.793
Financing For Guarantee Claims:			
Permanent Indefinite Authority	28.000	31.000	35.000
Collections of Guarantee Claims	12.315	12.340	7.793
Collections for Debt Reduction	5.448	0.000	0.000
Total B/A (NET)	45.763	43.340	42.793
Offsetting Collections From:			
Repayment of Guarantee Claims	36.375	**12.595**	0.247
Repayment of Direct Loans	219.258	218.102	592.661
Repayment of Debt Reduction	5.448	100.000	0.000
Total Offsetting Collections	-261.081	-330.697	-592.908
Net Outlays	-215.318	-287.357	-550.115

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FUNDING (Continued)
(Dollars in Millions)

FOREIGN MILITARY FINANCING DIRECT LOAN FINANCING ACCOUNT (11-4122)

	Actual FY 1998	Estimated FY 1999	Proposed FY 2000
Direct Loans	118.240	167.000	0.000
Interest on Treasury Borrowing	112.784	93.602	99.983
Payment of Downward Rest of Subsidy	15.022	3.497	0.000
Total Obligations/Financing Authority	246.046	264.099	**99.983**
Financing Disbursements (Gross)	419.117	530.405	569.896
Less Offsetting Collections:			
Payments from FMF Program Account	-52.466	-32.945	-40.175
Interest on Uninvested Funds	26.604	0.000	0.000
Payments from Country Loans	-244.570	-379.703	-409.017
Financing Disbursements (Net)	95.477	117.757	120.704

Note: Rescission Supplemental submitted to PB 2000 to rescind $18.240 of subsidy from the FY 1997 program.

MILITARY DEBT REDUCTION FINANCING ACCOUNT (11-4174)

	Actual FY 1998	Estimated FY 1999	Proposed FY 2000
Payment to Liquidating Account	5.448	100.000	0.000
Interest on Debt to Treasury	0.452	7.000	6.000
Total Obligations	5.900	107.000	6.000
Outlays (Gross)	5.900	107.000	6.000
Less Offsetting Collections From:			
Federal Funds	1.905	5.000	0.000
Non-Federal Funds	0.801	0.000	0.000
Net Outlays	3.194	102.000	6.000

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FUNDING (Continued)
(Dollars in Millions)

INTERNATIONAL MILITARY EDUCATION & TRAINING PROGRAM

	Actual FY 1998	Estimated FY 1999	Proposed FY 2000
IMET Program	50.000	50.000	52.000
Unobligated Programs	-.016	0.000	0.000
Total Obligations	49.984	50.000	52.000
Net Adjustments to Prior Year Obligations	-2.435	0.000	0.000
Budget Authority:			
Appropriation	50.000	50.000	52.000
Net Outlays	41.334	51.000	52.000

FUNDING (Continued)
(Dollars in Millions)

SPECIAL DEFENSE ACQUISITION FUND

	Actual FY 1998	Estimated FY 1999	Proposed FY 2000
Purchases of Equipment (Obligations) (a)	.840	8.000	10.000
Gross Budget Authority (b)	.840	8.000	10.000
Offsetting Collections	-53.100	-56.000	-10.000
Net Budget Authority	-52.260	-48.000	0.000
Financing Disbursements	13.810	20.000	15.000
Offsetting Collections	-53.100	-56.000	-10.000
Net Outlays	-39.290	-36.000	-5.000
Return of Unobligated Balances to the Treasury due to Program Cancellation (c)(d) (Capital Return) to Treasury account 2814, "Other Repayments of Investments and Recoveries"	34.000	0.000	0.000
Return of Unobligated Balances to the Treasury due to Program Cancellation (Excess Unobligated Balance) to Treasury account 1614, "Other Earnings from Business Operations Revolving Funds"	46.000	56.000	10.000

(a) FY 1995 obligations are the final year of SDAF program authority to purchase articles and services for resale. FY 1996 - FY 2000 actual and estimated obligations are for the close-out and termination expenses of SDAF.
(b) This represents the planned transfer of all collections "in excess of obligation authority provided in prior appropriations Acts" pursuant to P.L. 103-87, September 30, 1993, which means that all FY 1994 and later collections are first deposited into the SDAF appropriation, and later transferred to the Treasury Account, "Other Repayments of Investments and Recoveries," 2814. The return of capitalization does not affect the calculation of net outlay.
(c) Capital return summary ($ in millions):
Actual: FY 1994, $266.0; FY 1995, $282.0; FY 1996, $322.0; FY 1997, $166.0; FY 1998, $34.0.
Total Actual = $1,070.0.

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LEGISLATIVE HISTORY OF AUTHORIZATIONS & APPROPRIATIONS
(Dollars in Millions)

FOREIGN MILITARY FINANCING PROGRAM/GRANTS

Fiscal Year	Executive Branch Request		Authorized		Appropriated	
	Budget Authority	Program	Budget Authority	Program	Budget Authority	Program
1970	275.000	350.000	250.000	340.000	70.000	0.000
1971	772.500	885.000	750.000 (a)	840.000 (a)	700.000 (a)	0.000
1972	510.000	582.000	400.000	550.000	400.000	0.000
1973	527.000	629.000	400.000 (b)	550.000	400.000 (b)	0.000
1974	2,725.000	2,960.000	2,525.000 (c)	2,930.000 (c)	2,525.000 (c)	0.000
1975	555.000	872.000	405.000	872.500	300.000	0.000
1976 (d)	2,430.200	2,430.200	1,298.750	2,968.375	1,205.000	0.000
1977	2,179.600	2,179.600	740.000	2,022.100	740.000	0.000
1978	707.750	2,217.500	682.000	2,152.350	675.850	0.000
1979 (e)	1,042.500	5,767.500	1,044.300	6,155.500	1,024.500	0.000
1980	658.880 (f)	2,188.000 (f)	673.500	2,235.000	645.000 (b)	0.000
1981	734.000	2,840.000 (g)	500.000	3,116.000	500.000 (b)	3,046.187 (b)
1982	1,481.800	4,054.400	800.000	4,069.525	800.000	3,883.500
1983	950.000 (h)	5,273.300 (h)	800.000	4,169.525	1,175.000 (b)	5,106.500 (b)
1984	1,000.000	5,656.000	1,315.000	5,761.500	1,315.000 (b)	5,716.250 (b)
1985	5,100.000	5,100.000	(i)	(i)	4,939.500 (b)	4,939.500 (b)
1986	5,655.000	5,655.000	5,371.000	5,371.000	5,190.000	5,190.000 (j)
1987	5,861.000 (k)	5,661.000	(i)	(i)	4,053.441 (l)	4,053.441 (l)
1988	4,421.150	4,421.150	(m)	(m)	4,017.000 (n)	4,049.000
1989	4,460.000	4,460.000	(o)	(o)	4,272.750	4,272.750
1990	5,027.000	5,027.000	(p)	(p)	4,827.642	4,827.642 (q)
1991	5,016.900	5,016.900	(r)	(r)	4,663.421 (s)	4,663.421 (s)
1992	4,610.000	4,610.000	(t)	(t)	3,928.548 (u)	3,928.548 (u)
1993	4,099.225	4,099.225	(v)	(v)	3,245.414 (w)	3,245.414 (w)
1994	3,231.657	3,232.157	(x)	(x)	3,052.397 (x)	3,052.397 (x)
1995	3,130.858	3,130.858	(y)	(y)	3,151.279 (y)	3,151.279 (y)
1996	3,262.020	3,262.020	(z)	(z)	3,208.390 (z)	3,208.390 (z)
1996 Sup	70.000 (A)	70.000 (A)	(A)	(A)	70.000 (A)	70.000 (A)
1997	3,228.250	3,228.250	(B)	(B)	3,224.000 (B)	3,224.000 (B)
1998	3,274.250	3,274.250	(C)	(C)	3,296.550 (C)	3,296.550 (C)
1999	3,275.910	3,275.910	(D)	(D)	**3,330.000** (D)	**3,330.000** (C)
2000	3,430.000	3,430.000				

NOTE: Military Assistance Program included Foreign Military Sales Financing program prior to FY 1969.

(a) Includes $500.000 for Israel authorized by P.L. 91-441 and appropriated by P.L. 91-665.

(b) CRA limitation.

(c) Includes $2,200.000 for Emergency Security Assistance requested, authorized and appropriated for Israel.

(d) Includes transitional quarter (FY 197T).

(e) Includes $2,200.000 supplemental program for Israel and a $1,500.000 supplemental program for Egypt.

(f) Includes a $10.000 amendment for Sudan and $15.000 for Oman.

(g) Includes $200.000 proposed budget amendment for Egypt.

(h) Reflects amended budget request; excludes the supplemental request for $525.000 program increase for guarantee loans.

LEGISLATIVE HISTORY OF AUTHORIZATIONS & APPROPRIATIONS (Continued)
(Dollars in Millions)

FOREIGN MILITARY FINANCING PROGRAM/GRANTS (Continued)

(i) Authorization waived in Continuing Resolution Authority (P.L. 98-473 for FY 1985, and P.L. 99-500 for FY 1987).
(j) Reflects amounts appropriated under P.L. 99-190 (final CRA). Pursuant to P.L. 99-177 (Gramm-Rudman-Hollings), $223.170 not available for obligation.
(k) Includes a supplemental request of $200.000.
(l) Includes $4,040.441 authorized by P.L. 99-500 CRA limitation and $13.000 authorized by P.L. 100-71.
(m) Authorization waived in Continuing Resolution (P.L. 100-202).
(n) P.L. 100-202 appropriated $4,049.000 for FY 1988. Also included in the law was a $32.000 rescission applicable to the FY 1985 and FY 1986 appropriation resulting in an adjusted appropriation of $4,017.000, as shown in the FY 1989 President's Budget.
(o) Authorization waived in P.L. 100-461.
(p) Authorization waived in P.L. 101-167.
(q) Congress appropriated $4,828.403 which was reduced by .43% for use in the control of illicit drugs. In addition, $20.000 was transferred into the FMF account from the DOD budget (P.L. 101-165) resulting in $4,827.641 available to the FMF program.
(r) Authorization waived in P.L. 101-513.
(s) P.L. 101-513 appropriated $5,066.921 for FY 1991. Section 401(a) of P.L. 102-27 subsequently Reduced that amount to $4,663.421.
(t) Authorization waived in P.L. 102-109, P.L. 102-145, and P.L. 102-266.
(u) P.L. 102-266 appropriated $4,100.000 for FY 1992, reduced the amount appropriated by $60.602 and provided for the transfer of $63.750 of funds appropriated to the Demobilization and Transition Fund. P.L. 102-298 rescinded an additional $47.100 of the FY 1992 appropriation for a net appropriation of $3,928.548.
(v) Authorization waived in P.L. 102-391.
(w) P.L. 102-391 appropriated $3,300.000 for FY 1993, rescinded $25.586 of prior year balance, and provided for the transfer of $29.000 to the Demobilization and Transition Fund for a net budget authority of $3,245.414.
(x) P.L. 103-87 appropriated $3,149.279, including deobligation/reobligation authority. The Authorization was waived. During FY 1994, an Emergency Supplemental Appropriations Act was passed (P.L. 103-211) and it rescinded $91.282 of FY 1993 and prior year balances. Subsequently, an additional $5.600 was transferred to the IMET and Economic Support Fund accounts leaving a net appropriation of $3,052.397.
(y) P.L. 103-306 appropriated $3,151.279 for FY 1995. The Authorization was waived.
(z) P.L. 104-107 appropriated $3,208.390 for FY 1996. The Authorization was waived.
(A) Pending FY 1996 FMF supplemental request of $140.000 supports Jordan F-16 program; P.L. 104-134 appropriated $70.000 for FY 1996. The Authorization was waived.
(B) P.L. 104-208 appropriated $3,224.000 for FY 1997. The Authorization was waived.
(C) P.L. 105-118 appropriated $3,296.550 for FY 1998. The Authorization was waived.
(D) P.L. 105-277 appropriated $3,330.000 for FY 1999 FMF Grants. The Authorization was waived.

LEGISLATIVE HISTORY OF AUTHORIZATIONS & APPROPRIATIONS
(Continued)
(Dollars in Millions)

FOREIGN MILITARY FINANCING
DIRECT LOAN FINANCING ACCOUNT
TOTAL PROGRAM

Fiscal Year	Executive Branch Request	Financing Authority
1992	313.961	345.000 (a)
1993	360.000	855.000 (b)
1994	855.000	769.500 (c)
1995	770.000	619.650 (d)
1996	765.000	544.000 (e)
1997	370.028	540.000 (f)
1998	699.500	200.000 (g)
1999	167.024	167.000 (h)
2000	0.000	

(a) Continuing Resolution Authority (P.L. 102-109 and P.L. 102-145).
(b) P.L. 102-391 provides financing authority for direct loans of $855.000 for FY 1993.
(c) P.L. 103-87 provides financing authority for direct loans of $769.500 for FY 1994.
(d) P.L. 103-306 provides financing authority for direct loans of $619.650 for FY 1995.
(e) P.L. 104-107 provides financing authority for direct loans of $544.000 for FY 1996.
(f) P.L. 104-208 provides financing authority for direct loans of $540.000 for FY 1997.
(g) P.L. 105-118 provides financing authority for direct loans of $200.000 for FY 1998.
(h) P.L. 105-277 provides financing authority for direct loans of $167.000 for FY 1999.

NOTE: Rescission Supplemental submitted to PB2000 to rescind $18.240 from FY 1997 subsidy.

LEGISLATIVE HISTORY OF AUTHORIZATIONS & APPROPRIATIONS (Continued)
(Dollars in Millions)

FOREIGN MILITARY FINANCING
DIRECT LOAN SUBSIDY ELEMENT

Fiscal Year	Executive Branch Request	Appropriated
1992	57.490	50.148 (a)(b)
1993	63.332	149.200 (c)
1994	120.457	46.530 (d)
1995	59.598	47.917 (e)
1996	89.888	64.400 (f)
1997	40.000	60.000 (g)
1998	66.000	60.000 (h)
1999	20.000	20.000 (i)
2000	0.000	

(a) Authorization waived under P.L. 102-109 and P.L. 102-145.
(b) P.L. 102-266 appropriated $50.900 for FY 1992 and reduced the appropriation by $.752 for a net availability of $50.148.
(c) P.L. 102-391 appropriated $149.200 for FY 1993. The Authorization was waived.
(d) P.L. 103-87 appropriated $46.530 for FY 1994. The Authorization was waived.
(e) P.L. 103-306 appropriated $47.917 for FY 1995. The Authorization was waived.
(f) P.L. 104-107 appropriated $64.400 for FY 1996. The Authorization was waived.
(g) P.L. 104-208 appropriated $60.000 for FY 1997. The Authorization was waived.
(h) P.L. 105-118 appropriated $60.000 for FY 1998. $40.000 will be transferred to the FMF Grant Account. The Authorization was waived.
(i) P.L. 105-277 appropriated $20.000 for FY 1999. The Authorization was waived.

NOTE: Rescission Supplemental submitted to PB 2000 to rescind $18.240 from FY 1997 subsidy.

LEGISLATIVE HISTORY OF AUTHORIZATIONS & APPROPRIATIONS (Continued)
(Dollars in Millions)

ECONOMIC SUPPORT FUND

Fiscal Year	Executive Branch Request	Authorized	Appropriated
1964	435.000	380.000	330.000
1965	405.000	405.000	401.000
1966	764.000	684.000	684.000
1967	750.000	715.000	690.000
1968	720.000	660.000	600.000
1969	595.000	410.000	365.000
1970	515.000	414.600	395.000
1971	600.000	414.600	414.600
1972	800.000	618.000	550.000
1973	848.800	(a)	600.000 (a)
1974	732.000	629.000	611.500
1975	1,425.300	1,377.000	1,200.000
1976	1,923.300	1,856.200	1,739.900
197T	50.200	464.100 (b)	279.700 (b)
1977	1,893.500	1,895.000	1,757.700
1978	2,232.200	2,235.000 (c)	2,219.300 (c)
1979	2,204.400 (d)(e)	2,202.000	2,282.000
1980	2,115.100 (e)(f)	1,935.000	1,946.000 (g)
1981	2,030.500	2,065.300	2,104.500 (g)
1982	2,931.500	2,973.500	2,926.000
1983	2,886.000 (h)	2,873.500	2,962.250 (g)
1984	2,949.000 (i)	3,074.000	3,254.250 (g)(j)
1985	3,438.100	(k)	6,084.000 (l)
1986	4,024.000	3,800.000	3,800.000 (m)(n)
1987	4,390.800 (o)	(p)	3,600.000 (q)
1988	3,600.000 (r)	3,200.820 (r)	3,200.820 (r)
1989	3,281.000 (r)	3,258.500	3,258.500
1990	3,849.100 (s)	3,916.510 (t)	3,916.510 (t)
1991	3,358.000 (u)	3,175.000 (v)	3,175.000 (v)
1992	3,240.000 (w)	3,216.624 (g)	3,216.624 (g)
1993	3,123.000 (x)	2,670.000	2,670.000
1994	2,582.000	2,364.562	2,364.562
1995	82.300 (y)	2,368.600	2,368.600
1996	2,494.300	2,359.600	2,359.600
1997	2,408.000	2,362.600	2,362.600
1998	2,497.600	2,419.600	2,419.600
1999	2,513.600	2,432.831	2,432.831
2000	2,389.000		

LEGISLATIVE HISTORY OF AUTHORIZATIONS & APPROPRIATIONS (Continued)
(Dollars in Millions)

ECONOMIC SUPPORT FUND (Continued)

(a) CRA level - $618.000. There was no authorization level in FY 1973.
(b) Section 506 of the International Security Assistance and Arms Control Act of 1976, P.L. 94-329, quarter not to exceed one-fourth of the total amount authorized in that Act for FY 1976.
(c) Includes $300.000 for Portugal; also $20.000 for Lebanon, authorized as Disaster Assistance, but appropriated in the Security Support Assistance (SSA) account.
(d) Includes a $300.000 supplemental for Egypt and $100.000 for Turkey.
(e) Executive Branch request included ESF and PKO in one account--Security Supporting Assistance (SSA).
(f) Includes an $80.000 supplemental for Central America.
CRA limitation.
(g) Reflects initial budget request. Does not include the $294.500 supplemental budget request.
(h) Reflects initial budget request. Does not include the $340.500 supplemental appropriation for Central America or the $10.000 for Poland.
(i) Includes supplemental appropriation (P.L. 98-332).
(j) Authorization waived in Continuing Resolution Authority (P.L. 98-473 for FY 1985, and P.L. 99-500 for FY 1987).
(k) Includes FY 1985 Supplemental of $2,258.000.
(l) Reflects amounts appropriated under P.L. 99-190 (final CRA). Pursuant to P.L. 99-177 (Gramm-Rudman-Hollings), $159.358 not available for obligation.
(m) Includes $100.000 supplemental for the Republic of the Philippines.
(n) Includes a supplemental request of $297.000.
(o) The International Development and Security Act of 1985 (P.L. 99-83) authorized $3,800.000 for both FY 1986 and FY 1987.
(p) Includes $50.000 deoblilgation/reobligation reappropriation.
(q) Includes $12.500 deobligation reobligation reappropriation estimate.
(r) Includes $18.000 deobligation/reobligation reappropriation estimate and a $500.000 supplemental for Panama.
(s) Includes $20.000 for Ireland (less $.145 sequestration pursuant to P.L. 99-177), minus $50.000 pursuant to P.L. 101-167 and $755.000 supplemental (P.L. 101-302) for Panama, Nicaragua, Namibia, and South Africa.
(t) Includes $14.000 reappropriation estimate.
(u) Includes $14.000 reappropriation estimate and $30.200 transferred to other accounts. Includes $20.000 for Ireland.
(v) Includes $12.000 reappropriation estimate.
(w) Includes $11.000 reappropriation estimate.
(x) Executive Branch did not request Economic Support Funds in the President's Budget for FY 1995.
(y) The FY 1996 President's Budget includes a supplemental FY 1995 request of $82.300.

LEGISLATIVE HISTORY OF AUTHORIZATIONS & APPROPRIATIONS (Continued)
(Dollars in Millions)

MILITARY ASSISTANCE PROGRAM

Fiscal Year	Executive Branch Request	Authorized	Appropriated
1950	1,400.000	1,314.000	1,314.000
1951	5,222.500	5,222.500	5,222.500
1952	6,303.000	5,997.600	5,744.000
1953	5,425.000	4,598.400	4,219.800
1954	4,274.500	3,681.500	3,230.000
1955	1,778.300	1,591.000	1,192.700
1956	1,959.200	1,450.200	1,022.200
1957	2,925.000	2,225.000	2,017.500
1958	1,900.000	1,600.000	1,340.000
1959	1,800.000	1,605.000	1,515.000
1960	1,600.000	1,400.000	1,300.000
1961	2,000.000	(a)	1,800.000
1962	1,885.000	1,700.000	1,600.000
1963	(b)	1,700.000	1,325.000
1964	1,405.000	1,000.000	1,000.000
1965 (c)	1,055.000	1,055.000	1,055.000
1966 (c)	1,170.000	1,170.000	1,170.000
1967	917.000	875.000	792.000
1968	620.100	510.000	500.000
1969	420.000	375.000	375.000
1970	425.000	350.000	350.000
1971	690.000	690.000	690.000
1972	705.000	500.000	500.000
1973	780.000	553.100 (d)	553.100 (d)
1974 (e)	685.000	512.500	450.000 (f)
1975 (g)	985.000	600.000	475.000
1976 (h)(i)	790.000	245.875	252.200
1977	279.000	235.800	264.550
1978	230.000	228.900	220.000 (j)
1979	133.500	133.500	83.375
1980 (c)	160.200 (k)	111.900 (l)	110.000 (d)
1981 (c)	104.400	106.100	110.200 (d)
1982 (c)(m)	131.400	231.400	171.412
1983 (c)	557.000 (n)	238.500 (o)	383.325 (d)
1984	747.000 (p)	639.700	711.750 (d)(q)
1985	924.500	(r)	805.100 (d)
1986 (c)	949.350	805.100	798.374 (s)(t)
1987 (c)	1,257.450 (u)	805.100	950.000
1988	1,329.800	(v)	700.750
1989	467.000	(w)	467.000 (x)
1990	40.432	(y)	(z)
1991	0.000	0.000	0.000
1992	0.000	0.000	-6.750 (D)
1993	0.000	0.000	-20.164 (E)
1994	-0.439 (F)	0.000	-0.439 (F)
1995	(L)		(L)

LEGISLATIVE HISTORY OF AUTHORIZATIONS & APPROPRIATIONS (Continued)
(Dollars in Millions)

INTERNATIONAL MILITARY EDUCATION & TRAINING PROGRAM

Fiscal	Executive Branch Request	Authorized	Appropriated
1976 (a)	37.000	33.750	28.750
1977	32.200	30.200	25.000
1978	35.000	31.000	30.000
1979	32.100	31.800	27.900
1980	32.900	31.800	25.000 (d)
1981	32.500	34.000	28.400 (d)
1982	42.000	42.000	42.000
1983	53.700 (o)	43.000	46.000
1984	56.532	56.452	51.532 (d)
1985	60.910	(r)	56.221 (d)
1986	65.650	56.221	54.490 (s)
1987	68.830	56.000	56.000
1988	56.000	(v)	47.400
1989	52.500	(w)	47.400
1990	54.500	(y)	47.196 (A)
1991	50.500	(B)	47.196
1992	52.500	(C)	47.196 (G)
1993	47.500	(H)	42.500 (I)
1994	42.500	(J)	22.250 (J)
1995	25.500	(K)	25.500 (K)
1996	39.781	39.000 (M)	39.000 (M)
1997	45.000	43.475 (N)	43.475 (N)
1998	50.000	50.000	50.000 (O)
1999	50.000	50.000	50.000 (P)
2000	52.000		

NOTE:
(1) The Military Assistance Program included International Military Education and Training Program prior to FY1976.
(2) The Administration has not proposed Military Assistance Programs subsequent to FY 1990.

(a) The Mutual Security Act of 1959, P.L. 86-108, approved July 24, 1959, states "There is hereby authorized to be appropriated to the President for the fiscal year 1961 and 1962 such sums as may be necessary from time to time to carry out the purpose of this chapter, which sums shall remain available until expended."
(b) Foreign Assistance Act of 1961 authorized $1,700.000; no executive branch request for authorization was required.
(c) Does not include MAP drawdowns of $75.000 in FY 1965 and $300.000 in FY 1966, or Section 506(a) drawdowns of $1.000 in FY 1980; $26.000 in FY 1981; $55.000 in FY 1982; $25.000 in FY 1983; $40.000 in FY 1986; and $25.000 in FY 1987.
(d) CRA limitation.
(e) Includes funds requested separately for proposed International Military Education and Training Program finally authorized and appropriated as part of the Military Assistance Program. Does not include $2,500.000 for Section 506 drawdown authority.

LEGISLATIVE HISTORY OF AUTHORIZATIONS & APPROPRIATIONS (Continued)
(Dollars in Millions)

MILITARY ASSISTANCE PROGRAM AND INTERNATIONAL MILITARY EDUCATION & TRAINING PROGRAM (Continued)

(f) Includes $5.000 transferred to AID.
(g) Does not include $75.000 for Section 506 drawdown authority.
(h) Includes transitional quarter (FY 197T).
(i) Does not include $275.000 for Section 506 drawdown authority.
(j) Includes $40.200 subsequently rescinded.
(k) Includes a $50.000 supplemental for Turkey.
(l) Includes a $1.700 Senate supplemental for Sudan.
(m) Does not include $7.100 reimbursement for Section 506 drawdown authority.
(n) Reflects the amended budget request but not the $187.000 supplemental budget request.
(o) Reflects initial budget request; excludes $1.000 supplemental request.
(p) Reflects initial budget request; excludes $259.050 supplemental request for Central America.
(q) Includes supplemental appropriation of $201.750 for Central America.
(r) Authorization waived in Continuing Resolution (P.L. 98-473).
(s) Reflects amounts appropriated under P.L. 99-190 (final CRA). Pursuant to P.L. 99-177 (Gramm-Rudman-Hollings) $33.626 of MAP and $2.343 of IMET are not available for obligation.
(t) Includes supplemental appropriation of $50.000 for the Republic of the Philippines.
(u) Includes a supplemental request of $261.000.
(v) Authorization waived in Continuing Resolution (P.L. 100-202).
(w) Authorization waived in P.L. 100-461.
(x) P.L. 101-45 transferred $2.000 to contributions for international peacekeeping activities (Budget Account 19-9-1124).
(y) Authorization waived in P.L. 101-167.
(z) Administrative costs formerly designated as MAP General Costs (1080 account) are included in the Foreign Military Financing Appropriation (1082 account) effective 1 October 1989.
(A) Congress appropriated $47.400 which was reduced by .43% for use in the control of illicit drugs, resulting in $47.196 available to the IMET program.
(B) Authorization waived in P.L. 101-513.
(C) Authorization waived in P.L. 102-109 and P.L. 102-145.
(D) P.L. 102-298 rescinded $6.750 of prior year balances and $5.760 of previously disbursed amounts.
(E) P.L. 102-298 rescinded $20.164 of prior year balances.
(F) During FY 1994, P.L. 103-211, the FY 1994 Emergency Supplemental Appropriations Act, rescinded $.439 of prior year appropriations.
(G) P.L. 102-266 appropriated $47.196 for FY 1992. P.L. 102-298 rescinded $1.925 and P.L. 102-381 reduced it an additional $.698 for a net availability of $44.573.
(H) Authorization waived in P.L. 102-391.
(I) P.L. 102-391 appropriated $42.500 for FY 1993.
(J) P.L. 103-87 appropriated $21.250 for FY 1994. The Authorization was waived. During FY 1994, an additional $1.000 was transferred into IMET from FMF making a total of $22.250 of appropriated funds available.
(K) P.L. 103-306 appropriated $25.500 for FY 1995. The Authorization was waived. Subsequent to the release of the President's FY 1996 Budget, $.850 was transferred out of the PKO account and into the IMET account ($.350 for Botswana and $.500 for Senegal) to enhance PKO training.
(L) MAP funds were cancelled in FY 1995 due to "M" year legislation. No new authorizations will be enacted for this account.
(M) P.L. 104-107 appropriated $39.000 for FY 1996. The Authorization was waived.
(N) P.L. 104-208 appropriated $43.475 for FY 1997. The Authorization was waived.
(O) P.L. 105-118 appropriated $50.000 for FY 1998. The Authorization was waived.
(P) P.L. 105-277 appropriated $50.000 for FY 1999. The Authorization was waived.

LEGISLATIVE HISTORY OF AUTHORIZATIONS & APPROPRIATIONS
(Continued)
(Dollars in Millions)

PEACEKEEPING OPERATIONS

Fiscal Year	Executive Request	Authorized	Appropriated
1979	(a)	30.900	27.400
1980	(a)	21.100	22.000 (b)
1981	25.000	25.000	25.000 (c)
1982	19.000	19.000	14.000 (d)
1983	43.474	19.000	31.100 (c)
1984	46.200	46.200	46.200 (c)
1985	49.000	(e)	44.000 (c)
1986	37.000	37.000	34.000 (f)
1987	39.000	37.000	31.689
1988	46.311	31.689	31.689
1989	41.689 (g)	41.689	41.689
1990	33.377	32.773	32.773
1991	32.800	32.800	32.800
1992	378.000 (h)	28.000	28.000 (c)
1993	27.166	27.166	27.166
1994	77.166	82.435 (i)	82.435 (i)
1995	75.000	75.000	75.000 (j)
1996	100.000	70.000	70.000
1997	70.000	65.000	65.000
1998	90.000	77.500	77.500
1999	83.000		

LEGISLATIVE HISTORY OF AUTHORIZATIONS & APPROPRIATIONS (Continued)
(Dollars in Millions)

FOREIGN MILITARY LOAN LIQUIDATING ACCOUNT
(Formerly Guaranty Reserve Fund)

Fiscal Year	Executive Branch Request	Appropriated	Borrowing Authority/ Permanent Indefinite Appropriation (k)	
			Actual	Estimated
1985	274.000	109.000	0.000	
1988	0.000	532.000	0.000	
1989	0.000	0.000	452.065	
1990	0.000	0.000	731.510	
1991	0.000	0.000	127.014	
1992	0.000	0.000	0.000	
1993	0.000	0.000	62.678	
1994	0.000	0.000	49.608	
1995	0.000	0.000	39.300	
1996	0.000	0.000	23.577	
1997	10.599	0.000	16.500	
1998	28.000	0.000	28.000	
1999	31.000	0.000	0.000	31.000 (k)
2000	35.000	0.000	0.000	35.000 (k)

PEACEKEEPING OPERATIONS AND FOREIGN MILITARY LOAN LIQUIDATING ACCOUNT (Continued)

(a) Executive Branch request included ESF and PKO in one account--Security Supporting Assistance (SSA).
(b) CRA limitation (P.L. 96-123).
(c) CRA limitation.
(d) In addition, $125.000 appropriated under CRA (P.L. 97-51) and authorized by P.L. 97-132 for the Multinational Force and Observers.

(e) Authorization waived in Continuing Resolution (P.L. 98-473).
(f) Reflects amount appropriated under P.L. 99-190 (final CRA). Pursuant to P.L. 99-177 (Gramm-Rudman-Hollings), $1.462 of this amount is not available for obligation.

(g) Includes $10.000 transfer from DOD allocated to Department of State pursuant to P.L. 101-45 used for UN mineclearing operations in Afghanistan.

(h) Reflects an amendment to the FY 1992 budget to provide the United States' share to initiate UN Peacekeeping activities in Cambodia and El Salvador, and for other peacekeeping requirements.

(i) Includes appropriation of $75.623 plus $6.812 transferred from other accounts.
(j) The President's FY 1996 Budget shows PKO Budget Authority of $75.000 in FY 1995. Subsequent to the release of the President's Budget, $.850 was transferred out of the PKO account and into the IMET account ($.350 for Botswana and $.500 for Senegal) to enhance PKO training.

(k) Use of borrowing from U.S. Treasury under authority of P.L. 100-202 in FY 1989. P.L. 101-167 in FY 1990, and P.L. 101-513 in FY 1991. Use of permanent indefinite appropriation authori8ty in FY 1993 through FY 1999.

SELECTED U.S. ECONOMIC AND MILITARY ASSISTANCE PROGRAMS: FY 1998 Actual

(BA $ thousands)

	DA	ESF	IMET	FSA	SEED	INC	MRA	NADR	PL-480	Peace Corps	FMF	PKO	Total
Regional Allocations													
Africa													
Angola, Luanda	13,000	5,000	-	-	-	-	-	2,400	32,736	-	-	-	53,136
Benin, Cotonou	17,150	-	376	-	-	-	-	-	2,843	1,787	-	-	22,156
Botswana, Gaborone	-	-	540	-	-	-	-	-	-	116	-	-	656
Burkina Faso, Ouagadougou	-	-	-	-	-	-	-	-	14,297	1,768	-	-	16,065
Burundi, Bujumbura	-	-	-	-	-	-	-	-	13,371	-	-	-	13,371
Cameroon, Yaounde	-	-	142	-	-	-	-	-	1,256	2,721	-	-	4,119
Cape Verde, Praia	-	-	153	-	-	-	-	-	5,931	1,020	-	-	7,104
Central African Republic, Bangui	-	-	142	-	-	-	-	-	-	-	-	-	142
Chad, N'Djamena	-	-	99	-	-	-	-	400	633	319	-	-	1,451
Comoros, Moroni	-	-	101	-	-	-	-	-	-	-	-	-	101
Congo, Democratic Republic of the, Kinshasa	20,000	9,500	-	-	-	-	-	-	-	-	-	-	29,500
Cote D'Ivoire, Abidjan	-	-	211	-	-	-	-	-	1,126	2,345	-	-	3,682
Djibouti, Djibouti	-	-	103	-	-	-	-	-	434	-	-	-	537
Eritrea, Asmara	11,200	-	409	-	-	-	-	1,500	442	626	-	-	19,077
Ethiopia, Addis Ababa	42,885	-	259	-	-	-	-	400	62,888	1,370	-	-	117,702
Gabon, Libreville	-	-	-	-	-	-	-	-	-	2,122	-	-	2,122
Gambia, The, Banjul	-	-	-	-	-	-	-	-	2,099	1,292	-	-	3,391
Ghana, Accra	38,231	-	288	-	-	-	-	-	14,434	2,791	-	-	55,744
Guinea, Conakry	16,900	-	70	-	-	-	-	-	1,426	2,239	-	-	20,635
Guinea-Bissau, Bissau	-	-	64	-	-	-	-	-	-	547	-	-	611
Kenya, Nairobi	19,500	850	443	-	-	-	-	-	24,368	3,256	-	-	48,417
Lesotho, Maseru	-	-	81	-	-	-	-	-	1,040	1,781	-	-	2,902
Liberia, Monrovia	7,500	-	-	-	-	-	-	-	30,286	-	-	-	37,786
Madagascar, Antananarivo	17,500	-	146	-	-	-	-	-	7,111	1,046	-	-	25,803
Malawi, Lilongwe	37,100	-	284	-	-	-	-	-	-	1,926	-	-	39,310
Mali, Bamako	37,500	-	265	-	-	-	-	-	3,669	2,943	-	-	44,377
Mauritania, Nouakchott	-	-	-	-	-	-	-	-	2,431	1,415	-	-	3,846
Mauritius, Port Louis	-	-	63	-	-	-	-	-	-	-	-	-	63
Mozambique, Maputo	39,396	-	178	-	-	-	-	1,000	24,231	891	-	-	70,696
Namibia, Windhoek	8,350	-	203	-	-	-	-	800	-	2,464	-	-	11,817
Niger, Niamey	2,200	-	-	-	-	-	-	-	3,374	2,145	-	-	7,719
Nigeria, Lagos	7,000	-	-	-	-	-	-	-	-	-	-	-	7,000
Rwanda, Kigali	7,500	500	473	-	-	-	-	1,000	28,709	-	-	-	38,182
Senegal, Dakar	17,300	-	815	-	-	-	-	-	-	2,854	-	-	20,969

SELECTED U.S. ECONOMIC AND MILITARY ASSISTANCE PROGRAMS: FY 1998 Actual

(BA $ thousands)

	DA	ESF	IMET	FSA	SEED	INC	MRA	NADR	PL-480	Peace Corps	FMF	PKO	Total
Seychelles, Victoria	-	-	79	-	-	-	-	-	-	-	-	-	79
Sierra Leone, Freetown	-	-	-	-	-	-	-	-	32,565	-	-	-	32,565
Somalia (Closed), Mogadishu	4,000	-	-	-	-	-	-	346	8,923	-	-	-	13,269
South Africa, Pretoria	70,100	250	804	-	-	-	-	-	-	1,997	-	-	73,151
Sudan, Khartoum	-	-	-	-	-	-	-	-	54,136	-	-	-	54,136
Swaziland, Mbabane	-	-	93	-	-	-	-	210	-	-	-	-	303
Tanzania, Dar es Salaam	19,700	150	185	-	-	-	-	-	10,623	2,132	-	-	32,790
Togo, Lome	-	-	35	-	-	-	-	-	-	1,735	-	-	1,770
Uganda, Kampala	44,764	-	357	-	-	-	-	-	30,997	1,397	-	-	77,515
Zambia, Lusaka	19,311	-	143	-	-	-	-	-	2,244	2,186	-	-	23,884
Zimbabwe, Harare	11,850	-	336	-	-	-	-	800	-	1,391	-	-	14,377
Sao Tome	-	-	74	-	-	-	-	-	-	-	-	-	74
Greater Horn of Africa Initiative (GHAI)	15,000	-	-	-	-	-	-	-	-	-	-	-	15,000
Iniative for Southern Africa (ISA)	30,000	-	-	-	-	-	-	-	-	-	-	-	30,000
Democracy and Human Rights Funds for Africa	3,500	-	-	-	-	-	-	-	-	-	-	-	3,500
Partnership for Economic Growth and Opportunity	-	-	-	-	-	-	-	-	-	-	-	-	-
Education for Democracy and Development (EDDI)	-	5,000	-	-	-	-	-	-	-	-	-	-	5,000
Regional Development Fund for Africa	121,748	-	-	-	-	-	-	-	-	-	-	-	121,748
Countries in Transition Fund (CIT)	-	-	-	-	-	-	-	-	-	-	-	-	-
Safe Skies for Africa Initiative (SSK)	-	-	-	-	-	-	-	-	-	-	-	-	-
Africa Regional Democracy Fund	-	5,000	-	-	-	-	-	-	-	-	-	-	5,000
Great Lakes Justice Initiative (GLJI)	-	-	-	-	-	-	-	-	-	-	-	-	-
Organization of African Unity (OAU)	-	-	-	-	-	-	-	-	-	-	-	-	-
Africa Regional Peacekeeping (ARP)	-	-	-	-	-	-	-	-	-	-	-	7,130	7,130
Africa Crisis Response Iniative (ACRI)	-	-	-	-	-	-	-	-	-	-	12,000	10,000	22,000
East Africa Regional Fund (EARF)	-	-	-	-	-	-	-	-	-	-	5,000	-	5,000
Regional	-	-	-	-	-	-	-	-	2,609	-	-	-	2,609
Regional ATA Training Assistance / Antiterrorism	-	-	-	-	-	-	-	816	-	-	-	-	816
Regional Organizations Fund	-	-	-	-	-	-	-	-	-	-	-	-	-
Migration/Refugee	-	-	-	-	-	-	130,757	-	-	-	-	-	130,757
Total, Africa	**700,185**	**26,250**	**8,014**	**-**	**-**	**-**	**130,757**	**9,672**	**441,032**	**52,622**	**17,000**	**17,130**	**1,402,662**

SELECTED U.S. ECONOMIC AND MILITARY ASSISTANCE PROGRAMS: FY 1998 Actual

(BA $ thousands)

	DA	ESF	IMET	FSA	SEED	INC	MRA	NADR	PL-480	Peace Corps	FMF	PKO	Total
Regional Allocations													
East Asia & Pacific													
Burma, Rangoon	1,500	3,500	-	-	-	-	-	-	-	-	-	-	5,000
Cambodia, Phnom Penh	500	15,994	-	-	-	-	-	2,000	-	-	-	-	18,494
China, Beijing	-	-	-	-	-	-	-	-	-	809	-	-	809
Fiji, Suva	-	-	-	-	-	-	-	-	-	234	-	-	234
Hong Kong, Hong Kong (Consulate General)	-	-	-	-	-	-	-	15	-	-	-	-	15
Indonesia, Jakarta	52,835	1,100	476	-	-	-	-	-	46,833	-	-	-	101,244
Laos, Vientiane	800	-	-	-	-	3,500	-	2,000	-	-	-	-	6,300
Malaysia, Kuala Lumpur	-	-	939	-	-	-	-	-	-	-	-	-	939
Mongolia, Ulaanbaatar	4,000	8,000	391	-	-	-	-	-	-	1,311	-	-	13,702
Papua New Guinea, Port Moresby	-	-	139	-	-	-	-	-	-	1,216	-	-	1,355
Philippines, Manila	42,622	-	1,278	-	-	-	-	-	-	1,631	-	-	45,531
Samoa, Apia	-	-	96	-	-	-	-	-	-	1,016	-	-	1,112
Singapore, Singapore	-	-	-	-	-	-	-	15	-	-	-	-	15
Solomon Islands, Honiara	-	-	112	-	-	-	-	-	-	1,179	-	-	1,291
Thailand, Bangkok	-	-	1,985	-	-	2,000	-	-	-	797	-	-	4,782
Vanuatu, Republic of, Port-Vila (Peace Corps Post)	-	-	93	-	-	-	-	-	-	882	-	-	975
Viet-Nam, Hanoi	3,000	-	-	-	-	-	-	139	-	-	-	-	3,139
East Asia Regional	3,690	-	-	-	-	-	-	-	-	-	-	-	3,690
Regional Financial Crisis Assistance	-	-	-	-	-	-	-	-	-	-	-	-	-
Regional Environmental Initiative	-	4,200	-	-	-	-	-	-	-	-	-	-	4,200
Regional Democracy Fund	-	3,450	-	-	-	-	-	-	-	-	-	-	3,450
South Pacific Multilateral Fisheries Treaty	-	14,000	-	-	-	-	-	-	-	-	-	-	14,000
Regional Security Fund	-	250	-	-	-	-	-	-	-	-	-	-	250
Regional / Overseas Assistance	-	-	-	-	-	-	17,675	-	-	-	-	-	17,675
Regional Women's Initiative	-	-	-	-	-	-	-	-	-	-	-	-	-
Regional - KEDO	-	6,506	-	-	-	-	-	40,000	-	-	-	-	46,506
Regional ATA Training Assistance EAP	-	-	-	-	-	-	-	2,263	-	-	-	-	2,263
Micronesia	-	-	-	-	-	-	-	-	-	1,493	-	-	1,493
Tonga	-	-	99	-	-	-	-	-	-	886	-	-	985
Kiribati	-	-	-	-	-	-	-	-	-	706	-	-	706
Asia Environmental Partnership	13,700	-	-	-	-	-	-	-	-	-	-	-	13,700
North Korea	-	-	-	-	-	-	-	-	70,368	-	-	-	70,368
Total, East Asia & Pacific	**122,647**	**57,000**	**5,608**	**-**	**-**	**5,500**	**17,675**	**46,432**	**117,201**	**12,160**	**-**	**-**	**384,223**

SELECTED U.S. ECONOMIC AND MILITARY ASSISTANCE PROGRAMS: FY 1998 Actual

(BA $ thousands)

	DA	ESF	IMET	FSA	SEED	INC	MRA	NADR	PL-480	Peace Corps	FMF	PKO	Total
Regional Allocations													
Russia & the New Independent States	-	-	-	87,500	-	-	-	31	-	1,163	-	-	88,694
Armenia, Yerevan	-	-	-	34,290	-	-	-	-	-	-	-	-	34,290
Azerbaijan, Baku	-	-	61	7,260	-	-	-	-	-	-	-	-	7,321
Belarus, Minsk	-	-	416	97,500	-	-	-	79	-	-	5,350	-	103,345
Georgia, Tbilisi	-	-	587	40,300	-	-	-	264	-	1,831	2,250	-	45,232
Kazakstan, Almaty	-	-	336	24,320	-	-	-	42	-	1,257	1,350	-	27,305
Kyrgyzstan, Bishkek	-	-	460	33,070	-	-	-	37	-	1,569	3,450	-	38,586
Moldova, Chisinau	-	-	732	133,183	-	-	-	1,688	-	3,096	2,250	-	140,949
Russia, Moscow	-	-	-	11,950	-	-	-	41	4,049	-	-	-	16,040
Tajikistan, Dushanbe	-	-	336	5,250	-	-	-	56	-	1,221	450	-	7,313
Turkmenistan, Ashgabat	-	-	1,250	225,000	-	-	-	81	-	3,033	3,800	-	233,164
Ukraine, Kiev	-	-	457	20,450	-	-	-	42	-	1,257	1,550	-	23,756
Uzbekistan, Tashkent	-	-	-	-	-	-	-	-	-	-	-	-	-
W/NIS Rep / Performance Fund	-	-	-	32,921	-	-	-	-	-	-	-	-	32,921
NIS Regional	-	-	-	8,870	-	-	-	-	-	-	-	-	8,870
Central Asia Regional	-	-	-	8,934	-	-	-	-	-	-	-	-	8,934
Caucasus Republics Regional	-	-	-	-	-	-	-	-	-	-	-	-	-
ATA Regional Program NIS	-	-	4,635	770,798	-	-	-	2,361	4,049	14,427	20,450	-	816,720
Total, Russia & the New Independent States													

SELECTED U.S. ECONOMIC AND MILITARY ASSISTANCE PROGRAMS: FY 1998 Actual

(BA $ thousands)

	DA	ESF	IMET	FSA	SEED	INC	MRA	NADR	PL-480	Peace Corps	FMF	PKO	Total
Regional Allocations													
Europe													
Albania, Tirana	-	-	613	-	27,400	-	-	7	607	-	1,700	-	30,327
Bosnia and Herzegovina, Sarajevo	-	-	600	-	215,000	5,000	-	300	14,748	-	-	-	235,648
Bulgaria, Sofia	-	-	950	-	33,680	-	-	43	5,685	1,536	4,200	-	46,094
Croatia, Zagreb	500	-	497	-	23,210	-	-	-	-	-	-	-	24,207
Cyprus, Nicosia	-	15,000	-	-	-	-	-	15	-	-	-	-	15,015
Czech Republic, Prague	-	-	1,430	-	-	-	-	11	-	-	15,800	-	17,241
Estonia, Tallinn	-	-	723	-	-	-	-	71	-	627	8,300	-	9,721
Greece, Athens	-	-	31	-	-	-	-	-	-	-	-	-	31
Hungary, Budapest	-	-	1,347	-	7,096	-	-	46	-	-	15,800	-	24,289
Ireland, Dublin	-	19,600	-	-	-	-	-	-	-	-	-	-	19,600
Latvia, Riga	-	-	751	-	2,400	-	-	102	-	903	6,950	-	11,106
Lithuania, Vilnius	-	-	664	-	4,750	-	-	166	-	847	6,950	-	13,377
Macedonia, Skopje	-	-	457	-	17,200	-	-	-	-	576	19,257	-	37,490
Malta, Valletta	-	-	91	-	-	-	-	15	-	-	-	-	106
Poland, Warsaw	-	-	1,318	-	35,110	-	-	6	-	2,548	23,700	-	62,682
Portugal, Lisbon	-	-	844	-	-	-	-	-	-	-	-	-	844
Romania, Bucharest	-	-	1,094	-	37,120	-	-	47	-	1,510	13,900	-	53,671
Slovak Republic, Bratislava	-	-	621	-	8,075	-	-	48	-	1,508	3,200	-	13,452
Slovenia, Ljubljana	-	-	654	-	-	-	-	41	-	-	2,500	-	3,195
Turkey, Ankara	4,000	-	1,505	-	-	500	-	-	-	-	-	-	6,005
Yugoslavia, Belgrade	500	-	-	-	15,305	-	-	-	9,853	-	-	-	25,658
ATA Regional	-	-	-	-	-	-	-	3,332	-	-	-	-	3,332
Support to East European Democracy (SEED)	-	-	-	-	58,872	-	-	-	-	-	-	-	58,872
EUR Peacekeeping Operations Kosovo	-	-	-	-	-	-	-	-	-	-	-	-	-
Refugee Assistance Europe / Overseas Assistance	-	-	-	-	-	-	109,562	-	-	-	-	-	109,562
EUR Peacekeeping Operations Bosnia/Croatia	-	-	-	-	-	-	-	-	-	-	-	25,000	25,000
EUR Regional	-	-	-	-	-	-	-	-	-	-	-	-	-
Bosnia / Demining	-	2,000	-	-	-	-	-	-	-	-	-	-	2,000
Bosnia / Republica Srpska	-	5,000	-	-	-	-	-	-	-	-	-	-	5,000
Total, Europe	**5,000**	**41,600**	**14,190**	**-**	**485,218**	**5,500**	**109,562**	**4,250**	**30,893**	**10,055**	**122,257**	**25,000**	**853,525**

SELECTED U.S. ECONOMIC AND MILITARY ASSISTANCE PROGRAMS: FY 1998 Actual

(BA $ thousands)

	DA	ESF	IMET	FSA	SEED	INC	MRA	NADR	PL-480	Peace Corps	FMF	PKO	Total
Regional Allocations													
Near East													
Algeria, Algiers	-	-	125	-	-	-	-	-	-	-	-	-	125
Bahrain, Manama	-	-	251	-	-	-	-	-	-	-	-	-	251
Egypt, Cairo	-	815,000	1,000	-	-	-	-	-	-	-	1,300,000	-	2,116,000
Iraq (Closed), Baghdad	-	5,000	-	-	-	-	-	-	-	-	-	-	5,000
Israel, Tel Aviv	-	1,200,000	-	-	-	-	80,000	-	-	-	1,800,000	-	3,080,000
Jordan, Amman	-	24,330	1,600	-	-	-	-	515	-	1,155	50,000	-	77,600
Lebanon, Beirut	300	12,000	550	-	-	-	-	400	-	-	-	-	13,250
Morocco, Rabat	10,900	-	907	-	-	-	-	-	-	2,091	-	-	13,898
Oman, Muscat	-	-	217	-	-	-	-	-	-	-	-	-	217
Tunisia, Tunis	-	-	900	-	-	-	-	-	-	-	-	-	900
United Arab Emirates, Abu Dhabi	-	-	-	-	-	-	-	15	-	-	-	-	15
Yemen, Sanaa	-	-	142	-	-	-	-	400	-	-	-	-	542
Near East Regional / Overseas Assistance	-	-	-	-	-	-	93,541	-	-	-	-	-	93,541
Multinational Force and Observers	-	-	-	-	-	-	-	-	-	-	-	15,500	15,500
Israel-Lebanon Monitoring Group	-	-	-	-	-	-	-	-	-	-	-	810	810
West Bank/Gaza	-	85,000	-	-	-	-	-	-	-	-	-	-	85,000
Regional ATA Training Assistance / Antiterrorism	-	-	-	-	-	-	-	8,874	-	-	-	-	8,874
Middle East Multilaterals3	-	550	-	-	-	-	-	-	-	-	-	-	550
Middle East Regional Cooperation	-	7,000	-	-	-	-	-	-	-	-	-	-	7,000
Middle East Democracy	-	3,680	-	-	-	-	-	-	-	-	-	-	3,680
Regional Programs	-	-	-	-	-	-	-	-	-	-	-	-	-
Middle East Multilaterals2	-	550	-	-	-	-	-	-	-	-	-	-	550
Middle East Multilaterals4	-	550	-	-	-	-	-	-	-	-	-	-	550
Middle East Multilaterals1	-	1,850	-	-	-	-	-	-	-	-	-	-	1,850
U.S.-North Africa Partnership1	-	-	-	-	-	-	-	-	-	-	-	-	-
US North Africa Partnership2	-	-	-	-	-	-	-	-	-	-	-	-	-
Total, Near East	**11,200**	**2,155,510**	**5,692**	**-**	**-**	**-**	**173,541**	**10,204**	**-**	**3,246**	**3,150,000**	**16,310**	**5,525,703**

SELECTED U.S. ECONOMIC AND MILITARY ASSISTANCE PROGRAMS: FY 1998 Actual

(BA $ thousands)

	DA	ESF	IMET	FSA	SEED	INC	MRA	NADR	PL-480	Peace Corps	FMF	PKO	Total
Regional Allocations													
South Asia													
Afghanistan (Closed), Kabul	-	-	-	-	-	-	-	2,200	-	-	-	-	2,200
Bangladesh, Dhaka	54,850	-	325	-	-	-	-	-	37,650	662	-	-	93,487
India, New Delhi	42,675	-	177	-	-	-	-	-	94,948	-	-	-	137,800
Maldives Islands, Male	-	-	101	-	-	-	-	-	-	-	-	-	101
Nepal, Kathmandu	26,800	-	196	-	-	-	-	-	642	2,328	-	-	29,966
Pakistan, Islamabad	-	3,000	-	-	-	1,500	-	-	6,473	-	-	-	10,973
Sri Lanka, Colombo	4,700	-	225	-	-	-	-	-	-	526	-	-	5,451
Regional Funds / Antiterrorism Assistance SA	-	-	-	-	-	-	-	-	-	-	-	-	-
South Asia: Regional Programs	11,658	-	-	-	-	-	26,316	-	-	-	-	-	37,974
South Asia Regional Democracy Fund	-	3,000	-	-	-	-	-	-	-	-	-	-	3,000
Total, South Asia	**140,683**	**6,000**	**1,024**	**-**	**-**	**1,500**	**26,316**	**2,200**	**139,713**	**3,516**	**-**	**-**	**320,952**

SELECTED U.S. ECONOMIC AND MILITARY ASSISTANCE PROGRAMS: FY 1998 Actual

(BA $ thousands)

	DA	ESF	IMET	FSA	SEED	INC	MRA	NADR	PL-480	Peace Corps	FMF	PKO	Total
Regional Allocations													
Western Hemisphere													
Antigua and Barbuda, St. Johns	-	-	123	-	-	-	-	-	-	-	-	-	123
Argentina, Buenos Aires	-	-	607	-	-	-	-	-	-	-	-	-	607
Bahamas, Nassau	-	-	110	-	-	500	-	-	-	-	-	-	610
Barbados, Bridgetown	-	-	60	-	-	-	-	-	-	-	-	-	60
Belize, Belize City	-	-	304	-	-	-	-	-	-	1,019	-	-	1,323
Bolivia, La Paz	35,925	-	570	-	-	35,000	-	-	17,423	2,500	-	-	91,418
Brazil, Brasilia	10,878	-	220	-	-	500	-	-	-	-	-	-	11,598
Chile, Santiago	-	-	453	-	-	-	-	-	-	688	-	-	1,141
Colombia, Bogota	20	-	863	-	-	57,000	-	-	-	-	-	-	57,883
Costa Rica, San Jose	-	-	241	-	-	-	-	-	-	662	-	-	903
Cuba, Havana (USINT)	-	2,000	-	-	-	-	-	-	-	-	-	-	2,000
Dominican Republic, Santo Domingo	10,762	2,500	596	-	-	-	-	-	-	2,778	-	-	16,636
Ecuador, Quito	8,800	1,000	534	-	-	500	-	-	-	2,677	-	-	13,511
El Salvador, San Salvador	34,033	1,000	512	-	-	-	-	-	1,623	1,478	-	-	38,646
Grenada, St. George's	-	-	59	-	-	-	-	-	-	-	-	-	59
Guatemala, Guatemala City	23,338	25,000	225	-	-	2,000	-	-	12,481	3,104	-	-	66,148
Guyana, Georgetown	3,185	-	181	-	-	-	-	-	-	831	-	-	4,197
Haiti, Port-au-Prince	-	70,000	290	-	-	-	-	-	22,908	1,118	-	14,110	118,426
Honduras, Tegucigalpa	17,602	-	500	-	-	-	-	-	5,114	3,055	-	-	26,271
Jamaica, Kingston	11,040	-	504	-	-	600	-	-	-	2,016	-	-	14,160
Mexico, Mexico City	9,377	1,000	921	-	-	5,000	-	-	-	-	-	-	16,298
Nicaragua, Managua	23,560	1,000	74	-	-	-	-	-	5,465	1,897	-	-	31,996
Panama, Panama City	3,182	-	-	-	-	-	-	-	-	1,516	-	-	4,698
Paraguay, Asuncion	5,625	500	216	-	-	-	-	-	-	3,129	-	-	9,470
Peru, Lima	30,677	-	462	-	-	32,000	-	-	58,898	-	-	-	122,037
Suriname, Paramaribo	-	-	82	-	-	-	-	-	-	749	-	-	831
Trinidad and Tobago, Port-of-Spain	-	-	133	-	-	-	-	-	-	-	-	-	133
Uruguay, Montevideo	-	-	321	-	-	-	-	-	-	-	-	-	321
Venezuela, Caracas	-	297	386	-	-	600	-	-	-	-	-	-	1,283
Caribbean Regional	-	-	-	-	-	-	-	-	-	-	3,000	-	3,000
Latin America Regional	-	-	-	-	-	46,000	-	-	-	-	-	-	46,000
Administration of Justice2	-	-	-	-	-	-	-	-	-	-	-	-	-
Central American Regional Development	13,275	-	-	-	-	-	-	-	-	-	-	-	13,275
Latin America and Caribbean Regional	52,782	-	-	-	-	-	-	-	-	-	-	-	52,782

SELECTED U.S. ECONOMIC AND MILITARY ASSISTANCE PROGRAMS: FY 1998 Actual

(BA $ thousands)

	DA	ESF	IMET	FSA	SEED	INC	MRA	NADR	PL-480	Peace Corps	FMF	PKO	Total
Migration and Refugee Assistance (MRA) /	-	-	-	-	-	-	14,200	-	-	-	-	-	14,200
PACAMS	-	-	550	-	-	-	-	-	-	-	-	-	550
Administration of Justice	-	9,953	-	-	-	-	-	-	-	-	-	-	9,953
Eastern Caribbean	2	-	-	-	-	-	-	-	-	-	-	-	2,094
Windward Islands	-	2,000	-	-	-	-	-	-	-	2,092	-	-	2,000
OAS/IADB / Demining	-	-	-	-	-	-	-	-	-	-	-	-	1,400
Regional ATA Training Assistance / Antiterrorism	-	-	-	-	-	-	-	1,400	-	-	-	-	1,995
St Kitts-Nevis	-	-	65	-	-	-	-	1,995	-	-	-	-	65
St Lucia	-	-	45	-	-	-	-	-	-	-	-	-	45
St Vincent & Gren	-	-	50	-	-	-	-	-	-	-	-	-	50
Regional / Vital Vocies	-	100	-	-	-	-	-	-	-	-	-	-	100
Total, Western Hemisphere	**294,063**	**116,350**	**10,257**	**-**	**-**	**179,700**	**14,200**	**3,395**	**133,912**	**31,309**	**3,000**	**14,110**	**800,296**
Total Regional Allocations	**1,273,778**	**2,402,710**	**49,420**	**770,798**	**485,218**	**192,200**	**472,052**	**78,514**	**866,800**	**127,335**	**3,312,707**	**72,550**	**10,104,082**

SELECTED U.S. ECONOMIC AND MILITARY ASSISTANCE PROGRAMS: FY 1998 Actual

(BA $ thousands)

	DA	ESF	IMET	FSA	SEED	INC	MRA	NADR	PL-480	Peace Corps	FMF	PKO	Total
Total Regional Allocations	1,273,778	2,402,710	49,420	770,798	485,218	192,200	472,052	78,514	866,800	127,335	3,312,707	72,550	10,104,082
Global Programs	450,856	16,890	580	-	-	37,800	178,332	54,486	200	98,246	36,021	4,950	878,361
Other Foreign Operation Accounts													
	-	-	-	-	-	-	-	-	-	-	-	-	717,614
EXIM - Net	-	-	-	-	-	-	-	-	-	-	-	-	-198,000
OPIC - Net	-	-	-	-	-	-	-	-	-	-	-	-	1,458,940
Multilateral Dev. Banks	-	-	-	-	-	-	-	-	-	-	-	-	-
IFI Advisory Commission	-	-	-	-	-	-	-	-	-	-	-	-	-
Treasury Technical Assistance	-	-	-	-	-	-	-	-	-	-	-	-	27,000
Debt Reduction Programs	-	-	-	-	-	-	-	-	-	-	-	-	294,500
IO&P - International Organizations and Programs	-	-	-	-	-	-	-	-	-	-	-	-	3,000
Urban/Environment Credit - Subs	-	-	-	-	-	-	-	-	-	-	-	-	6,053
Urban/Environment Credit - Admin.	-	-	-	-	-	-	-	-	-	-	-	-	1,500
Micro/Small Enterprise - Subs	-	-	-	-	-	-	-	-	-	-	-	-	500
Micro/Small Enterprise - Admin	-	-	-	-	-	-	-	-	-	-	-	-	478,858
USAID Operating Expenses	-	-	-	-	-	-	-	-	-	-	-	-	29,047
Op.Expenses - Inspector	-	-	-	-	-	-	-	-	-	-	-	-	190,298
OFDA - Int. Disaster Assistance	-	-	-	-	-	-	-	-	-	-	-	-	12,340
FMF- Loan	-	-	-	-	-	-	-	-	-	-	-	-	41,500
TDA	-	-	-	-	-	-	-	-	-	-	-	-	22,000
IAF - Inter-American Foundation	-	-	-	-	-	-	-	-	-	-	-	-	14,000
African Development Foundation	-	-	-	-	-	-	-	-	-	-	-	-	50,000
ERMA	-	-	-	-	-	-	-	-	-	-	-	-	-52,000
SDAF	-	-	-	-	-	-	-	-	-	-	-	-	-
ESF - Wye	-	-	-	-	-	-	-	-	-	-	-	-	-
FMF - Grant - Wye	-	-	-	-	-	-	-	-	-	-	-	-	-
FMF - Rescission - Wye	-	-	-	-	-	-	-	-	-	-	-	-	3,097,150
Total Other Foreign Operation Accounts													

SELECTED U.S. ECONOMIC AND MILITARY ASSISTANCE PROGRAMS: FY 1998 Actual

(BA $ thousands)

	DA	ESF	IMET	FSA	SEED	INC	MRA	NADR	PL-480	Peace Corps	FMF	PKO	Total
Other Function 150 Accounts													
State Programs	-	-	-	-	-	-	-	-	-	-	-	-	2,584,692
SMUSM	-	-	-	-	-	-	-	-	-	-	-	-	397,943
Education and Cultural Exchange Programs (USIA	-	-	-	-	-	-	-	-	-	-	-	-	197,731
Other State Department	-	-	-	-	-	-	-	-	-	-	-	-	60,295
CIO	-	-	-	-	-	-	-	-	-	-	-	-	888,883
CIPA	-	-	-	-	-	-	-	-	-	-	-	-	210,632
ICC	-	-	-	-	-	-	-	-	-	-	-	-	12,000
UN Arrears	-	-	-	-	-	-	-	-	-	-	-	-	100,000
State-Related Appropriations	-	-	-	-	-	-	-	-	-	-	-	-	52,557
Broadcasting Board	-	-	-	-	-	-	-	-	-	-	-	-	431,510
ITC + Other	-	-	-	-	-	-	-	-	-	-	-	-	42,676
USIP	-	-	-	-	-	-	-	-	-	-	-	-	11,160
Total Other Function 150 Accounts	-	-	-	-	-	-	-	-	-	-	-	-	**4,990,079**
Grand Total Function 150	**1,724,634**	**2,419,600**	**50,000**	**770,798**	**485,218**	**230,000**	**650,384**	**133,000**	**867,000**	**225,581**	**3,348,728**	**77,500**	**19,069,672**

SELECTED U.S. ECONOMIC AND MILITARY ASSISTANCE PROGRAMS: FY 1999 Estimate

(BA $ thousands)

	DA	ESF	IMET	FSA	SEED	INC	MRA	NADR	PL-480	Peace Corps	FMF	PKO	Total
Regional Allocations													
Africa								500	22	-	-	-	11,772
Angola, Luanda	11,200	-	50	-	-	-	-	-	2,005	2,013	-	-	20,106
Benin, Cotonou	15,738	-	350	-	-	-	-	-	-	-	-	-	500
Botswana, Gaborone	-	-	500	-	-	-	-	-	12,945	1,840	-	-	14,785
Burkina Faso, Ouagadougou	-	-	-	-	-	-	-	-	-	-	-	-	-
Burundi, Bujumbura	-	-	-	-	-	-	-	-	1,607	2,739	-	-	4,496
Cameroon, Yaounde	-	-	150	-	-	-	-	-	978	1,047	-	-	2,125
Cape Verde, Praia	-	-	100	-	-	-	-	-	-	-	-	-	90
Central African Republic, Bangui	-	-	90	-	-	-	-	732	1,217	-	-	-	1,999
Chad, N'Djamena	-	-	50	-	-	-	-	-	-	-	-	-	75
Comoros, Moroni	-	-	75	-	-	-	-	-	-	-	-	-	7,970
Congo, Democratic Republic of the, Kinshasa	7,900	-	70	-	-	-	-	-	-	2,387	-	-	2,537
Cote D'Ivoire, Abidjan	-	-	150	-	-	-	-	-	641	-	-	-	741
Djibouti, Djibouti	-	-	100	-	-	-	-	800	559	215	-	-	15,199
Eritrea, Asmara	10,000	-	425	-	-	-	-	800	43,101	1,473	-	-	91,514
Ethiopia, Addis Ababa	39,915	-	525	-	-	-	-	-	-	2,165	-	-	2,215
Gabon, Libreville	-	-	50	-	-	-	-	-	2,164	1,202	-	-	3,366
Gambia, The, Banjul	-	-	-	-	-	-	-	-	19,283	2,896	-	-	59,500
Ghana, Accra	36,921	-	400	-	-	-	-	-	2,248	2,257	-	-	21,616
Guinea, Conakry	16,961	-	150	-	-	-	-	-	-	-	-	-	125
Guinea-Bissau, Bissau	-	-	125	-	-	-	-	-	8,474	3,251	-	-	68,425
Kenya, Nairobi	19,300	37,000	400	-	-	-	-	-	-	1,924	-	-	1,999
Lesotho, Maseru	-	-	75	-	-	-	-	-	8,276	-	-	-	16,047
Liberia, Monrovia	7,771	-	-	-	-	-	-	-	6,890	1,416	-	-	23,932
Madagascar, Antananarivo	15,526	-	100	-	-	-	-	-	-	1,963	-	-	34,426
Malawi, Lilongwe	32,128	-	335	-	-	-	-	-	422	2,959	-	-	38,155
Mali, Bamako	34,494	-	280	-	-	-	-	200	992	1,448	-	-	2,640
Mauritania, Nouakchott	-	-	-	-	-	-	-	-	-	-	-	-	50
Mauritius, Port Louis	-	-	50	-	-	-	-	1,500	20,938	1,677	-	-	71,015
Mozambique, Maputo	40,720	-	180	-	-	-	-	800	-	2,502	-	-	12,127
Namibia, Windhoek	8,650	-	175	-	-	-	-	-	-	2,102	-	-	2,102
Niger, Niamey	-	-	-	-	-	-	-	-	-	-	-	-	12,500
Nigeria, Lagos	12,500	-	-	-	-	-	-	-	-	-	-	-	12,620
Rwanda, Kigali	11,270	-	300	-	-	-	-	1,050	-	-	-	-	26,924
Senegal, Dakar	23,224	-	735	-	-	-	-	-	-	2,965	-	-	

SELECTED U.S. ECONOMIC AND MILITARY ASSISTANCE PROGRAMS: FY 1999 Estimate

(BA $ thousands)

	DA	ESF	IMET	FSA	SEED	INC	MRA	NADR	PL-480	Peace Corps	FMF	PKO	Total
Seychelles, Victoria	-	-	75	-	-	-	-	-	-	-	-	-	75
Sierra Leone, Freetown	-	-	75	-	-	-	-	-	16,094	-	-	-	16,169
Somalia (Closed), Mogadishu	1,500	-	-	-	-	-	-	1,000	6,763	-	-	-	9,263
South Africa, Pretoria	47,006	-	850	-	-	-	-	-	-	2,411	-	-	50,267
Sudan, Khartoum	-	-	-	-	-	-	-	-	42,069	-	-	-	42,069
Swaziland, Mbabane	-	-	75	-	-	-	-	-	-	-	-	-	75
Tanzania, Dar es Salaam	21,650	9,231	150	-	-	-	-	-	-	2,280	-	-	33,311
Togo, Lome	-	-	-	-	-	-	-	-	-	1,875	-	-	1,875
Uganda, Kampala	46,442	-	400	-	-	-	-	-	9,625	1,543	-	-	58,010
Zambia, Lusaka	20,432	-	150	-	-	-	-	-	2,243	2,240	-	-	25,065
Zimbabwe, Harare	8,500	-	300	-	-	-	-	743	-	1,792	-	-	11,335
Sao Tome	-	-	75	-	-	-	-	-	-	-	-	-	75
Greater Horn of Africa Initiative (GHAI)	15,000	-	-	-	-	-	-	-	-	-	-	-	15,000
Iniative for Southern Africa (ISA)	28,000	2,000	-	-	-	-	-	-	-	-	-	-	30,000
Democracy and Human Rights Funds for Africa	3,100	-	-	-	-	-	-	-	-	-	-	-	3,100
Partnership for Economic Growth and Opportunity	30,000	-	-	-	-	-	-	-	-	-	-	-	30,000
Education for Democracy and Development (EDDI)	26,000	10,000	-	-	-	-	-	-	-	-	-	-	36,000
Regional Development Fund for Africa	119,467	-	-	-	-	-	-	-	-	-	-	-	119,467
Countries in Transition Fund (CIT)	-	-	-	-	-	-	-	-	-	-	-	-	-
Safe Skies for Africa Initiative (SSK)	-	-	-	-	-	-	-	-	-	-	-	-	-
Africa Regional Democracy Fund	-	15,000	-	-	-	-	-	-	-	-	-	-	15,000
Great Lakes Justice Initiative (GLJI)	-	25,000	-	-	-	-	-	-	-	-	-	-	25,000
Organization of African Unity (OAU)	-	-	-	-	-	-	-	-	-	-	-	-	-
Africa Regional Peacekeeping (ARP)	-	-	-	-	-	-	-	-	-	-	-	4,000	4,000
Africa Crisis Response Iniative (ACRI)	-	-	-	-	-	-	-	-	-	-	5,000	15,000	20,000
East Africa Regional Fund (EARF)	-	-	-	-	-	-	-	-	-	-	5,000	-	5,000
Regional	-	-	-	-	-	-	-	-	11,355	-	-	-	11,355
Regional ATA Training Assistance / Antiterrorism	-	-	-	-	-	-	-	6,638	-	-	-	-	6,638
Regional Organizations Fund	-	-	-	-	-	-	-	-	-	-	-	-	-
Migration/Refugee	-	-	-	-	-	-	135,550	-	-	-	-	-	135,550
Total, Africa	**711,315**	**98,231**	**8,140**	**-**	**-**	**-**	**135,550**	**14,763**	**235,811**	**54,582**	**10,000**	**19,000**	**1,287,392**

SELECTED U.S. ECONOMIC AND MILITARY ASSISTANCE PROGRAMS: FY 1999 Estimate

(BA $ thousands)

	DA	ESF	IMET	FSA	SEED	INC	MRA	NADR	PL-480	Peace Corps	FMF	PKO	Total
Regional Allocations													
East Asia & Pacific													
Burma, Rangoon	2,500	3,500	-	-	-	-	-	-	-	-	-	-	6,000
Cambodia, Phnom Penh	2,000	10,000	-	-	-	-	-	2,000	-	-	-	-	14,000
China, Beijing	-	-	-	-	-	-	-	-	-	988	-	-	988
Fiji, Suva	-	-	-	-	-	-	-	-	-	-	-	-	-
Hong Kong, Hong Kong (Consulate General)	-	-	-	-	-	-	-	8	-	-	-	-	8
Indonesia, Jakarta	65,000	-	550	-	-	-	-	-	11,563	-	-	-	77,113
Laos, Vientiane	1,500	-	-	-	-	3,700	-	1,800	-	-	-	-	7,000
Malaysia, Kuala Lumpur	-	-	700	-	-	-	-	-	-	-	-	-	700
Mongolia, Ulaanbaatar	-	-	425	6,000	-	-	-	500	-	1,457	-	-	8,382
Papua New Guinea, Port Moresby	-	-	200	-	-	-	-	-	-	1,429	-	-	1,629
Philippines, Manila	27,150	-	1,350	-	-	-	-	-	-	1,717	-	-	30,217
Samoa, Apia	-	-	100	-	-	-	-	-	-	1,026	-	-	1,126
Singapore, Singapore	-	-	-	-	-	-	-	8	-	-	-	-	8
Solomon Islands, Honiara	-	-	150	-	-	-	-	-	-	1,241	-	-	1,391
Thailand, Bangkok	-	-	1,600	-	-	2,700	-	800	-	952	-	-	6,052
Vanuatu, Republic of, Port-Vila (Peace Corps Post)	-	-	100	-	-	-	-	-	-	950	-	-	1,050
Viet-Nam, Hanoi	-	-	-	-	-	-	-	800	-	-	-	-	800
East Asia Regional	49,250	-	-	-	-	-	-	-	-	-	-	-	49,250
Regional Financial Crisis Assistance	-	5,000	-	-	-	-	-	-	-	-	-	-	5,000
Regional Environmental Initiative	-	4,000	-	-	-	-	-	-	-	-	-	-	4,000
Regional Democracy Fund	-	2,300	-	-	-	-	-	-	-	-	-	-	2,300
South Pacific Multilateral Fisheries Treaty	-	14,000	-	-	-	-	-	-	-	-	-	-	14,000
Regional Security Fund	-	250	-	-	-	-	-	-	-	-	-	-	250
Regional / Overseas Assistance	-	-	-	-	-	-	13,950	-	-	-	-	-	13,950
Regional Women's Initiative	-	-	-	-	-	-	-	-	-	-	-	-	-
Regional - KEDO	-	-	-	-	-	-	-	35,000	-	-	-	-	35,000
Regional ATA Training Assistance EAP	-	-	-	-	-	-	-	2,199	-	-	-	-	2,199
Micronesia	-	-	-	-	-	-	-	-	-	1,531	-	-	1,531
Tonga	-	-	100	-	-	-	-	-	-	1,023	-	-	1,123
Kiribati	-	-	-	-	-	-	-	-	-	881	-	-	881
Asia Environmental Partnership	-	-	-	-	-	-	-	-	-	-	-	-	-
North Korea	-	-	-	-	-	-	-	-	-	-	-	-	-
Total, East Asia & Pacific	**147,400**	**39,050**	**5,275**	**6,000**	**-**	**6,400**	**13,950**	**43,115**	**11,563**	**13,195**	**-**	**-**	**285,948**

SELECTED U.S. ECONOMIC AND MILITARY ASSISTANCE PROGRAMS: FY 1999 Estimate

(BA $ thousands)

	DA	ESF	IMET	FSA	SEED	INC	MRA	NADR	PL-480	Peace Corps	FMF	PKO	Total
Regional Allocations													
Russia & the New Independent States													
Armenia, Yerevan	-	-	-	79,900	-	-	-	618	-	1,329	-	-	81,847
Azerbaijan, Baku	-	-	-	23,840	-	-	-	500	-	-	-	-	24,340
Belarus, Minsk	-	-	-	9,780	-	-	-	-	-	-	-	-	9,780
Georgia, Tbilisi	-	-	392	84,360	-	-	-	620	-	-	1,650	-	87,022
Kazakstan, Almaty	-	-	564	44,190	-	-	-	305	-	2,172	1,800	-	49,031
Kyrgyzstan, Bishkek	-	-	333	28,520	-	-	-	408	-	1,419	1,550	-	32,230
Moldova, Chisinau	-	-	461	35,860	-	-	-	577	-	1,700	850	-	39,448
Russia, Moscow	-	-	920	172,360	-	-	-	1,497	-	3,474	1,500	-	179,751
Tajikistan, Dushanbe	-	-	-	11,870	-	-	-	24	-	-	-	-	11,894
Turkmenistan, Ashgabat	-	-	307	13,420	-	-	-	163	-	1,307	600	-	15,797
Ukraine, Kiev	-	-	1,278	195,000	-	-	-	284	-	3,168	3,400	-	203,130
Uzbekistan, Tashkent	-	-	485	27,610	-	-	-	901	-	1,714	1,650	-	32,360
W/NIS Rep / Performance Fund	-	-	-	5,000	-	-	-	-	-	-	-	-	5,000
NIS Regional	-	-	-	58,090	-	-	-	-	-	-	-	-	58,090
Central Asia Regional	-	-	-	11,300	-	-	-	-	-	-	-	-	11,300
Caucasus Republics Regional	-	-	-	39,900	-	-	-	-	-	-	-	-	39,900
ATA Regional Program NIS	-	-	-	-	-	-	-	6,000	-	-	-	-	6,000
Total, Russia & the New Independent States	**-**	**-**	**4,740**	**841,000**	**-**	**-**	**-**	**11,897**	**-**	**16,283**	**13,000**	**-**	**886,920**

SELECTED U.S. ECONOMIC AND MILITARY ASSISTANCE PROGRAMS: FY 1999 Estimate

(BA $ thousands)

	DA	ESF	IMET	FSA	SEED	INC	MRA	NADR	PL-480	Peace Corps	FMF	PKO	Total
Regional Allocations													
Europe													
Albania, Tirana	-	-	600	-	30,000	-	-	528	-	-	2,000	-	33,128
Bosnia and Herzegovina, Sarajevo	-	-	600	-	195,000	5,000	-	2,300	-	-	4,000	-	206,900
Bulgaria, Sofia	-	-	950	-	28,200	-	-	164	-	2,032	6,000	-	37,346
Croatia, Zagreb	-	-	425	-	12,000	-	-	600	-	-	-	-	13,025
Cyprus, Nicosia	-	15,000	-	-	-	-	-	8	-	-	-	-	15,008
Czech Republic, Prague	-	-	1,350	-	-	-	-	6	-	-	2,500	-	3,856
Estonia, Tallinn	-	-	650	-	-	-	-	387	-	695	3,700	-	5,432
Greece, Athens	-	-	25	-	-	-	-	-	-	-	-	-	25
Hungary, Budapest	-	-	1,500	-	-	-	-	6	-	-	2,500	-	4,006
Ireland, Dublin	-	19,600	-	-	-	-	-	-	-	-	-	-	19,600
Latvia, Riga	-	-	650	-	-	-	-	52	-	984	3,700	-	5,386
Lithuania, Vilnius	-	-	650	-	2,210	-	-	79	-	878	3,700	-	7,517
Macedonia, Skopje	-	-	450	-	16,010	-	-	-	-	701	6,000	-	23,161
Malta, Valletta	-	-	135	-	-	-	-	8	-	-	-	-	143
Poland, Warsaw	-	-	1,600	-	20,010	-	-	142	-	2,688	2,000	-	26,440
Portugal, Lisbon	-	-	700	-	-	-	-	-	-	-	-	-	700
Romania, Bucharest	-	-	1,025	-	36,000	-	-	143	-	1,772	4,000	-	42,940
Slovak Republic, Bratislava	-	-	600	-	3,000	-	-	113	-	1,743	2,300	-	7,756
Slovenia, Ljubljana	-	-	650	-	-	-	-	41	-	-	2,600	-	3,291
Turkey, Ankara	2,000	-	1,500	-	-	500	-	-	-	-	-	-	4,000
Yugoslavia, Belgrade	-	-	-	-	24,270	-	-	-	16,551	-	-	-	40,821
ATA Regional	-	-	-	-	-	-	-	1,694	-	-	-	-	1,694
Support to East European Democracy (SEED)	-	-	-	-	63,300	-	-	-	-	-	-	-	63,300
EUR Peacekeeping Operations Kosovo	-	-	-	-	-	-	-	-	-	-	-	10,000	10,000
Refugee Assistance Europe / Overseas Assistance	-	-	-	-	-	-	91,840	-	-	-	-	-	91,840
EUR Peacekeeping Operations Bosnia/Croatia	-	-	-	-	-	-	-	-	-	-	-	25,000	25,000
EUR Regional	-	-	-	-	-	-	-	-	-	-	-	-	-
Bosnia / Demining	-	-	-	-	-	-	-	-	-	-	-	-	-
Bosnia / Republica Srpska	-	-	-	-	-	-	-	-	-	-	-	-	-
Total, Europe	**2,000**	**34,600**	**14,060**	**-**	**430,000**	**5,500**	**91,840**	**6,271**	**16,551**	**11,493**	**45,000**	**35,000**	**692,315**

SELECTED U.S. ECONOMIC AND MILITARY ASSISTANCE PROGRAMS: FY 1999 Estimate

(BA $ thousands)

	DA	ESF	IMET	FSA	SEED	INC	MRA	NADR	PL-480	Peace Corps	FMF	PKO	Total
Regional Allocations													
Near East													
Algeria, Algiers	-	-	125	-	-	-	-	-	-	-	-	-	125
Bahrain, Manama	-	-	225	-	-	-	-	-	-	-	-	-	225
Egypt, Cairo	-	775,000	1,000	-	-	-	-	-	-	-	1,300,000	-	2,076,000
Iraq (Closed), Baghdad	-	3,000	-	-	-	-	-	-	-	-	-	-	3,000
Israel, Tel Aviv	-	1,080,000	-	-	-	-	70,000	-	-	-	1,860,000	-	3,010,000
Jordan, Amman	-	150,000	1,600	-	-	-	-	2,145	-	1,426	45,000	-	200,171
Lebanon, Beirut	-	12,000	550	-	-	-	-	530	-	-	-	-	13,080
Morocco, Rabat	7,826	-	900	-	-	-	-	-	-	2,245	2,000	-	12,971
Oman, Muscat	-	-	225	-	-	-	-	500	-	-	-	-	725
Tunisia, Tunis	-	-	900	-	-	-	-	-	-	-	2,000	-	2,900
United Arab Emirates, Abu Dhabi	-	-	-	-	-	-	-	-	-	-	-	-	-
Yemen, Sanaa	-	-	125	-	-	-	-	800	-	-	-	-	925
Near East Regional / Overseas Assistance	-	-	-	-	-	-	96,600	-	-	-	-	-	96,600
Multinational Force and Observers	-	-	-	-	-	-	-	-	-	-	-	15,500	15,500
Israel-Lebanon Monitoring Group	-	-	-	-	-	-	-	-	-	-	-	1,000	1,000
West Bank/Gaza	-	75,000	-	-	-	-	-	-	-	-	-	-	75,000
Regional ATA Training Assistance / Antiterrorism	-	-	-	-	-	-	-	8,766	-	-	-	-	8,766
Middle East Multilaterals3	-	500	-	-	-	-	-	-	-	-	-	-	500
Middle East Regional Cooperation	-	6,000	-	-	-	-	-	-	-	-	-	-	6,000
Middle East Democracy	-	2,500	-	-	-	-	-	-	-	-	-	-	2,500
Regional Programs	-	-	-	-	-	-	-	-	-	-	-	-	-
Middle East Multilaterals2	-	500	-	-	-	-	-	-	-	-	-	-	500
Middle East Multilaterals4	-	500	-	-	-	-	-	-	-	-	-	-	500
Middle East Multilaterals1	-	1,500	-	-	-	-	-	-	-	-	-	-	1,500
U.S.-North Africa Partnership1	-	-	-	-	-	-	-	-	-	-	-	-	-
US North Africa Partnership2	-	-	-	-	-	-	-	-	-	-	-	-	-
Total, Near East	**7,826**	**2,106,500**	**5,650**	**-**	**-**	**-**	**166,600**	**12,741**	**-**	**3,671**	**3,209,000**	**16,500**	**5,528,488**

SELECTED U.S. ECONOMIC AND MILITARY ASSISTANCE PROGRAMS: FY 1999 Estimate

(BA $ thousands)

	DA	ESF	IMET	FSA	SEED	INC	MRA	NADR	PL-480	Peace Corps	FMF	PKO	Total
Regional Allocations													
South Asia													
Afghanistan (Closed), Kabul	-	-	-	-	-	-	-	2,000	-	-	-	-	2,000
Bangladesh, Dhaka	43,750	-	350	-	-	-	-	-	18,595	1,060	-	-	63,755
India, New Delhi	41,850	-	450	-	-	-	-	-	110,503	-	-	-	152,803
Maldives Islands, Male	-	-	100	-	-	-	-	-	-	-	-	-	100
Nepal, Kathmandu	16,624	-	200	-	-	-	-	-	2,734	2,378	-	-	21,936
Pakistan, Islamabad	-	-	350	-	-	2,200	-	-	-	-	-	-	2,550
Sri Lanka, Colombo	3,000	-	200	-	-	-	-	-	-	-	-	-	3,200
Regional Funds / Antiterrorism Assistance SA	-	-	-	-	-	-	-	-	-	-	-	-	-
South Asia: Regional Programs	16,050	-	-	-	-	-	30,000	-	-	-	-	-	46,050
South Asia Regional Democracy Fund	-	2,750	-	-	-	-	-	-	-	-	-	-	2,750
Total, South Asia	**121,274**	**2,750**	**1,650**	**-**	**-**	**2,200**	**30,000**	**2,000**	**131,832**	**3,438**	**-**	**-**	**295,144**

SELECTED U.S. ECONOMIC AND MILITARY ASSISTANCE PROGRAMS: FY 1999 Estimate

(BA $ thousands)

	DA	ESF	IMET	FSA	SEED	INC	MRA	NADR	PL-480	Peace Corps	FMF	PKO	Total
Regional Allocations													
Western Hemisphere													
Antigua and Barbuda, St. Johns	-	-	115	-	-	-	-	-	-	-	-	-	115
Argentina, Buenos Aires	-	-	600	-	-	-	-	-	-	-	-	-	600
Bahamas, Nassau	-	-	100	-	-	1,000	-	-	-	-	-	-	1,100
Barbados, Bridgetown	-	-	90	-	-	-	-	-	-	-	-	-	90
Belize, Belize City	-	-	250	-	-	-	-	-	-	1,147	-	-	1,397
Bolivia, La Paz	33,676	500	550	-	-	54,000	-	-	15,882	2,571	-	-	107,179
Brazil, Brasilia	12,532	-	225	-	-	1,200	-	-	-	-	-	-	13,957
Chile, Santiago	-	-	450	-	-	-	-	-	-	-	-	-	450
Colombia, Bogota	-	-	900	-	-	189,200	-	-	-	-	-	-	190,100
Costa Rica, San Jose	-	-	200	-	-	-	-	-	-	294	-	-	494
Cuba, Havana (USINT)	-	3,000	-	-	-	-	-	-	-	-	-	-	3,000
Dominican Republic, Santo Domingo	14,824	3,300	540	-	-	-	-	-	9,841	2,550	-	-	31,055
Ecuador, Quito	13,528	1,200	500	-	-	1,200	-	500	-	2,717	-	-	19,645
El Salvador, San Salvador	31,666	3,000	500	-	-	-	-	-	2,259	1,566	-	-	38,991
Grenada, St. George's	-	-	50	-	-	-	-	-	-	-	-	-	50
Guatemala, Guatemala City	26,885	28,100	225	-	-	3,500	-	-	29,428	3,453	-	-	91,591
Guyana, Georgetown	2,180	-	175	-	-	-	-	-	-	842	-	-	3,197
Haiti, Port-au-Prince	-	70,000	300	-	-	-	-	-	25,579	1,236	-	6,000	113,115
Honduras, Tegucigalpa	40,385	500	500	-	-	-	-	-	10,218	3,329	-	-	54,932
Jamaica, Kingston	9,546	-	500	-	-	800	-	-	-	2,064	-	-	12,910
Mexico, Mexico City	8,932	1,500	1,000	-	-	8,000	-	-	-	-	-	-	19,432
Nicaragua, Managua	28,540	2,500	200	-	-	-	-	-	13,069	2,359	-	-	46,668
Panama, Panama City	4,598	-	100	-	-	-	-	-	-	1,647	-	-	6,345
Paraguay, Asuncion	4,694	800	200	-	-	-	-	-	-	3,257	-	-	8,951
Peru, Lima	32,855	-	450	-	-	80,900	-	500	55,335	-	-	-	170,040
Suriname, Paramaribo	-	-	100	-	-	-	-	-	-	796	-	-	896
Trinidad and Tobago, Port-of-Spain	-	-	125	-	-	-	-	-	-	-	-	-	125
Uruguay, Montevideo	-	-	300	-	-	-	-	-	-	-	-	-	300
Venezuela, Caracas	-	-	400	-	-	700	-	-	-	-	-	-	1,100
Caribbean Regional	-	-	-	-	-	-	-	-	-	-	3,000	-	3,000
Latin America Regional	-	-	-	-	-	90,000	-	-	-	-	-	-	90,000
Administration of Justice2	-	300	-	-	-	-	-	-	-	-	-	-	300
Central American Regional Development	10,949	-	-	-	-	-	-	-	-	-	-	-	10,949
Latin America and Caribbean Regional	44,436	-	-	-	-	-	-	-	-	-	-	-	44,436

SELECTED U.S. ECONOMIC AND MILITARY ASSISTANCE PROGRAMS: FY 1999 Estimate

(BA $ thousands)

	DA	ESF	IMET	FSA	SEED	INC	MRA	NADR	PL-480	Peace Corps	FMF	PKO	Total
Migration and Refugee Assistance (MRA) /	-	-	-	-	-	-	13,000	-	-	-	-	-	13,000
PACAMS	-	-	300	-	-	-	-	-	-	-	-	-	300
Administration of Justice	-	2,600	-	-	-	-	-	-	-	-	-	-	2,600
Eastern Caribbean	700	-	-	-	-	-	-	-	-	2,180	-	-	2,880
Windward Islands	-	700	-	-	-	-	-	-	-	-	-	-	700
OAS/IADB / Demining	-	-	-	-	-	-	-	1,800	-	-	-	-	1,800
Regional ATA Training Assistance / Antiterrorism	-	-	-	-	-	-	-	5,403	-	-	-	-	5,403
St Kitts-Nevis	-	-	55	-	-	-	-	-	-	-	-	-	55
St Lucia	-	-	50	-	-	-	-	-	-	-	-	-	50
St Vincent & Gren	-	-	50	-	-	-	-	-	-	-	-	-	50
Regional / Vital Vocies	-	-	-	-	-	-	-	-	-	-	-	-	-
Total, Western Hemisphere	**320,926**	**118,000**	**10,100**	**-**	**-**	**430,500**	**13,000**	**8,203**	**171,611**	**32,008**	**3,000**	**6,000**	**1,113,348**
Total Regional Allocations	**1,310,741**	**2,399,131**	**49,615**	**847,000**	**430,000**	**444,600**	**450,940**	**98,990**	**567,368**	**134,670**	**3,280,000**	**76,500**	**10,089,555**

SELECTED U.S. ECONOMIC AND MILITARY ASSISTANCE PROGRAMS: FY 1999 Estimate

(BA $ thousands)

	DA	ESF	IMET	FSA	SEED	INC	MRA	NADR	PL-480	Peace Corps	FMF	PKO	Total
Total Regional Allocations	1,310,741	2,399,131	49,615	847,000	430,000	444,600	450,940	98,990	567,368	134,670	3,280,000	76,500	10,089,555
Global Programs	478,259	33,700	385	-	-	49,000	189,060	119,010	294,632	106,599	50,000	-	1,320,645
Other Foreign Operation Accounts													
EXIM - Net	-	-	-	-	-	-	-	-	-	-	-	-	799,000
OPIC - Net	-	-	-	-	-	-	-	-	-	-	-	-	-117,000
Multilateral Dev. Banks	-	-	-	-	-	-	-	-	-	-	-	-	1,476,264
IFI Advisory Commission	-	-	-	-	-	-	-	-	-	-	-	-	-
Treasury Technical Assistance	-	-	-	-	-	-	-	-	-	-	-	-	1,500
Debt Reduction Programs	-	-	-	-	-	-	-	-	-	-	-	-	33,000
IO&P - International Organizations and Programs	-	-	-	-	-	-	-	-	-	-	-	-	292,000
Urban/Environment Credit - Subs	-	-	-	-	-	-	-	-	-	-	-	-	1,500
Urban/Environment Credit - Admin	-	-	-	-	-	-	-	-	-	-	-	-	5,000
Micro/Small Enterprise - Subs	-	-	-	-	-	-	-	-	-	-	-	-	1,500
Micro/Small Enterprise - Admin	-	-	-	-	-	-	-	-	-	-	-	-	500
USAID Operating Expenses	-	-	-	-	-	-	-	-	-	-	-	-	492,650
Op.Expenses - Inspector	-	-	-	-	-	-	-	-	-	-	-	-	30,750
OFDA - Int. Disaster Assistance	-	-	-	-	-	-	-	-	-	-	-	-	200,000
FMF- Loan	-	-	-	-	-	-	-	-	-	-	-	-	20,000
TDA	-	-	-	-	-	-	-	-	-	-	-	-	44,000
IAF - Inter-American Foundation	-	-	-	-	-	-	-	-	-	-	-	-	20,000
African Development Foundation	-	-	-	-	-	-	-	-	-	-	-	-	11,137
ERMA	-	-	-	-	-	-	-	-	-	-	-	-	30,000
SDAF	-	-	-	-	-	-	-	-	-	-	-	-	-48,000
ESF - Wye	-	-	-	-	-	-	-	-	-	-	-	-	200,000
FMF - Grant - Wye	-	-	-	-	-	-	-	-	-	-	-	-	700,000
FMF - Rescission - Wye	-	-	-	-	-	-	-	-	-	-	-	-	-18,000
Total Other Foreign Operation Accounts	-	-	-	-	-	-	-	-	-	-	-	-	**4,175,801**

SELECTED U.S. ECONOMIC AND MILITARY ASSISTANCE PROGRAMS: FY 1999 Estimate

(BA $ thousands)

	DA	ESF	IMET	FSA	SEED	INC	MRA	NADR	PL-480	Peace Corps	FMF	PKO	Total
Other Function 150 Accounts													
State Programs	-	-	-	-	-	-	-	-	-	-	-	-	3,427,885
SMUSM	-	-	-	-	-	-	-	-	-	-	-	-	1,030,561
Education and Cultural Exchange Programs (USIA	-	-	-	-	-	-	-	-	-	-	-	-	200,500
Other State Department	-	-	-	-	-	-	-	-	-	-	-	-	72,395
CIO	-	-	-	-	-	-	-	-	-	-	-	-	922,000
CIPA	-	-	-	-	-	-	-	-	-	-	-	-	231,000
ICC	-	-	-	-	-	-	-	-	-	-	-	-	-
UN Arrears	-	-	-	-	-	-	-	-	-	-	-	-	475,000
State-Related Appropriations	-	-	-	-	-	-	-	-	-	-	-	-	54,375
Broadcasting Board	-	-	-	-	-	-	-	-	-	-	-	-	397,705
ITC + Other	-	-	-	-	-	-	-	-	-	-	-	-	46,800
USIP	-	-	-	-	-	-	-	-	-	-	-	-	12,160
Total Other Function 150 Accounts	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**6,870,381**
Grand Total Function 150	**1,789,000**	**2,432,831**	**50,000**	**847,000**	**430,000**	**493,600**	**640,000**	**218,000**	**862,000**	**241,269**	**3,330,000**	**76,500**	**22,456,382**

SELECTED U.S. ECONOMIC AND MILITARY ASSISTANCE PROGRAMS: FY 2000 Request

(BA $ thousands)

	DA	ESF	IMET	FSA	SEED	INC	MRA	NADR	PL-480	Peace Corps	FMF	PKO	Total
Regional Allocations													
Africa													
Angola, Luanda	9,000	-	100	-	-	-	-	1,500	7,455	-	-	-	18,055
Benin, Cotonou	14,100	-	350	-	-	-	-	-	1,861	2,049	-	-	18,360
Botswana, Gaborone	-	-	450	-	-	-	-	-	-	-	-	-	450
Burkina Faso, Ouagadougou	-	-	-	-	-	-	-	-	11,225	1,847	-	-	13,072
Burundi, Bujumbura	-	-	-	-	-	-	-	-	-	-	-	-	-
Cameroon, Yaounde	-	-	150	-	-	-	-	-	-	2,640	-	-	2,790
Cape Verde, Praia	-	-	100	-	-	-	-	-	3,210	1,057	-	-	4,367
Central African Republic, Bangui	-	-	90	-	-	-	-	-	-	-	-	-	90
Chad, N'Djamena	-	-	50	-	-	-	-	1,000	1,051	-	-	-	2,101
Comoros, Moroni	-	-	75	-	-	-	-	-	-	-	-	-	75
Congo, Democratic Republic of the, Kinshasa	9,500	-	70	-	-	-	-	-	-	-	-	-	9,570
Cote D'Ivoire, Abidjan	-	-	150	-	-	-	-	-	-	2,401	-	-	2,551
Djibouti, Djibouti	-	-	100	-	-	-	-	-	-	-	-	-	100
Eritrea, Asmara	9,033	-	390	-	-	-	-	1,000	-	838	-	-	11,261
Ethiopia, Addis Ababa	37,750	-	490	-	-	-	-	1,000	38,100	1,492	-	-	78,832
Gabon, Libreville	-	-	75	-	-	-	-	-	-	2,170	-	-	2,245
Gambia, The, Banjul	-	-	-	-	-	-	-	-	2,379	1,221	-	-	3,600
Ghana, Accra	34,750	-	420	-	-	-	-	-	15,854	2,879	-	-	53,903
Guinea, Conakry	18,300	-	150	-	-	-	-	-	2,667	2,259	-	-	23,376
Guinea-Bissau, Bissau	-	-	50	-	-	-	-	-	-	-	-	-	50
Kenya, Nairobi	26,900	-	440	-	-	-	-	-	7,281	3,277	-	-	37,898
Lesotho, Maseru	-	-	75	-	-	-	-	-	-	1,986	-	-	2,061
Liberia, Monrovia	9,550	1,500	-	-	-	-	-	-	6,479	-	-	-	17,529
Madagascar, Antananarivo	17,000	-	100	-	-	-	-	-	6,795	1,529	-	-	25,424
Malawi, Lilongwe	30,850	-	335	-	-	-	-	-	-	1,987	-	-	33,172
Mali, Bamako	37,300	-	300	-	-	-	-	-	1,005	2,962	-	-	41,567
Mauritania, Nouakchott	-	-	-	-	-	-	-	500	734	1,472	-	-	2,706
Mauritius, Port Louis	-	-	50	-	-	-	-	-	-	-	-	-	50
Mozambique, Maputo	45,700	-	180	-	-	-	-	1,000	18,438	1,874	-	-	67,192
Namibia, Windhoek	9,300	-	175	-	-	-	-	250	-	2,529	-	-	12,254
Niger, Niamey	-	-	-	-	-	-	-	-	-	2,041	-	-	2,041
Nigeria, Lagos	20,000	-	425	-	-	-	-	-	-	-	-	-	20,425
Rwanda, Kigali	13,000	-	325	-	-	-	-	750	1,516	-	-	-	15,591
Senegal, Dakar	21,050	-	740	-	-	-	-	-	-	3,139	-	-	24,929

SELECTED U.S. ECONOMIC AND MILITARY ASSISTANCE PROGRAMS: FY 2000 Request

(BA $ thousands)

	DA	ESF	IMET	FSA	SEED	INC	MRA	NADR	PL-480	Peace Corps	FMF	PKO	Total
Seychelles, Victoria	-	-	75	-	-	-	-	-	-	-	-	-	75
Sierra Leone, Freetown	-	1,500	-	-	-	-	-	-	-	-	-	-	1,500
Somalia (Closed), Mogadishu	-	-	-	-	-	-	-	1,500	-	-	-	-	1,500
South Africa, Pretoria	47,400	-	800	-	-	-	-	-	-	2,518	-	-	50,718
Sudan, Khartoum	-	-	-	-	-	-	-	-	-	-	-	-	-
Swaziland, Mbabane	-	-	75	-	-	-	-	-	-	-	-	-	75
Tanzania, Dar es Salaam	23,450	-	200	-	-	-	-	-	-	2,337	-	-	25,987
Togo, Lome	-	-	-	-	-	-	-	-	-	1,879	-	-	1,879
Uganda, Kampala	49,850	-	400	-	-	-	-	-	8,331	1,570	-	-	60,151
Zambia, Lusaka	22,350	-	150	-	-	-	-	-	-	2,251	-	-	24,751
Zimbabwe, Harare	9,200	-	300	-	-	-	-	750	-	1,803	-	-	12,053
Sao Tome	-	-	75	-	-	-	-	-	-	-	-	-	75
Greater Horn of Africa Initiative (GHAI)	15,000	-	-	-	-	-	-	-	-	-	-	-	15,000
Iniative for Southern Africa (ISA)	23,815	1,000	-	-	-	-	-	-	-	-	-	-	24,815
Democracy and Human Rights Funds for Africa	3,100	-	-	-	-	-	-	-	-	-	-	-	3,100
Partnership for Economic Growth and Opportunity	30,000	2,000	-	-	-	-	-	-	-	-	-	-	32,000
Education for Democracy and Development (EDDI)	30,000	15,000	-	-	-	-	-	-	-	-	-	-	45,000
Regional Development Fund for Africa	127,755	-	-	-	-	-	-	-	-	-	-	-	127,755
Countries in Transition Fund (CIT)	-	28,000	-	-	-	-	-	-	-	-	-	-	28,000
Safe Skies for Africa Initiative (SSK)	-	2,000	-	-	-	-	-	-	-	-	-	-	2,000
Africa Regional Democracy Fund	-	9,000	-	-	-	-	-	-	-	-	-	-	9,000
Great Lakes Justice Initiative (GLJI)	-	10,000	-	-	-	-	-	-	-	-	-	-	10,000
Organization of African Unity (OAU)	-	2,000	-	-	-	-	-	-	-	-	-	-	2,000
Africa Regional Peacekeeping (ARP)	-	-	-	-	-	-	-	-	-	-	-	13,000	13,000
Africa Crisis Response Iniative (ACRI)	-	-	-	-	-	-	-	-	-	-	5,000	15,000	20,000
East Africa Regional Fund (EARF)	-	-	-	-	-	-	-	-	-	-	5,000	-	5,000
Regional	-	-	-	-	-	-	-	-	-	-	-	-	-
Regional ATA Training Assistance / Antiterrorism	-	-	-	-	-	-	-	7,000	-	-	-	-	7,000
Regional Organizations Fund	-	1,000	-	-	-	-	-	-	-	-	-	-	1,000
Migration/Refugee	-	-	-	-	-	-	144,800	-	-	-	-	-	144,800
Total, Africa	**745,003**	**73,000**	**8,480**	**-**	**-**	**-**	**144,800**	**16,250**	**134,381**	**56,007**	**10,000**	**28,000**	**1,215,921**

SELECTED U.S. ECONOMIC AND MILITARY ASSISTANCE PROGRAMS: FY 2000 Request

(BA $ thousands)

	DA	ESF	IMET	FSA	SEED	INC	MRA	NADR	PL-480	Peace Corps	FMF	PKO	Total
Regional Allocations													
East Asia & Pacific													
Burma, Rangoon	-	3,500	-	-	-	-	-	-	-	-	-	-	3,500
Cambodia, Phnom Penh	-	20,000	-	-	-	-	-	2,000	-	-	-	-	22,000
China, Beijing	-	-	-	-	-	-	-	-	-	1,056	-	-	1,056
Fiji, Suva	-	-	150	-	-	-	-	-	-	-	-	-	150
Hong Kong, Hong Kong (Consulate General)	-	-	-	-	-	-	-	-	-	-	-	-	-
Indonesia, Jakarta	75,000	5,000	400	-	-	-	-	-	-	-	-	-	80,400
Laos, Vientiane	-	-	-	-	-	4,000	-	1,500	-	-	-	-	5,500
Malaysia, Kuala Lumpur	-	-	700	-	-	-	-	-	-	-	-	-	700
Mongolia, Ulaanbaatar	-	12,000	500	-	-	-	-	750	-	1,586	-	-	14,836
Papua New Guinea, Port Moresby	-	-	200	-	-	-	-	-	-	1,595	-	-	1,795
Philippines, Manila	39,400	5,000	1,400	-	-	-	-	-	-	1,740	-	-	47,540
Samoa, Apia	-	-	100	-	-	-	-	-	-	1,052	-	-	1,152
Singapore, Singapore	-	-	-	-	-	-	-	-	-	-	-	-	-
Solomon Islands, Honiara	-	-	150	-	-	-	-	-	-	1,206	-	-	1,356
Thailand, Bangkok	-	-	1,600	-	-	3,000	-	1,000	-	980	-	-	6,580
Vanuatu, Republic of, Port-Vila (Peace Corps Post)	-	-	100	-	-	-	-	-	-	962	-	-	1,062
Viet-Nam, Hanoi	-	-	-	-	-	-	-	1,500	-	-	-	-	1,500
East Asia Regional	45,750	-	-	-	-	-	-	-	-	-	-	-	45,750
Regional Financial Crisis Assistance	-	26,500	-	-	-	-	-	-	-	-	-	-	26,500
Regional Environmental Initiative	-	10,000	-	-	-	-	-	-	-	-	-	-	10,000
Regional Democracy Fund	-	6,000	-	-	-	-	-	-	-	-	-	-	6,000
South Pacific Multilateral Fisheries Treaty	-	14,000	-	-	-	-	-	-	-	-	-	-	14,000
Regional Security Fund	-	250	-	-	-	-	-	-	-	-	-	-	250
Regional / Overseas Assistance	-	-	-	-	-	-	12,100	-	-	-	-	-	12,100
Regional Women's Initiative	-	5,000	-	-	-	-	-	-	-	-	-	-	5,000
Regional - KEDO	-	-	-	-	-	-	-	55,000	-	-	-	-	55,000
Regional ATA Training Assistance EAP	-	-	-	-	-	-	-	2,400	-	-	-	-	2,400
Micronesia	-	-	-	-	-	-	-	-	-	1,544	-	-	1,544
Tonga	-	-	100	-	-	-	-	-	-	1,058	-	-	1,158
Kiribati	-	-	-	-	-	-	-	-	-	897	-	-	897
Asia Environmental Partnership	-	-	-	-	-	-	-	-	-	-	-	-	-
North Korea	-	-	-	-	-	-	-	-	-	-	-	-	-
Total, East Asia & Pacific	**160,150**	**107,250**	**5,400**	**-**	**-**	**7,000**	**12,100**	**64,150**	**-**	**13,676**	**-**	**-**	**369,726**

SELECTED U.S. ECONOMIC AND MILITARY ASSISTANCE PROGRAMS: FY 2000 Request

(BA $ thousands)

	DA	ESF	IMET	FSA	SEED	INC	MRA	NADR	PL-480	Peace Corps	FMF	PKO	Total
Regional Allocations													
Russia & the New Independent States													
Armenia, Yerevan	-	-	-	71,500	-	-	-	1,798	-	1,395	-	-	74,693
Azerbaijan, Baku	-	-	-	33,500	-	-	-	800	-	-	-	-	34,300
Belarus, Minsk	-	-	-	10,500	-	-	-	-	-	-	-	-	10,500
Georgia, Tbilisi	-	-	400	83,500	-	-	-	815	-	-	3,200	-	87,915
Kazakstan, Almaty	-	-	550	53,500	-	-	-	826	-	2,498	1,800	-	59,174
Kyrgyzstan, Bishkek	-	-	350	34,500	-	-	-	1,707	-	1,498	1,550	-	39,605
Moldova, Chisinau	-	-	550	73,500	-	-	-	1,662	-	1,725	1,500	-	78,937
Russia, Moscow	-	-	900	295,000	-	-	-	2,261	-	3,998	1,500	-	303,659
Tajikistan, Dushanbe	-	-	-	12,000	-	-	-	563	-	-	-	-	12,563
Turkmenistan, Ashgabat	-	-	300	12,000	-	-	-	1,418	-	1,391	600	-	15,709
Ukraine, Kiev	-	-	1,250	219,000	-	-	-	557	-	3,024	3,400	-	227,231
Uzbekistan, Tashkent	-	-	500	37,500	-	-	-	658	-	1,950	1,650	-	42,258
W/NIS Rep / Performance Fund	-	-	-	5,000	-	-	-	-	-	-	-	-	5,000
NIS Regional	-	-	-	64,500	-	-	-	-	-	-	-	-	64,500
Central Asia Regional	-	-	-	11,500	-	-	-	-	-	-	-	-	11,500
Caucasus Republics Regional	-	-	-	15,000	-	-	-	-	-	-	-	-	15,000
ATA Regional Program NIS	-	-	-	-	-	-	-	6,200	-	-	-	-	6,200
Total, Russia & the New Independent States	**-**	**-**	**4,800**	**1,032,000**	**-**	**-**	**-**	**19,265**	**-**	**17,479**	**15,200**	**-**	**1,088,744**

SELECTED U.S. ECONOMIC AND MILITARY ASSISTANCE PROGRAMS: FY 2000 Request

(BA $ thousands)

	DA	ESF	IMET	FSA	SEED	INC	MRA	NADR	PL-480	Peace Corps	FMF	PKO	Total
Regional Allocations													
Europe													
Albania, Tirana	-	-	600	-	25,000	-	-	1,073	-	-	2,000	-	28,673
Bosnia and Herzegovina, Sarajevo	-	-	625	-	175,000	-	-	900	-	-	-	-	176,525
Bulgaria, Sofia	-	-	1,000	-	28,000	-	-	455	-	2,112	6,000	-	37,567
Croatia, Zagreb	-	-	600	-	6,000	-	-	500	-	-	-	-	7,100
Cyprus, Nicosia	-	15,000	-	-	-	-	-	15	-	-	-	-	15,015
Czech Republic, Prague	-	-	1,600	-	-	-	-	10	-	-	7,500	-	9,110
Estonia, Tallinn	-	-	750	-	-	-	-	410	-	714	5,000	-	6,874
Greece, Athens	-	-	35	-	-	-	-	-	-	-	-	-	35
Hungary, Budapest	-	-	1,600	-	-	-	-	110	-	-	7,500	-	9,210
Ireland, Dublin	-	19,600	-	-	-	-	-	-	-	-	-	-	19,600
Latvia, Riga	-	-	750	-	-	-	-	191	-	959	4,500	-	6,400
Lithuania, Vilnius	-	-	750	-	-	-	-	192	-	937	5,500	-	7,379
Macedonia, Skopje	-	-	500	-	14,000	-	-	-	-	717	5,000	-	20,217
Malta, Valletta	-	-	100	-	-	-	-	15	-	-	-	-	115
Poland, Warsaw	-	-	1,600	-	-	-	-	2,711	-	2,236	10,000	-	16,547
Portugal, Lisbon	-	-	700	-	-	-	-	-	-	-	-	-	700
Romania, Bucharest	-	-	1,200	-	30,000	-	-	458	-	1,876	7,500	-	41,034
Slovak Republic, Bratislava	-	-	650	-	-	-	-	391	-	1,772	2,500	-	5,313
Slovenia, Ljubljana	-	-	700	-	-	-	-	453	-	-	3,000	-	4,153
Turkey, Ankara	-	-	1,500	-	-	500	-	-	-	-	-	-	2,000
Yugoslavia, Belgrade	-	-	-	-	55,000	-	-	-	-	-	-	-	55,000
ATA Regional	-	-	-	-	-	-	-	3,000	-	-	-	-	3,000
Support to East European Democracy (SEED)	-	-	-	-	60,000	-	-	-	-	-	-	-	60,000
EUR Peacekeeping Operations Kosovo	-	-	-	-	-	-	-	-	-	-	-	43,000	43,000
Refugee Assistance Europe / Overseas Assistance	-	-	-	-	-	-	90,300	-	-	-	-	-	90,300
EUR Peacekeeping Operations Bosnia/Croatia	-	-	-	-	-	-	-	-	-	-	-	36,000	36,000
EUR Regional	-	10,000	-	-	-	-	-	-	-	-	-	-	10,000
Bosnia / Demining	-	-	-	-	-	-	-	-	-	-	-	-	-
Bosnia / Republica Srpska	-	-	-	-	-	-	-	-	-	-	-	-	-
Total, Europe	**-**	**44,600**	**15,260**	**-**	**393,000**	**500**	**90,300**	**10,884**	**-**	**11,323**	**66,000**	**79,000**	**710,867**

SELECTED U.S. ECONOMIC AND MILITARY ASSISTANCE PROGRAMS: FY 2000 Request

(BA $ thousands)

	DA	ESF	IMET	FSA	SEED	INC	MRA	NADR	PL-480	Peace Corps	FMF	PKO	Total
Regional Allocations													
Near East													
Algeria, Algiers	-	-	175	-	-	-	-	-	-	-	-	-	175
Bahrain, Manama	-	-	225	-	-	-	-	-	-	-	-	-	225
Egypt, Cairo	-	715,000	1,000	-	-	-	-	-	-	-	1,300,000	-	2,016,000
Iraq (Closed), Baghdad	-	10,000	-	-	-	-	-	-	-	-	-	-	10,000
Israel, Tel Aviv	-	930,000	-	-	-	-	60,000	-	-	-	1,920,000	-	2,910,000
Jordan, Amman	-	150,000	1,600	-	-	-	-	1,301	-	1,511	75,000	-	229,412
Lebanon, Beirut	-	12,000	550	-	-	-	-	750	-	-	-	-	13,300
Morocco, Rabat	8,000	-	900	-	-	-	-	-	-	2,278	2,250	-	13,428
Oman, Muscat	-	-	325	-	-	-	-	750	-	-	-	-	1,075
Tunisia, Tunis	-	-	900	-	-	-	-	-	-	-	2,250	-	3,150
United Arab Emirates, Abu Dhabi	-	-	-	-	-	-	-	-	-	-	-	-	-
Yemen, Sanaa	-	-	125	-	-	-	-	1,500	-	-	-	-	1,625
Near East Regional / Overseas Assistance	-	-	-	-	-	-	99,500	-	-	-	-	-	99,500
Multinational Force and Observers	-	-	-	-	-	-	-	-	-	-	-	16,000	16,000
Israel-Lebanon Monitoring Group	-	-	-	-	-	-	-	-	-	-	-	1,000	1,000
West Bank/Gaza	-	100,000	-	-	-	-	-	-	-	-	-	-	100,000
Regional ATA Training Assistance / Antiterrorism	-	-	-	-	-	-	-	7,000	-	-	-	-	7,000
Middle East Multilaterals3	-	667	-	-	-	-	-	-	-	-	-	-	667
Middle East Regional Cooperation	-	10,000	-	-	-	-	-	-	-	-	-	-	10,000
Middle East Democracy	-	7,000	-	-	-	-	-	-	-	-	-	-	7,000
Regional Programs	-	-	-	-	-	-	-	-	-	-	-	-	-
Middle East Multilaterals2	-	666	-	-	-	-	-	-	-	-	-	-	666
Middle East Multilaterals4	-	667	-	-	-	-	-	-	-	-	-	-	667
Middle East Multilaterals1	-	2,000	-	-	-	-	-	-	-	-	-	-	2,000
U.S.-North Africa Partnership1	-	1,400	-	-	-	-	-	-	-	-	-	-	1,400
US North Africa Partnership2	-	3,600	-	-	-	-	-	-	-	-	-	-	3,600
Total, Near East	**8,000**	**1,943,000**	**5,800**	**-**	**-**	**-**	**159,500**	**11,301**	**-**	**3,789**	**3,299,500**	**17,000**	**5,447,890**

SELECTED U.S. ECONOMIC AND MILITARY ASSISTANCE PROGRAMS: FY 2000 Request

(BA $ thousands)

	DA	ESF	IMET	FSA	SEED	INC	MRA	NADR	PL-480	Peace Corps	FMF	PKO	Total
Regional Allocations													
South Asia													
Afghanistan (Closed), Kabul	-	-	-	-	-	-	-	2,000	-	-	-	-	2,000
Bangladesh, Dhaka	55,900	-	400	-	-	-	-	-	24,992	1,280	-	-	82,572
India, New Delhi	44,700	-	450	-	-	-	-	-	81,650	-	-	-	126,800
Maldives Islands, Male	-	-	100	-	-	-	-	-	-	-	-	-	100
Nepal, Kathmandu	24,180	-	250	-	-	-	-	-	-	2,450	-	-	26,880
Pakistan, Islamabad	-	-	350	-	-	2,500	-	-	-	-	-	-	2,850
Sri Lanka, Colombo	3,000	-	225	-	-	-	-	-	-	-	-	-	3,225
Regional Funds / Antiterrorism Assistance SA	-	-	-	-	-	-	-	800	-	-	-	-	800
South Asia: Regional Programs	21,534	10,825	-	-	-	-	26,900	-	-	-	-	-	59,259
South Asia Regional Democracy Fund	-	8,825	-	-	-	-	-	-	-	-	-	-	8,825
Total, South Asia	**149,314**	**19,650**	**1,775**	**-**	**-**	**2,500**	**26,900**	**2,800**	**106,642**	**3,730**	**-**	**-**	**313,311**

SELECTED U.S. ECONOMIC AND MILITARY ASSISTANCE PROGRAMS: FY 2000 Request

(BA $ thousands)

	DA	ESF	IMET	FSA	SEED	INC	MRA	NADR	PL-480	Peace Corps	FMF	PKO	Total
Regional Allocations													
Western Hemisphere													
Antigua and Barbuda, St. Johns	-	-	120	-	-	-	-	-	-	-	-	-	120
Argentina, Buenos Aires	-	-	800	-	-	-	-	-	-	-	-	-	800
Bahamas, Nassau	-	-	100	-	-	1,000	-	-	-	-	-	-	1,100
Barbados, Bridgetown	-	-	100	-	-	-	-	-	-	-	-	-	100
Belize, Belize City	-	-	250	-	-	-	-	-	-	1,175	-	-	1,425
Bolivia, La Paz	33,923	3,500	550	-	-	48,000	-	-	23,000	2,596	-	-	111,569
Brazil, Brasilia	10,900	-	225	-	-	1,500	-	-	-	-	-	-	12,625
Chile, Santiago	-	-	450	-	-	-	-	-	-	-	-	-	450
Colombia, Bogota	-	4,000	900	-	-	40,000	-	-	-	-	-	-	44,900
Costa Rica, San Jose	-	-	200	-	-	-	-	-	-	294	-	-	494
Cuba, Havana (USINT)	-	3,000	-	-	-	-	-	-	-	-	-	-	3,000
Dominican Republic, Santo Domingo	9,984	4,500	555	-	-	-	-	-	-	2,512	-	-	17,551
Ecuador, Quito	12,101	11,500	500	-	-	1,200	-	1,000	-	2,700	-	-	29,001
El Salvador, San Salvador	33,945	6,500	500	-	-	-	-	-	-	1,619	-	-	42,564
Grenada, St. George's	-	-	65	-	-	-	-	-	-	-	-	-	65
Guatemala, Guatemala City	23,660	28,100	225	-	-	3,000	-	-	17,204	3,595	-	-	75,784
Guyana, Georgetown	3,200	-	175	-	-	-	-	-	-	851	-	-	4,226
Haiti, Port-au-Prince	-	70,000	300	-	-	-	-	-	26,432	1,380	-	6,000	104,112
Honduras, Tegucigalpa	21,168	500	500	-	-	-	-	-	12,695	3,442	-	-	38,305
Jamaica, Kingston	10,760	1,500	500	-	-	800	-	-	-	2,279	-	-	15,839
Mexico, Mexico City	8,425	2,000	1,000	-	-	10,000	-	-	-	-	-	-	21,425
Nicaragua, Managua	25,310	4,000	200	-	-	-	-	-	6,244	2,423	-	-	38,177
Panama, Panama City	3,500	1,000	100	-	-	-	-	-	-	1,668	-	-	6,268
Paraguay, Asuncion	5,225	1,000	200	-	-	-	-	-	-	3,263	-	-	9,688
Peru, Lima	35,900	10,000	450	-	-	48,000	-	1,000	49,996	-	-	-	145,346
Suriname, Paramaribo	-	-	100	-	-	-	-	-	-	910	-	-	1,010
Trinidad and Tobago, Port-of-Spain	-	-	125	-	-	-	-	-	-	-	-	-	125
Uruguay, Montevideo	-	-	300	-	-	-	-	-	-	-	-	-	300
Venezuela, Caracas	-	500	400	-	-	700	-	-	-	-	-	-	1,600
Caribbean Regional	-	-	-	-	-	-	-	-	-	-	3,000	-	3,000
Latin America Regional	-	-	-	-	-	65,000	-	-	-	-	-	-	65,000
Administration of Justice2	-	300	-	-	-	-	-	-	-	-	-	-	300
Central American Regional Development	12,100	-	-	-	-	-	-	-	-	-	-	-	12,100
Latin America and Caribbean Regional	57,977	-	-	-	-	-	-	-	-	-	-	-	57,977

SELECTED U.S. ECONOMIC AND MILITARY ASSISTANCE PROGRAMS: FY 2000 Request

(BA $ thousands)

	DA	ESF	IMET	FSA	SEED	INC	MRA	NADR	PL-480	Peace Corps	FMF	PKO	Total
Migration and Refugee Assistance (MRA) /	-	-	-	-	-	-	15,800	-	-	-	-	-	15,800
PACAMS	-	-	-	-	-	-	-	-	-	-	-	-	-
Administration of Justice	-	1,600	-	-	-	-	-	-	-	-	-	-	1,600
Eastern Caribbean	1,200	-	-	-	-	-	-	-	-	2,219	-	-	3,419
Windward Islands	-	7,000	-	-	-	-	-	-	-	-	-	-	7,000
OAS/IADB / Demining	-	-	-	-	-	-	-	2,000	-	-	-	-	2,000
Regional ATA Training Assistance / Antiterrorism	-	-	-	-	-	-	-	2,400	-	-	-	-	2,400
St Kitts-Nevis	-	-	75	-	-	-	-	-	-	-	-	-	75
St Lucia	-	-	60	-	-	-	-	-	-	-	-	-	60
St Vincent & Gren	-	-	60	-	-	-	-	-	-	-	-	-	60
Regional / Vital Vocies	-	-	-	-	-	-	-	-	-	-	-	-	-
Total, Western Hemisphere	**309,278**	**160,500**	**10,085**	**-**	**-**	**219,200**	**15,800**	**6,400**	**135,571**	**32,926**	**3,000**	**6,000**	**898,760**
Total Regional Allocations	**1,371,745**	**2,348,000**	**51,600**	**1,032,000**	**393,000**	**229,200**	**449,400**	**131,050**	**376,594**	**138,930**	**3,393,700**	**130,000**	**10,045,219**

SELECTED U.S. ECONOMIC AND MILITARY ASSISTANCE PROGRAMS: FY 2000 Request

(BA $ thousands)

	DA	ESF	IMET	FSA	SEED	INC	MRA	NADR	PL-480	Peace Corps	FMF	PKO	Total
Total Regional Allocations	**1,371,745**	**2,348,000**	**51,600**	**1,032,000**	**393,000**	**229,200**	**449,400**	**131,050**	**376,594**	**138,930**	**3,393,700**	**130,000**	**10,045,219**
Global Programs	**476,255**	**41,000**	**400**	**-**	**-**	**65,800**	**210,600**	**99,950**	**410,406**	**131,070**	**36,300**	**-**	**1,471,781**
Other Foreign Operation Accounts													
EXIM - Net	-	-	-	-	-	-	-	-	-	-	-	-	881,000
OPIC - Net	-	-	-	-	-	-	-	-	-	-	-	-	-204,000
Multilateral Dev. Banks	-	-	-	-	-	-	-	-	-	-	-	-	1,394,531
IFI Advisory Commission	-	-	-	-	-	-	-	-	-	-	-	-	1,500
Treasury Technical Assistance	-	-	-	-	-	-	-	-	-	-	-	-	7,000
Debt Reduction Programs	-	-	-	-	-	-	-	-	-	-	-	-	120,000
IO&P - International Organizations and Programs	-	-	-	-	-	-	-	-	-	-	-	-	293,000
Urban/Environment Credit - Subs	-	-	-	-	-	-	-	-	-	-	-	-	3,000
Urban/Environment Credit - Admin	-	-	-	-	-	-	-	-	-	-	-	-	5,000
Micro/Small Enterprise - Subs	-	-	-	-	-	-	-	-	-	-	-	-	1,500
Micro/Small Enterprise - Admin	-	-	-	-	-	-	-	-	-	-	-	-	500
USAID Operating Expenses	-	-	-	-	-	-	-	-	-	-	-	-	507,739
Op.Expenses - Inspector	-	-	-	-	-	-	-	-	-	-	-	-	25,261
OFDA - Int. Disaster Assistance	-	-	-	-	-	-	-	-	-	-	-	-	220,000
FMF- Loan	-	-	-	-	-	-	-	-	-	-	-	-	-
TDA	-	-	-	-	-	-	-	-	-	-	-	-	48,000
IAF - Inter-American Foundation	-	-	-	-	-	-	-	-	-	-	-	-	22,300
African Development Foundation	-	-	-	-	-	-	-	-	-	-	-	-	14,400
ERMA	-	-	-	-	-	-	-	-	-	-	-	-	30,000
SDAF	-	-	-	-	-	-	-	-	-	-	-	-	-
ESF - Wye	-	-	-	-	-	-	-	-	-	-	-	-	150,000
FMF - Grant - Wye	-	-	-	-	-	-	-	-	-	-	-	-	350,000
FMF - Rescission - Wye	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Other Foreign Operation Accounts	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**3,870,731**

SELECTED U.S. ECONOMIC AND MILITARY ASSISTANCE PROGRAMS: FY 2000 Request

(BA $ thousands)

	DA	ESF	IMET	FSA	SEED	INC	MRA	NADR	PL-480	Peace Corps	FMF	PKO	Total
Other Function 150 Accounts													
State Programs	-	-	-	-	-	-	-	-	-	-	-	-	2,927,772
SMUSM	-	-	-	-	-	-	-	-	-	-	-	-	483,683
Education and Cultural Exchange Programs (USIA	-	-	-	-	-	-	-	-	-	-	-	-	210,329
Other State Department	-	-	-	-	-	-	-	-	-	-	-	-	79,354
CIO	-	-	-	-	-	-	-	-	-	-	-	-	963,308
CIPA	-	-	-	-	-	-	-	-	-	-	-	-	235,000
ICC	-	-	-	-	-	-	-	-	-	-	-	-	-
UN Arrears	-	-	-	-	-	-	-	-	-	-	-	-	446,000
State-Related Appropriations	-	-	-	-	-	-	-	-	-	-	-	-	62,875
Broadcasting Board	-	-	-	-	-	-	-	-	-	-	-	-	452,590
ITC + Other	-	-	-	-	-	-	-	-	-	-	-	-	49,802
USIP	-	-	-	-	-	-	-	-	-	-	-	-	13,000
Total Other Function 150 Accounts	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**5,923,713**
Grand Total Function 150	**1,848,000**	**2,389,000**	**52,000**	**1,032,000**	**393,000**	**295,000**	**660,000**	**231,000**	**787,000**	**270,000**	**3,430,000**	**130,000**	**21,311,444**

GLOSSARY of BUDGET TERMINOLOGY

Assumptions. Assumptions are major conditions required to achieve a goal. For example, achieving export targets depend on assumptions about economic growth and exchange rates.

Budget Authority. Authority provided by law, usually an appropriation, to enter into obligations that result in outlays of Federal Government funds.

Diplomatic Activities. Diplomatic Activities are those actions that are common to all diplomatic missions, e.g., negotiations, representational functions, visit support, and internal political reporting. They involve everyone in the mission, from the Ambassador to the FSNs, and are the core functions performed by State Department officers.

Diplomatic Readiness. Diplomatic Readiness consists of the management functions and platforms that enable the USG to achieve its international goals and objectives. The three categories of Diplomatic Readiness are human resources, information resources, and infrastructure and operations. Ensuring Diplomatic Readiness is a core responsibility of the Department of State,

Existing Data. Application to planning and performance evaluation of data already being collected, whether by the Department or elsewhere.

External Factors. Those factors likely to have a fundamental impact on the mission's ability to achieve its goals. For example, whether Congress approves Fast Track authority will have a fundamental impact on U.S. open market goals.

Function 150. The USG budget function that includes most USG program and operational resources for international affairs. Accounts within Function 150 include, for example, development assistance, foreign military financing, multilateral development banks, contributions to international organizations, and State Department diplomatic and consular programs.

Goal. A description of the intended result, effect, or consequence that will occur from programs or activities. A goal is an outcome, generally achieved over the long term. They should be expressed in a way that allows for a future assessment of whether the goal was or is being achieved.

GPRA. The Government Performance and Results Act of 1993 is intended to get Federal managers to establish measurable performance targets through clear goals and objectives. Among the ultimate goals of the Act are demonstrating to the American taxpayers what they get for their money, improving management throughout the U.S. Government, and strengthening performance-based budgeting. Agencies published

strategic plans beginning in September 1997 and annual performance plans in 1998 (covering FY 1999). All agencies are required to issue performance reports starting in 2000 (reporting on FY 1999).

Input. Inputs are the resources used to carry out a program or activity over a given time period with the purpose of achieving an outcome or output. Inputs can include number of employees, money, materials and supplies.

Internal evaluation. In many cases, Department managers must themselves evaluate progress toward some foreign affairs goals, using a method that best insures a disinterested evaluation.

Milestone. The simplest type of indicator, frequently useful for diplomatic efforts, is a deadline set for a given event or process to occur.

National Interest. The International Affairs Strategic Plan outlines seven U.S. national interests that portray **why** the USG undertakes action on behalf of the security, prosperity, well-being, and values of the American people.

Objective. A target level of performance expressed as a tangible, measurable activity or result, against which actual achievement can be compared, including a goal expressed as a quantitative standard, value, or rate. Objectives contribute toward the achievement of goals, but are more specific, generally tied to discrete programs and activities, and are relatively short-term in focus.

Performance Indicator. A performance indicator is a value or characteristic used to measure an output or outcome. Indicators of democracy might be free and fair elections, an independent judicial system, and peaceful change of government. Indicators should be expressed in neutral terms, for example "U.S. market share" as opposed to "increasing U.S. market share."

Performance Measure. The specific standard, unit, or criteria used to track performance. For example, degree of democracy as measured by the Freedom House index.

Performance Plan. A Performance Plan describes what an organization will do to move toward accomplishing its longer-range strategic goals and identifies the performance measures the organization will use to assess progress. GPRA requires annual agency Performance Plans beginning with FY 1999.

Program Activity. A specific activity or project as listed in the program and financing schedules of the annual budget of the United States Government.

Program evaluation. An assessment through objective measurement and systematic analysis of the manner and extent to which a program achieves intended results.

Strategic Goal. The 16 strategic goals in the International Affairs Strategic Plan portray what the USG wants to achieve through its strategies, programs, and activities. Goals are expressed in a manner that allows a future assessment to be made of whether the goal was or is being achieved.

Strategic Plan. A strategic plan is a set of long-range goals that operationalize an organization's mission. Through an organized set of goals, an organization maps out how it hopes to achieve its fundamental purpose and realize its preferred future. The International Affairs Strategic Plan describes goals for the entire USG that advance and defend U.S. national interests.

Strategy: A strategy describes how resources and other means are employed to achieve a goal. MPP strategies identify priorities, time frames, key agencies, and programs.

GLOSSORY OF ACRONYMS

ACDA	Arms Control Disarmament Agency
ACRI	African Crisis Response Initiative
ADB	ASIA DB - Asian Development Bank
ADF	Asian Development Fund
AETF	Afghan Emergency Trust Fund
AF DB	Africa Development Bank
AF Dev. Fnd	African Development Foundation
AF DF	African Development Fund
AID DIG-OE	Operating Expenses - Inspector General USAID
AIT	American Institute in Taiwan
ALMA	A Logical Migration Approach
AOJ	Administration of Justice
APEC	Asia-Pacific Economic Cooperation forum
ARP	Africa Regional Peacekeeping
ATA	NADR - Anti-terrorism assistance
BCI	Broadcasting Capital Improvements
BIT	Bilateral Investment Treaty
Capital Projects	Capital Projects - Advance Appropriations
CBI	Caribbean Basin Initiative
CBM	Confidence Building Measure
CICAD	Inter-American Drug Abuse Control Commission
CIF	Capital Investment Fund
CIO	Contributions to International Organizations
CIO/CIPA ARR	UN Arrearage Payments
CIPA	Contributions for International Peacekeeping Activities
CS/D	Child Survival and Diseases
CTBT	Comprehensive Test Ban Treaty
CWC	Chemical Weapons Convention
D&CP	Diplomatic and Consular Programs
DA	Development Assistance
DCA	Development Credit Authority
DDT	Dichloro-diphenyl-trichloro-ethane
DEA	Drug Enforcement Agency
DFA	Development Fund for Africa
DHRF	Democracy and Human Rights Fund for Africa
DOD	Department of Defense
DOE	Department of Energy
DOL	Department of Labor
DOS	Department of State
EAI/MIF	Enterprise for the Americas Multilateral Investment Fund
EBRD	European Bank for Reconstruction and Development
ECE	Education and Cultural Exchange Programs
EDA	Excess Defense Articles
EDA	Excess Defense Articles
EDDI	Education for Development and Democracy Initiative
EIPC	Enhanced International Peacekeeping Capabilities
EMDS	Emergencies in the Diplomatic and Consular Service
ERMA	U.S. Emergency Refugee and Migration Assistance
ESAF	IMF Enhanced Structural Adjustment Facility
ESF	Economic Support Fund
ETR	Expanded Threat Reduction Initiative
E-W Center	East-West Center
EXIM	Export Import Bank of the United States
EXIM-AE	Export-Import Bank - Administrative Expenses
EXIM-Direct Loan	Export-Import Bank - Direct Loans, Negative Subsidies
EXIM-Loan Account	Export-Import Bank - Loan Program Account
Export Control	Export Control Assistance Program
FBI	Federal Bureau of Investigation
FCSC	Foreign Claims Settlement Commission
FMCT	Fissile Material Cutoff Treaty
FMF-A	Foreign Military Financing - Administration
FMF-G	Foreign Military Financing - Grant
FMF-Grant-Wye	Foreign Military Financing - Grant - Wye
FMF-L	Foreign Military Financing - Loan
FSA	FREEDOM Support Act - Assistance for the New Independent States
FTAA	Free Trade Area of the Americas
GCC	Global Climate Change
GEF	IBRD - Global Environment Facility (GEF)
GHAI	Greater Horn of Africa Initiative
GLJI	Great Lakes Justice Initiative
GLOBE	Global Learning and Observation to Benefit the Environment
GSP	Generalized System of Preference
HAC	Holocaust Assets Commission

HIPC	The Heavily Indebted Poor Countries
IADB	Inter-American Development Bank (FSO)
IAEA Voluntary	International Atomic Energy Agency Voluntary Contribution
IAF	Inter-American Foundation
IASP	IASP - Israeli Arab Scholarship Program
IBO	International Broadcasting Operations
IBRD	International Bank for Reconstruction & Development (World Bank)
ICC	International Conferences and Contingencies
ICITAP	International Criminal Investigative Assistance Program
ICPD	International Conference on Population Development
ICSECA	Int'l Contributions For Scientific, Educational & Cultural Act
IDA	International Development Association
IDB-OC	Inter-American Development Bank (Ordinary Capital)
IFC	International Finance Corporation
IFI AdCom	IFI Advisory Commission
IFIs	International Financial Institutions
IIP	International Information Programs
ILEA	International Law Enforcement Academy
ILO	International Labor Organization
IMET	International Military Education and Training
INC	International Narcotics and Crime
INS	Immigration and Naturalization Service
IIC	Inter-American Investment Corporation
IO&P	International Organizations and Programs
IPR	Intellectual Property Rights
ISA	Initiative for Southern Africa
ITC	International Trade Commission
ITU	International Telecommunication Union
Justice	Department of Justice
KEDO	Korean Energy Development Organization
LTTE	Liberation Tigers of the Tamil Eelam
MIGA	Multilateral Investment Guarantee Agency
MLAT	Mutual Legal Assistance Treaty
MOU	Memorandum of Understanding
MRA	Migration and Refugee Assistance
MSED-Admin	Micro and Small Enterprise Development - Admin
MSED-Subsidy	Micro and Small Enterprise Development - Subsidy
MTCR	Missile Technical Control Regime
NADB	North American Development Bank
NADR	Nonproliferation, Anti-terrorism, Demining and Related Programs
NAFTA	North America Free Trade Agreement
NATO	North Atlantic Treaty Organization
NDF	NADR - NDF - Nonproliferation and Disarmament Fund
NED	National Endowment for Democracy
NEI	Northeast Europe Initiative
NGO	Non-governmental Organization
NIS	New Independent States of the Former Soviet Union
NIV	Non-immigrant Visa
NPT	Nuclear Nonproliferation Treaty
N-S Center	North-South Center
OAS	Organization of American States
OAU	Organization of African Unity
OFDA	Office of Foreign Disaster Assistance
ONDCP	Office of National Drug Control Policy
OPIC	Overseas Private Investment Corp.
OPIC-AE	OPIC – Administrative Expenses
OPIC-CF	OPIC - Credit Funding
OPIC-NOC	OPIC - Net Offsetting Collections
OSCE	Organization for Security and Cooperation in Europe
PEGO	Partnership for Economic Growth and Opportunity in Africa
PfF	Partnership for Freedom
PfP	Partnership for Peace
PKO	Peacekeeping Operations
PVO	Private Voluntary Organization
RDF	Regional Democracy Fund
REP	Representation Allowances
REPAT	Repatriation Loans Program Account
S&E	Salaries & Expenses (S&E)
SAARC	South Asian Association for Regional Cooperation
SDAF	Special Defense Acquisition Fund
SECI	Southeast European Cooperative Initiative
SEEAP	Southeast Europe Action Plan
SEED	Support for Eastern Europe and Democracy
SMUSM	Security and Maintenance of US Missions
START	Strategic Arms Reduction Treaty
STATE OIG	Office of the Inspector General
TDA	Trade and Development Agency
Technology Fund	Technology Fund (USIA)
TIATA	Treasury Technical Assistance

Title II	PL 480 - Title II; Program Account
Title III	PL 480 - Title III; Non-Credit Activity
Treasury	Department of Treasury
TRIP	Trade-Related Intellectual Property
UE-Admin	Urban and Environmental Credit Ad
UE-Subsidy	Urban and Environmental Credit Program - Subsidy
UN	United Nations
UNDCP	United Nations Drug Control Program
UNICEF	United Nations Children's Fund
UNOCHA	UN Office for Coordination of Humanitarian Assistance to Afghanistan
UNSMA	UN Special Mission to Afghanistan
USAEP	US-Asian Environmental Partnership
USAID	United States Agency for International Development
USAID-OE	USAID Operating Expenses
USCG	United States Coast Guard
USDA	Department of Agriculture
USIA	United States Information Agency
USIP	United States Institute for Peace
USIS	United States Information Service
USTR	United States Trade Representative
VAAP	Vaccine Action Program
WMD	Weapons of Mass Destruction
WTO	World Trade Organization
Wye - ESF	Economic Support Fund - Wye

Index of Country, Regional and Global Programs

Programs	Pages
Administration of Justice/ ICITAP	937
Afghanistan	758
Afghanistan Emergency Trust Fund	1,050
Africa Regional Democracy Fund	208
Africa Regional Peacekeeping	211
African Crisis Response Initiative	205
African Development Bank	976
African Development Foundation	1,157
African Development Fund	979
Albania	401
Algeria	538
Angola	62
Anti-Terrorism Assistance NADR	1,130
Apparel Industry "No Sweat Shop" Initiative	1,097
Argentina	848
Armenia	644
Arms Control Considerations	1,249
Asian Development Bank	970
Asian Development Bank Fund	973
Azerbaijan	649
Bahamas	851
Bahrain	541
Bangladesh	762
Belarus	652
Belize	854
Benin	67
Bolivia	857
Bosnia and Herzegovina	406
Botswana	70
Brazil	861
Bulgaria	409
Burkina Faso	73
Cambodia	295
Cameroon	76
Cape Verde	79
Central African Republic	82
Central American Regional Development	944
Chad	85
Child Survival and Diseases	1,063
Chile	864
Colombia	867
Commercial Exports License Aprov	1,278
Comoros	88

Programs	Pages
Comprehensive Nuclear Test Ban Treaty Prep Com	1,126
Congo, Democratic Republic of the	96
Congo, Republic of the	90
Costa Rica	870
Cote d'Ivoire	93
Counter-Terrorism Assistance - NADR	1,135
Countries in Transition Fund	214
Credit Programs, USAID	1,068
Croatia	413
Cuba	873
Cyprus	416
Czech Republic	418
Debt Relief for Tropical Rainforest Countries	989
Debt Restructuring Programs	985
Defense Administrative Costs	1,116
Demining - NADR	1,137
Democracy and Human Rights Fund, Africa	216
Democracy Fund, East Asia	331
Development Assistance Fund	1,060
Development Fund for Africa	1,062
Disaster Assistance, USAID	1,065
Djibouti	99
Dominican Republic	875
Drug Awareness And Demand Reduction	1,237
East Africa Regional Assistance	219
East Asia Financial Crisis Assistance	329
Eastern Caribbean	878
Economic Support Funds	1,086
Ecuador	881
Education for Development & Democracy Initiative, Africa	221
Egypt	544
El Salvador	886
Emergency Refugee And Migration Assistance Fund	1,184
End-Use Monitoring Of Defense Articles	1,280
Enhanced International Peacekeeping Capabilities	1,118
Environment Initiative, East Asia	327

Environmental Diplomacy 1,095
Eritrea 101
Estimating Foreign Military Sales 1,250
Estonia 421
Ethiopia 105
EUR Peacekeeping Operations 466
EUR Regional 468
European Bank for Reconstruction & Development 982
EXIM Bank 1,140
Export Control Assistance - NADR 1,122

Fiji 298
Foreign Military Financing 1,111
Foreign Military Sales Administrative Costs 1,254
Freedom Support Act 1,073
FYR. (Macedonia) 440
Gabon 109
Gambia 112
Georgia 656
Ghana 114
Global Environment Facility 955
Grant Excess Defense Articles 1,264
Great Lakes Justice Initiative 224
Greater Horn of Africa Initiative 226
Greece 425
Guatemala 889
Guinea 117
Guinea-Bissau 120
Guyana 893
Haiti 897
HIPC Trust Fund World Bank 988
Honduras 900
Human Rights and Democracy Fund 1,093
Hungary 427
IAEA - NADR 1,124
IDB Multilateral Investment Fund 966
IDB Ordinary Capital 964
INC contribution to International Organizations 1,231
INC -Regional Programs 1,226
India 766
Indonesia 299
Initiative for Southern Africa 229
INL Anti-Crime Programs 1,241
Inter-American Foundation 1,152
InterAmerican Investment Corps. 968
International Civil Aviation Organization 1,010
International Conservation Programs 1,021
International Fund for Agricultural Development 1,008
International Military Education & Training 1,101
International Monetary Fund Advisory Committee 993
International Narcotics and Law Enforcement 1,219
International Organization and Program 994
Intern'l Contribution for Scientific Education & Culture 1,033
Interregional Aviation - INC 1,229
Iraqi Opposition 571
Ireland/Northern Ireland 430
Israel 547
Israel-Lebanon Monitoring Group 576
Jamaica 904
Jordan 550
Kazakstan 660
Kenya 122
Korean Peninsula Energy Development Org (KEDO) 1,128
Kyrgyzstan 665
Laos 302
Latin America and the Caribbean Regional Development 939
Latvia 432
Leased Defense Articles 1,267
Lebanon 554
Lesotho 125
Liberia 128
Lithuania 436
Madagascar 131
Malawi 135
Malaysia 304
Maldives 771
Mali 139
Malta 444
Mauritania 143
Mauritius 146
Mexico 907
Middle East Democracy Fund 582
Middle East Multilateral Working Groups 578
Middle East Regional Cooperation 580
Migration and Refugee Assistance & ERMA 1,159
Moldova 669
Mongolia 306

Morocco 557
Mozambique 149
Multilateral Force and Observers 574
Multilateral Fund for the Protection of the Ozone 1,017
Namibia 154
Narcotics Law Enforcement Training 1,235
Nazi Persecutee Relief Fund 1,099
Nepal 773
Nicaragua 910
Niger 157
Nigeria 160
NIS Regional Programs 698
Nonproliferation and Disarmament Fund 1,121
Nonproliferation, Anti-terrorism, Demining and Related Programs 1,120
OAS Development Assistance Program 1,005
OAS: Strengthening Democracy 1,046
Oman 562
Organization of African Unity 233
Organizations Fund, East Asia 241
Overseas Military Program Management 1,257
Overseas Private Investment Corporation 1,145
Pakistan 777
Panama 914
Papua New Guinea 310
Paraguay 917
Paris Club HIPC/Africa Initiative 986
Partnership for Economic Growth & Opportunity in Africa 235
Peace Corps 1,149
Peacekeeping Operations 1,082
Peru 920
Philippines 312
Poland 446
Portugal 449
Program Development and Support-INC 1,239
Refugee Administrative Expenses 1,216
Refugee Assistance in Africa 1,194
Refugee Assistance in East Asia 1,196
Refugee Assistance in Europe 1,205
Refugee Assistance in Near East & North Africa 1,200
Refugee Assistance in South Asia 1,202
Refugee Assistance in The Western Hemisphere 1,198
Refugee Multiregional Activities 1,208
Refugee Overseas Assistance Summary 1,189
Refugee Admissions 1,210
Refugees To Israel 1,216
Regional Development Fund for Africa 237
Romania 451
Russia 674
Rwanda 164
Safe Skies for Africa Initiative 243
Samoa 316
Sao Tome 168
Security Fund, East Asia 333
SEED - Regional 469
Senegal 170
Seychelles 173
Sierra Leone 176
Slovakia 454
Slovenia 457
Solomon Islands 319
Somalia 179
South Africa 181
South Asia Democracy Fund 785
South Asia Regional Programs 788
South Pacific Multilateral Fisheries Treaty 337
Sri Lanka 781
Stockpiling Of Defense Articles For Foreign Countries 1,269
Support for East European Democracy 1,077
Suriname 924
Swaziland 185
Tajikstan 680
Tanzania 188
Thailand 321
The Multilateral Development Banks 948
Threat Reduction Initiative, Expanded 593; 1,074
Togo 192
Tonga 325
Trade And Development Agency 1,142
Treasury Technical Assistant Programs 991
Trinidad and Tobago 927
Tunisia 566
Turkey 460
Turkmenistan 684
U.S. - North Africa Partnership 584
Uganda 195

Ukraine	688
UN Children's Fund (UNICEF)	999
UN Climate Change	1,029
UN Development Fund for Women (UNIFEM)	1,003
UN Development Program	996
UN Fund For Victims Of Torture	1,044
UN Fund: Technical Coop on Human Rights	1,042
United Nations Environment Program	1,013
United Nations Population Fund	1,039
Uruguay	930
USAID Development Accounts Overview	1,054
USAID Office of Inspector General	1,072
USAID Operating Expenses	1,072
Uzbekistan	693
Venezuela	933
West Bank/Gaza	586
Women's Initiative, East Asia	335
World Bank Group-IDA	958
World Bank Group-MIGA	962
World Food Program	1,048
World Meteorological Organization	1,036
Wye-Middle East Peace Process	589
Yemen	568
Yugoslavia	463
Zambia	198
Zimbabwe	202

*U.S. Government Printing Office: 1999 — 721-247