The Secretary of State



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Congressional Budget Justification
FOREIGN OPERATIONS

Fiscal Year 2002

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Congressional Budget Justification
FOREIGN OPERATIONS

FISCAL YEAR 2002



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OFFICE OF THE SECRETARY OF STATE
RESOURCES, PLANS, AND POLICY

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FOREIGN OPERATIONS
FISCAL YEAR 2002 BUDGET REQUEST

PREFACE

The enemies of liberty and our country should make no mistake: America remains engaged in the world by history and by choice, shaping a balance of power that favors freedom. We will defend our allies and our interests. We will show purpose without arrogance. We will meet aggression and bad faith with resolve and strength. And to all nations, we will speak for the values that gave our nation birth.

– President George W. Bush, Inaugural Address, January 20, 2001

Today, the rise of democracy and the power of the information revolution are leveraging each other to produce the exciting and kaleidoscopic developments that are transforming our world with breathtaking speed and dramatic depth.

This is a time of great opportunity for America – a time, as President Bush has said, to shape "a balance of power that favors freedom." To do this will require good leadership. The United States has the requisite power and the tools at hand, from our exceptional corps of diplomats to our sturdy battalions of men and women in uniform, from our superb business people to our brilliant artists in every field. We also have the allies and friends to help us, each of whom in their own way treasures the common values we share, emanating from a fundamental belief in free trade and free people.

As we go about accomplishing this task of leadership, we must "show purpose without arrogance." We have achieved our position in the world because of the dedication, hard work, and skill of our citizens – citizens who come from almost every country on earth. It is their representatives that we must be in the wider world. It is their industry, drive, and ability to live together in and derive strength from an incredible diversity – a diversity like no other in the world – that stands as a shining example to all who would achieve peace and prosperity in their own lands.

The Department of State is at the forefront of this leadership effort because the skillful management and shaping of international affairs is a vital part of America's leadership role in the world. So providing financial support for that process is of paramount concern to the nation.

In past years, International Affairs funding has not been what it should be. With a new Secretary on board, that is changing. The President's $23.9 billion FY 2002 request for International Affairs – over a five percent increase from last year – is the first step in that change. For Foreign Operations the President is requesting $15.2 billion, a two percent increase over last year's enacted level.

Secretary Powell has said that he wants to be both CEO and principal foreign policy advisor to the President. The FY 2002 International Affairs budget request supports that dual role. As CEO, the Secretary has several key priorities in the request, including embassy construction, security, and maintenance; broad-based Internet access for everyone who needs it; modernization of classified information networks; and hiring of new personnel for both the Foreign Service and Diplomatic Security.

As the President's principal foreign policy advisor, the Secretary has several key priorities to implement the President's policies. These priorities include the Andean Regional Initiative; Global Health (in particular the fight against HIV/AIDS); nonproliferation, anti-terrorism, and combating weapons of mass destruction; support of ongoing peacekeeping operations; payment of UN arrears; and advancement and support of democracy and human rights the world over.

Both sets of priorities – the CEO's and the advisor's – ultimately serve the same purpose: shaping a balance of power that favors freedom.

As with any good management method, these two sets of priorities will merge as time goes by, for we cannot have a good foreign policy without the right numbers of people, security for those people, and the information-age tools that we need. Likewise, the right people with the right tools and security cannot do what they ought to do without the financial resources to help them do it.

The FY 2002 Foreign Operations budget request, the details of which are in this document, represents only the beginning. There are tough roads ahead and steep hills to climb. But what a time of excitement and opportunity – what a time to "speak for the values that gave our nation birth."

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 are:

National Security – 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.

Economic Prosperity – Expand exports, open markets, maintain global growth and stability, and promote economic development.

American Citizens and U.S. Borders – Protect American citizens abroad, manage the entry of visitors and immigrants, and safeguard the borders of the United States.

Law Enforcement – Combat international terrorism, crime, and narcotics trafficking.

Democracy and Human Rights – Support the establishment and consolidation of democracies and uphold human rights.

Humanitarian Response – Provide humanitarian assistance to victims of crisis and disaster.

Environment, Population, and Health – Improve the global environment, achieve a sustainable 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.

FY 2002 FOREIGN OPERATIONS SUMMARY

($ in millions)

Budget Authority	FY 2000 Actual /1	FY 2001 Estimate /2	FY 2002 Request
FOREIGN OPERATIONS	**16,543**	**14,884**	**15,168**
Export-Import Bank (net)	796	910	687
Overseas Private Investment Corporation (net)	-50	-200	-251
Trade and Development Agency	44	50	50
Child Survival & Diseases Fund	724	961	1,011
Development Assistance	1,210	1,302	1,325
International Disaster Assistance	227	299	200
Transition Initiatives	-	50	50
USAID Credit Programs	8	7	8
USAID Operating Expenses (OE)	519	532	549
USAID Inspector General (IG)	25	27	32
Economic Support Fund (ESF)	2,792	2,315	2,289
Support for Eastern European Democracy (SEED)	583	674	610
Assistance for the Independent States (FSA/NIS)	836	808	808
Peace Corps	244	264	275
International Narcotics Control and Law Enforcement	304	324	217
Andean Counterdrug Initiative	-	-	731
Plan Colombia	1,019	-	-
Migration and Refugee Assistance	623	698	715
Emergency Refugee & Migration Assistance (ERMA)	12	15	15
Nonproliferation, Anti-Terrorism, Demining (NADR)	216	311	332
Debt Restructuring	123	447	224
Treasury Technical Assistance	2	6	6
International Military Education & Training (IMET)	50	58	65
Foreign Military Financing (FMF)	4,788	3,568	3,674
Peacekeeping Operations (PKO)	150	127	150
Multilateral Development Banks	1,110	1,144	1,210
Multilateral Development Banks Arrears	[104]	[11]	[-]
International Organizations & Programs (IO&P)	188	186	186

/1 - FY 2000 Actual reflects $59.3 million in across-the-board rescissions; $1.825 billion in Wye/Egypt funding; and $1.093 billion for: Plan Colombia ($1.018 billion), Southeast Europe ($50 million SEED), and Southeastern Africa ($25 million Disaster Assistance).

/2 - The FY 2001 Estimate reflects $33.4 million in rescissions, as well as $468 million in supplemental funding for: the Balkans (SEED - $75.8 million, IMET - $2.9 million, FMF - $31 million, and USAID OE - $13 million); Disaster Assistance for Southeastern Africa ($135 million); and debt relief for Heavily Indebted Poor Countries (HIPC) ($210 million).

FY 2002 Foreign Operations Summary -- Detail

($ in thousands)

Appropriations	FY 2000 Actual /1	FY 2001 Estimate /2	FY 2002 Request
FOREIGN OPERATIONS	**16,543,322**	**14,884,388**	**15,167,643**
Title I - Export and Investment Assistance	789,797	759,851	486,347
Export-Import Bank (Ex-Im)			
Export-Import Bank - Loan Subsidy	756,064	863,097	633,323
Export-Import Bank - Administrative Expenses	54,900	61,864	65,000
Export-Import Bank - Direct Loans, Negative Subsidies	(15,000)	(15,000)	(11,000)
Subtotal, Export-Import Bank	795,964	909,961	687,323
Overseas Private Investment Corporation (OPIC)			
Administrative Expenses for Credit & Insurance Programs	34,934	37,916	38,608
Net Offsetting Collections	(108,776)	(261,863)	(289,608)
Credit Funding - Direct & Guaranteed Loan Subsidies	23,842	23,947	-
Subtotal, Overseas Private Investment Corporation	(50,000)	(200,000)	(251,000)
Trade and Development Agency (TDA)	43,833	49,890	50,024
Title II - Bilateral Economic Assistance	9,466,858	9,041,988	9,396,500
U.S. Agency for International Development			
Child Survival & Disease Programs Fund (CSD)	724,448	960,881	1,011,000
Development Assistance (DA)	1,210,260	1,302,129	1,325,000
Development Credit Authority	[3,000]	-	-
International Disaster Assistance	227,014	299,340	200,000
Transition Initiatives	-	49,890	50,000
Micro and Small Enterprise Development - Subsidy	1,500	1,497	-
Micro and Small Enterprise Development - Admin. Exp.	500	499	-
Urban and Environmental Credit Program - Subsidy	1,500	-	-
Urban and Environmental Credit Program - Admin. Exp.	4,990	-	-
Development Credit Program Subsidy -- By Transfer	-	[4,989]	[25,000]
Development Credit Program Subsidy -- Appropriation	-	1,497	-
Development Credit Program Administrative Expenses	-	3,991	7,500
USAID Operating Expenses	518,960	531,827	549,000
USAID Inspector General Operating Expenses	24,950	26,941	32,000
Other Bilateral Economic Assistance	4,210,969	3,797,452	3,707,000
Economic Support Fund (ESF) - w/ Fund for Ireland	2,792,187	2,314,896	2,289,000
Ass't for Eastern Europe and the Baltic States (SEED)	582,970	674,338	610,000
Assistance for the Independent States (FSA /NIS)	835,812	808,218	808,000
Independent Agency			
Peace Corps	244,069	264,417	275,000
Inter-American Foundation	[4,981]	[11,974]	[12,108]
African Development Foundation	[14,345]	[15,965]	[16,042]

FY 2002 Foreign Operations Summary -- Detail

($ in thousands)

Appropriations	FY 2000 Actual /1	FY 2001 Estimate /2	FY 2002 Request
State Department			
Int'l Narcotics Control and Law Enforcement (INCLE)	303,841	324,285	217,000
Andean Counterdrug Initiative	-	-	731,000
Assistance to Plan Colombia	1,018,500	-	-
Migration and Refugee Assistance (MRA)	622,625	698,460	715,000
U.S. Emerg. Refugee and Migration Ass't Fund (ERMA)	12,452	14,967	15,000
Nonpro., Anti-Terrorism, Demining & Rel. Prog. (NADR)	215,780	310,914	332,000
Department of the Treasury			
Treasury Technical Assistance	1,500	5,987	6,000
Debt Restructuring	123,000	447,014	224,000
Title III - Military Assistance	4,988,059	3,752,602	3,889,000
International Military Education and Training (IMET)	49,810	57,748	65,000
Foreign Military Financing (FMF)	4,788,297	3,568,133	3,674,000
Peacekeeping Operations (PKO)	149,952	126,721	150,000
Title IV - Multilateral Economic Assistance	1,298,608	1,329,947	1,395,796
International Financial Institutions	1,110,308	1,144,356	1,209,796
Global Environment Facility	35,800	107,762	107,500
International Development Association	771,290	773,295	803,400
Multilateral Investment Guarantee Agency	4,000	9,978	10,000
Inter-American Dev't Bank (IADB) - Ordinary Cap.	25,611	-	-
Asian Development Bank	13,728	-	-
Asian Development Fund	77,000	71,842	103,017
African Development Fund	127,000	99,780	100,000
African Development Bank	4,100	6,087	5,100
European Bank for Reconstruction & Dev't	35,779	35,700	35,779
Enterprise for the Americas Multilateral Investment Fund	-	9,978	-
Inter-American Investment Corporation	16,000	24,945	25,000
International Fund for Agricultural Development	[5,000]	4,989	20,000
MDB Arrears	[104,000]	[11,227]	[-]
International Organizations & Programs (IO&P)	188,300	185,591	186,000

Notes:

/1 - FY 2000 Actual reflects $59.3 million in across-the-board rescissions; $1.825 billion in Wye/Egypt funding; and $1.093 billion for: Plan Colombia ($1.018 billion), Southeast Europe ($50 million SEED), and Southeastern Africa ($25 million Disaster Assistance).

/2 - The FY 2001 Estimate reflects $33.4 million in rescissions, as well as $468 million in supplemental funding for: the Balkans (SEED - $75.8 million, IMET - $2.9 million, FMF - $31 million, and USAID OE - $13 million); Disaster Assistance for Southeastern Africa ($135 million); and debt relief for Heavily Indebted Poor Countries (HIPC) ($210 million).

I. REQUEST BY APPROPRIATION ACCOUNT

Export and Investment Assistance
Bilateral Economic Assistance
Military Assistance
Multilateral Economic Assistance

EXPORT AND INVESTMENT ASSISTANCE

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

Export-Import Bank
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
EXIM-Admin	54,900	61,864	65,000
EXIM-Dir Loan	-15,000	-15,000	-11,000
EXIM-Loan Act	756,064	863,097	633,323
Subtotal:	795,964	909,961	687,323

National Interests:

The Export-Import Bank of the United States is chartered by Congress through the Export-Import Bank Act of 1945, as amended. The Bank supports the U.S. national interest of economic prosperity. The mission of the Bank is to sustain and increase jobs in the United States by financing the exports of U.S. goods and services that would otherwise not go forward. The Bank's authority and resources allow U.S. exporters, large and small, to meet foreign officially sponsored export credit competition, assume commercial and political risks that U.S. exporters or private sector institutions are unable to undertake, overcome limitations in private sector export financing, and provide leadership and guidance in export financing to the U.S. exporting and banking communities and to foreign buyers. The Bank does not allocate its resources to any one region but reacts to demand from the market. Bank programs are available to exporters regardless of the size of the exporter or the size of the transaction. In FY 2000, the Bank supported $15.5 billion in exports to the fastest growing markets in the world.

Objectives & Justification:

The Bank's direct credit program addresses the inability of the private sector to offer financing for U.S. exports on terms sufficiently competitive to enable a sale to go forward when compared to financing offered by foreign official export credit agencies to their exporters. By addressing this problem, the U.S. Government attempts to ensure that U.S. exporters do not suffer widespread losses of export sales as a result of subsidized financing offers by other governments to their exporters.

The decision to operate a subsidized U.S. Government supported direct credit program is based on a belief that the long-run benefits to the U.S. economy resulting from U.S. manufacturers being competitive from a financing standpoint with their foreign counterparts outweigh the costs of offering credits to finance such exports. That is, the economic benefit of a direct loan program arises from using the program's resources to neutralize the effect of export credit subsidies offered by other governments. If Ex-Im targets its resources to those export transactions that face such foreign credit competition, the Bank permits foreign buyers' purchase decisions to be based on market factors (price, technology, service) as opposed to a non-market factor (the availability of subsidized credit from a foreign government). To the extent that Ex-Im activities allow market forces to determine purchase decisions, Ex-Im helps to maintain the optimal level of U.S. productivity by ensuring that U.S. capital goods industries operate at market-determined (not foreign government determined) output levels.

The Bank increases private financial participation in U.S. export sales by guaranteeing or insuring banks and exporters against certain commercial and political risks of non-payment involved in export transactions. Since financing is a critical element in many export sales, the Bank's guarantee and insurance programs help exporters increase their export sales through increased availability of financing from private capital markets.

The exporter insurance program encourages additional exports by overcoming financing and risk perception constraints by efficiently providing risk protection for those exports requiring short-term (up to 180 days) and medium-term (up to five years) credit terms and for which private sector credit insurance is not available.

For FY 2002, it is estimated that direct loan authorizations will be $62 million with a program usage of $7 million and guarantee and insurance authorizations will be $11.34 billion with an estimated program usage of $716.4 million.Ex-Im Bank's appropriation request is $698.3 million.

Funding at the requested administrative expense level of $65 million will enable the Bank to provide necessary services to the exporting community on a timely basis, increase debt collection efforts, process claim payments expediently and attempt recoveries of those payments to the fullest extent possible, provide a thorough portfolio and risk analysis on a regular basis, reach new exporters and expand small business awareness of their export potential.

Full funding of administrative expenses is essential if the Bank is to fulfill its Congressional mandate to preserve jobs here in the United States by helping exporters compete in an increasingly competitive world market place. Decreased processing time, increased debt collection efforts, the expeditious processing of claim payments, better portfolio and risk analysis, and the reaching of new exporters are all dependent on sufficient personnel, personnel training, and the upgrading of equipment.

Overseas Private Investment Corporation
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
OPIC-Admin	34,934	37,916	38,608
OPIC-CF	23,842	23,947	0
OPIC-NOC	-108,776	-261,863	-289,608
Subtotal:	-50,000	-200,000	-251,000

National Interests:

The Overseas Private Investment Corporation (OPIC) makes a strong contribution to American national interest of economic prosperity. OPIC's contribution to foreign policy goals includes 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. Additionally, OPIC contributes 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 this while operating on a self-sustaining basis, operating at no net cost to the American taxpayer.

Objectives & Justification:

OPIC is a self-sustaining agency that sells investment services to small, medium, and large American businesses expanding into some 140 developing nations and emerging markets around the world. OPIC's political risk insurance, project finance and investment funds fill a commercial void, support development in emerging economies and helping U.S. businesses to compete. Since 1971, OPIC has supported nearly $138 billion worth of investments that will generate $64 billion in U.S. exports and create or support more than 250,000 American jobs.

OPIC does not receive 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 (estimated $251 million available for other international programs in FY 2002).

For FY 2002, OPIC requests the authority to spend $38.6 million of its revenues for administrative expenses. The FY 2002 request is in the form of a limitation on amounts to be transferred from OPIC's revolving fund rather than a direct appropriation. OPIC will source its administrative expenses from its revolving fund, consistent with past practice and OPIC's statutory authority to operate as a self-sustaining government corporation and to use its own earnings to fund its programs.

In FY 2002, OPIC is making a one-time request for no new authority for credit funding due to the availability of anticipated carry-over funding from appropriated FY 2001 amounts and other available funds. OPIC will use anticipated FY 2001 credit funding carry-over to support an anticipated $1.2 billion in direct and guaranteed loans in FY 2002.

The 40 new projects that OPIC facilitated in FY 2000 are expected to provide significant benefits for U.S. exports, balance of payments, and employment. During the first five years of operation, the projects will generate an estimated 31,552 person-years of direct and indirect employment for U.S. workers, equivalent to approximately 6,300 U.S. jobs. A substantial portion of the initial procurement for OPIC projects will be supplied by American firms, resulting in U.S. exports of capital goods and services of $1.85 billion. The value of American materials and equipment required for ongoing operations is estimated at $500 million during the next five years. The combined impact of these projects on the U.S. balance of payments over the five-year period is expected to be a positive $1.7 billion.

OPIC continues to place strong emphasis on assisting U.S. small businesses in their efforts to access markets in developing regions. FY 2000 was the biggest year yet for OPIC assistance to small business-sponsored projects. Of the new projects that OPIC assisted in FY 2000, 40 percent went to projects with small business sponsors. In FY 2000, OPIC developed new products to meet the needs of American small businesses. OPIC designed a new on-line training for small businesses and a Small Business Pilot Program to streamline the application process.

OPIC advances the important U.S. foreign policy goal of promoting broad-based economic growth in developing and transitional economies. 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, at a U.S. and Mexican government sponsored small business forum, OPIC recently signed a cooperation agreement with the Nacional Financiera (NAFIN), Mexico's largest government-controlled development bank. The agreement follows an announcement that OPIC would offer long-term financing to U.S. small businesses investing in Mexico.

In FY 2000, OPIC supported the U.S. Government's Hurricane Mitch relief effort through the Central America and Caribbean Initiative (CACI). With $1 million in supplemental funding, OPIC promoted U.S. private investment in that region. OPIC hosted CACI conferences in Los Angeles, Chicago, Miami, Houston, and New York. OPIC also sponsored a business forum in Panama City, Panama and a forum in conjunction with Hispanic Heritage Month.

OPIC also played an important role in the accomplishment of U.S. Government objectives to rebuild, revitalize, and stabilize Southeast Europe in the wake of the war in Kosovo. Towards this end, OPIC established a joint office in the region in February 2000 with the U.S. Trade and Development Agency and the U.S. Export-Import Bank. In FY 2000, OPIC also supported establishment of a $150 million Southeast Europe Equity Fund. In addition to these accomplishments, OPIC signed a bilateral agreement with Montenegro at the Brussels Stability Pact meeting in March 2000.

The U.S. Government's foreign policy goals in sub-Saharan Africa, the Caspian region, the Middle East, and North Africa are supported by OPIC. OPIC reopened for business in Niger, where programs were reactivated in response to the restoration of a democratically elected government. In FY 2000 OPIC also signed replacement bilateral agreements with Gabon, Nigeria,

and Panama. Regardless of the location, OPIC supports projects that contribute to the development and stability of the host country.

OPIC also contributes to the accomplishment of the U. S. Government's international affairs goal of opening political systems and societies to democratic practices, the rule of law, good governance and respect for human rights. For example, in Equatorial Guinea, OPIC identified a potentially problematic situation with respect to worker rights and used its leverage, in concert with the Departments of State and Labor, to negotiate a far reaching package of labor and human rights reforms with potential project sponsors and the host government.

OPIC also contributes to the achievement of the U. S. international affairs goal of securing a sustainable global environment in order to protect the United States and its citizens from the effects of international environmental degradation. OPIC employs environmental standards that are both reasonable and effective in assessment of the impacts of projects seeking OPIC support. OPIC procedures strike a reasonable balance between the need for environmental safeguards and efficient decision-making to support OPIC's developmental mission.

In FY 2000, OPIC engaged a full-time on-site contractor to report on all aspects of a sensitive pipeline project in Bolivia and Brazil including construction and related social issues and environmental impacts. The project is a complex energy project involving two countries and many public and private stakeholders. This unprecedented commitment of resources allowed OPIC not only to have real-time information about the project but also to intervene in a timely manner to address issues that could have become sources of project failure. With assistance from the on-site contractor OPIC also produced a state of the art dedicated website on the project incorporating regularly updated information from the field and high-definition, multimedia graphics. This website sets new standards for transparency in public reporting on investment projects. OPIC won respect with this effort from environmental groups that previously opposed OPIC's support of the project.

In FY 2000, OPIC introduced new products that are responsive to client and international development needs. For example, OPIC continued the initiative established in 1999 to determine the market for utilizing OPIC's products in support of housing construction and primary and secondary mortgage markets. Using the U.S. mortgage system as a model, OPIC supported the development of financing mechanisms in Central America, where the need for housing is ever-increasing. In September 2000, this culminated in OPIC's first ever financing commitment to a housing project in Nicaragua. By increasing the supply of credit available to financing institutions, OPIC will be able to assist communities in the developing world as they address their housing shortfalls.

OPIC has developed a micro-lending product that supports small-scale investments to meet the development needs of small rural villages throughout the world. An example is the Peoples Investment Fund for Africa (PIFA) which, with OPIC support, will support micro-enterprises with small-scale loans for development in Ghana. Another new OPIC product supports franchise investment in emerging economies. OPIC's franchising program cooperates with associations whose member franchisers may be interested in financing in emerging economies.

Trade and Development Agency
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
TDA	43,833	49,890	50,024

National Interests:

The Trade and Development Agency's overarching goal is to expand exports, thereby creating manufacturing jobs for Americans and contributing to the nation's economic prosperity. While this 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. Examples of strategic goals that are considered as they relate to the overall goal of promoting exports include increasing global growth and stability, promoting broad-based economic development, securing a sustainable global environment, and protecting human health.

Objectives & Justification:

Key goals and 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 developing country access to U.S. expertise; and inform U.S. firms, particularly small and medium-sized enterprises, of major export opportunities in foreign projects.

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, project-specific conferences and various forms of technical assistance, TDA helps American businesses compete for infrastructure and industrial projects in emerging markets. The proposed FY 2002 budget will allow TDA to:

Strengthen its core regional budgets: After years of stagnant budget levels, last year TDA requested and received a budget increase that raised their funding level from $44 million to $50 million. Continued funding at that level will allow TDA to continue to ramp up its program to absorb the higher budget level while not sacrificing the soundness of its investment decisions. The reasons for continuing TDA's higher funding level are compelling, with the increasingly robust demand for TDA's activities in Asia, Africa, and Eastern Europe.

Fight Foreign Subsidized Competition: The unparalleled levels of subsidized foreign competition that U.S. businesses face in the infrastructure market abroad is another reason to maintain TDA's budget at $50 million. An analysis of competitor nation spending on programs similar to TDA's shows that countries such as France and Germany spend more than thirty times the amount TDA spends in relation to GDP in support of their companies. Japan spends literally hundreds of millions of dollars through various MDB trust funds. To counter this competition, TDA must continue to offer more feasibility study and technical assistance grants, in higher amounts if necessary.

Support its on-going High Tech Initiative: Experience shows that decisions to go "high tech" are tantamount to decisions to go American. In this regard, TDA has identified two new sectors with high export potential -- banking and financial information technology systems and emergency management systems. TDA has been increasingly active in these sectors, and anticipates growing demand for feasibility study funding in these areas in FY 2002.

China Program: TDA's program in China has been recently re-opened, and TDA is proceeding cautiously in establishing its new China strategy. Prior to 1989, TDA's program in China was very successful, generating some $1.4 billion in exports from roughly $24 million in TDA investments. Working closely with the State Department and the U.S. business community, TDA is developing an approach to China that will focus initially on projects in the energy development, environment, and aviation safety and navigation sectors. Because our major commercial competitors already have extensive programs similar to TDA's in China, the reactivation of TDA's program should help to level the playing field for U.S. companies in China.

BILATERAL ECONOMIC ASSISTANCE

United States Agency for International Development
Other Bilateral Economic Assistance
Independent Agency
Department of State
Department of the Treasury

UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT (USAID)

Strategic Orientation
Child Survival and Disease Programs Fund
Development Assistance
International Disaster Assistance
Transition Initiatives
Development Credit Program
USAID Operating Expenses
USAID Office of Inspector General

USAID Development Program Overview
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
Child Survival and Disease Programs Fund[1]	724,448	960,881	1,011,000
Development Assistance[2]	1,210,260	1,302,129	1,325,000
International Disaster Assistance[3]	227,014	299,340	200,000
Transition Initiatives	-	49,890	50,000
Development Credit Program Subsidy – by transfer	-	[4,989]	[25,000]
Development Credit Program Subsidy - Appropriation	-	1,497	-
Development Credit Program - Administrative Expense	-	3,991	7,500
Development Credit Authority subsidy-by transfer	[3,000]		
Micro and Small Enterprise Development	2,000	1,996	-
Urban and Environmental Credit Program	6,490	-	-
USAID Operating Expenses[4]	518,960	531,827	549,000
USAID Inspector General Operating Expenses	24,950	26,941	32,000
Total, USAID	2,068,122	3,178,492	3,174,500
NOTE: FY 2000 and FY 2001 levels are post rescissions.			

National Interests:

The U.S. foreign assistance program is an instrument of the President and the Secretary of State for the conduct of foreign policy. USAID programs are actively

[1] Reflects the transfer of $12.5 million from DA to CS/D pursuant to the waiver authority of section 599D(c)(2)(A) of the FY 2000 Foreign Operations, Export Financing and Related Programs Appropriations Act (P.L. 106-113) and includes a $110 million transfer for UNICEF in FY 2000, FY 2001 and FY 2002.
[2] FY 2000 includes $19.3 million for transfer to the Inter-American Foundation (IAF) and African Development Foundation (ADF); FY 2001 includes $28 million for transfer to IAF and ADF; and FY 2002 includes $28 million for transfer to the IAF and ADF.
[3] International Disaster Assistance levels include supplementals of $25 million in FY 2000 and $135 million in FY 2001.
[4] USAID Operating Expenses excludes a $4 million transfer from Plan Colombia in FY 2000 and includes a $13 million OE supplemental in FY 2001.

engaged in the Middle East Peace Process, the transitions within the former Soviet-Bloc, countries facing crisis, transnational threats, and recovery from disasters as well as more traditional issues associated with the problems of developing countries.

Objectives and Justification:

USAID's FY 2002 budget marks the beginning of a new strategic orientation and the incorporation of a new way of doing business to ensure that USAID's long-term development assistance and humanitarian/disaster relief programs better respond to U.S. national interests. In the future, USAID will be more highly focused on post Cold-War issues and the dual imperatives of "Globalization" and "Conflict".

Globalization removes barriers to exchange of information, technology, finance, goods and services. If properly managed, globalization can lead to productivity increases, economic prosperity and secure markets for U.S. goods and services, and also allow developing countries and their populations to accrue benefits from the international trading system. However, if developing countries and their populations do not accrue benefits from the international trading system, globalization can exacerbate the gaps between rich and poor, foster extremism and accelerate the onset of global health problems like HIV/AIDS and other infectious diseases. This can undermine economies and political institutions and contribute to instability and possibly conflict.

Increasing levels of conflict are leading to regional instabilities, complex humanitarian emergencies and, in some cases, chaos, and are threatening the achievement of USAID's development objectives and broader U.S. foreign policy goals.

While some of USAID's programs already respond to these issues, the new Administration intends to more highly concentrate Agency resources and capabilities to address globalization and conflict, particularly armed conflict.

USAID as an institution must recognize its shortfalls and adjust rapidly to improve its effectiveness. Several important changes are proposed:

Reorientation of USAID programs to focus on "Four Pillars" supporting achievement of USAID's objectives;

Introduction of the "Global Development Alliance" as USAID's new model for doing business; this is USAID's First Pillar;

The simplification, integration and reorientation of programs and their alignment with three new program pillars: Economic Growth and Agriculture; Global Health; and Conflict Prevention and Developmental Relief;

Adjusting the Agency's budget priorities to target increased funding for agriculture, HIV/AIDS, basic education, and conflict prevention and resolution;

Directing senior management attention to the sweeping overhaul of the Agency's management and operating systems.

The Global Development Alliance Pillar

The Global Development Alliance (GDA) is USAID's business model for the 21st Century and is applicable to all USAID programs. As USAID's first pillar, the GDA is based on USAID's recognition of significant changes in the environment of economic development assistance. No longer are governments, international organizations and multilateral development banks the only assistance donors; nor is Official Development Assistance the only source of funding for international economic development. Rather, over the past 20 years a growing number of new actors have arrived on the scene: NGOs, PVOs, foundations, corporations, the higher education community and even individuals are now providing development assistance. As a result, the U.S. Government is not the only, or perhaps even the largest, source of American funding and human resources being applied to the development challenge.

USAID is uniquely positioned among this range of actors as well as within the U.S. government. USAID plays a critical role within the foreign affairs community headed by the Secretary of State, and possesses unparalleled long-term experience with, and access to, host-country governments. Thus, it is in an excellent position to play a catalyzing, integrating, coordinating and facilitating role in the context of a public-private alliance among U.S. development assistance actors.

The GDA will be a fundamental reorientation in how USAID sees itself in the context of international development assistance, in how we relate to our traditional partners, and in how it seeks out and develop alliances with new partners. USAID will use its resources and expertise to assist strategic partners in their investment decisions and will stimulate new investments by bringing new actors and ideas to the overseas development arena. USAID will look for opportunities where relatively small amounts of risk or start-up capital can prudently be invested to generate much larger benefits in the achievement of overall objectives. USAID will increasingly fill the role of a venture capital partner in the resolution of serious development issues. USAID will continue to deploy resources where private funding is not available and for activities where the governmental role is clear and pre-eminent and stimulate institutional and policy change.

In order to launch the GDA, a special unit will be established to expand outreach into the private, for-profit and not-for-profit sectors. To stimulate movement towards the Global Development Alliance in its early years, USAID has identified $160 million in the FY 2002 request to be used to initiate the new business model and to help fund alliances by Washington bureaus and/or field missions, with a view toward fully integrating GDA into the three program pillars and normal USAID business practices not later than FY 2004. GDA is not expected to become a separate funding account.

The funds for initiating the GDA are proposed from the following appropriations accounts: $110 million in Development Assistance (DA); $25 million in the Child Survival and Disease Program Fund (CSD); and $25 million in International Disaster Assistance (IDA). Uses will be consistent with the authorized intentions of these accounts.

Program Pillars

The three program pillars are discussed below as part of the justification for the proposed overall program level of $3.4 billion for USAID's directly-managed programs, including food aid and excluding USAID's administrative expense accounts and programs jointly managed with the State Department which are discussed elsewhere in this volume.

The Economic Growth and Agriculture Pillar ($928 million):

Assistance provided under this pillar will work towards creating economies that are viable over the long term. Special emphasis will be directed at integrating growth, agriculture and environmental objectives and concerns in a manner such that "market forces" play an increasingly important role in our strategic approach and in determining a program's long-term viability. Activities funded will assist: the productive sectors especially agriculture; the environment and energy sectors; human capacity development (including basic education); micro-enterprises; and improvement of the business, trade, and investment climate. The interrelationship and interdependence of economic growth, environmental sustainability and the development of a country's human capital will be highlighted in this pillar.

The request for FY 2002 is $928 million compared to an equivalent figure of $871 million in FY 2001 (both including $28 million for the African and Inter-American Development Foundations).

Given the importance of agriculture and basic education (especially for girls and women) in most recipient countries, USAID plans to increase its emphasis in these sectors.

The Global Health Pillar ($1.276 billion):

Under this pillar, USAID groups its programs related to maternal and child health, nutrition, family planning and many of the related transnational issues confronting the U.S, such as HIV/AIDS and other infectious diseases. This budget includes a major initiative to combat HIV/AIDS and other infectious diseases, mainly malaria and tuberculosis, which have significant public health impact.

Child survival interventions target the major childhood killers, including vaccine-preventable diseases (e.g. polio), diarrheal disease, malnutrition, acute respiratory infections, and malaria. USAID programs continue an aggressive effort to eliminate vitamin A and other micronutrient deficiencies. Maternal health activities aim to reduce maternal deaths and adverse outcomes as a result of pregnancy and childbirth. In family

planning, USAID programs seek to promote family health and allow couples to achieve their desired family size. For HIV/AIDS and infectious diseases, USAID will aggressively promote public/private partnerships and provide technical leadership for programs at the national and grass-roots levels.

The Global Health programs are funded from the CSD account with the exception of family planning, which is currently financed from DA funds and other accounts. The FY 2002 request for Global Health, $1.276 billion, compares to an equivalent figure of $1.259 billion in FY 2001 (both include $110 million in transfers to UNICEF).

The Global Health request for HIV/AIDS funding has increased from $299 million in FY 2001 to $329 million to better address this major public health issue. The total amount available for HIV/AIDS from all appropriated accounts, including ESF, is expected to be $369 million.

The remaining $947 million is proposed for child survival and other global health activities. These funds would support efforts to improve maternal and child health and nutrition; reduce infant and child mortality; support programs that promote family health and allow couples to achieve their desired family size. The total amount available for family planning is $425 million, from all appropriated accounts.

The Conflict Prevention and Developmental Relief Pillar
($1.217 billion):

Given the rising number of collapsed states and internal conflicts in the post-Cold War period, some of which have become focal points of U.S. foreign policy, USAID will undertake a major new conflict prevention, management, and resolution initiative. This initiative will integrate the existing portfolio of USAID democracy programs with new approaches to anticipating crisis, conflict analysis, comprehensive assessment, and provide new methodologies to assist conflicting parties resolve their issues peacefully. This initiative will also address on-going efforts to seamlessly bridge and integrate foreign policy and foreign assistance in a way which accommodates both short-term operational and longer-term structural prevention needs. These new approaches will necessarily involve strategic alliances with institutions such as the U.S. Institute for Peace, the U.S. military, indigenous religious institutions dedicated to conflict prevention and resolution, and PVOs with conflict management expertise. (There will be continuing close coordination with the U.S. foreign affairs community, especially the Department of State, in this area.)

USAID continues to stand at the forefront of agencies around the world in its ability to respond to man-made and natural disasters. The request will enable USAID to maintain this capability (unique within the United States) to provide needed help rapidly when international emergencies occur:

The request for FY 2002 is $1.217 billion compared to an equivalent figure of $1.181 billion in FY 2001 (both including PL 480 Title II at $835 million).

International Disaster Assistance funding increases from $165 million (excludes the FY 2001 $135 million supplemental) to $200 million in recognition of the increased demands generated by complex emergencies and natural disasters.

The request includes Transition Initiative funding of $50 million to meet challenges in conflict-prone countries and those making the recovery from crisis.

Democracy and Local Governance funding continues at $132 million.

Management

USAID and its ability to perform optimally has been seriously compromised for a number of years by ineffective management systems, particularly those related to finance, human resources, information management and procurement. There has been progress toward strengthening these systems recently despite difficulties caused by heightened security needs overseas, fewer staff, and tight operating expense budgets. Nevertheless significant work remains to carryout necessary sweeping reforms:

USAID needs a financial management system which meets Federal accounting standards and provides the breadth of cost information to enable effective management of USAID's programs world-wide.

USAID needs a secure information and knowledge management capability for its world-wide operations.

USAID must meet the growing demographic, workforce transition facing it.

USAID needs to improve its ability to procure and deliver services world-wide in a more timely manner.

It is imperative that USAID continue to aggressively confront the range of management issues stll facing the Agency, especially those related to our overseas operations.

The importance that Agency senior management places on correcting management deficiencies and implementing further improvements cannot be overstated. Reforms will be undertaken, wherever necessary, to assure that efficient and effective operating systems are in place and in use as quickly as possible.

In addition to the accounts in the table at the front of this section, which are described in the following narratives, USAID also manages programs under other accounts jointly administered with the State Department – Economic Support Fund (ESF), Assistance for Eastern Europe and the Baltic States, and Assistance for the Independent States of the Former Soviet Union. These accounts address most of the same objectives noted above.

Child Survival and Disease Programs Fund
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
CSD[1]	724,448	960,881	1,011,000

National Interests:

The USAID Child Survival and Disease Programs Fund (CSD) supports the U.S. foreign assistance objectives of economic prosperity (in terms of human capacity development), protecting peoples' health and reducing the spread of infectious diseases. Programs covered under this account are important forerunners of efforts to support economic growth and stability.

Objectives and Justification:

Most of this account, $901 million, falls under the Global Health pillar, with $110 million under the Economic Growth pillar.

The CSD Fund includes support for child survival and maternal health, vulnerable children, HIV/AIDS and other targeted infectious diseases including malaria and tuberculosis, and basic education. CSD also includes funding for UNICEF and the Global Assistance Vaccine Initiative (GAVI), as well as $25 million for the new Global Development Alliance.

USAID focuses attention on strengthening in-country systems and capacity to deliver health services, and prevent and monitor health problems:

Child survival and maternal health programs are focused on improving infant and child health and survival and reducing deaths and adverse outcomes due to pregnancy and childbirth.

Programs for vulnerable children include displaced children and orphans, blind children, and children affected by HIV/AIDS.

HIV/AIDS assistance is targeted to expanding primary prevention efforts, improving community and home-based care and increased support for those sick and dying of AIDS, helping AIDS orphans affected by HIV/AIDS, and reducing the risk of mother-to-child transmission. Funding for HIV/AIDS program includes $329 million from the CSD account (with a total from all accounts of $369 million).

[1] The levels shown for the Child Survival and Disease Program Fund account include funding transfers for UNICEF -- in FY 2000 ($109.6 million), in FY 2001 ($109.8 million) and in FY 2002 ($110 million). FY 2000 also reflects the transfer of $12.5 million from DA to CSD pursuant to the waiver authority of section 599D(2)(A) of the FY 2000 Foreign Operations, export Financing, and Related Programs Appropriations Act (P.L. 106-113).

Other infectious disease programs include improving control of tuberculosis, reducing the deaths due to malaria; reducing the spread of antimicrobial resistance; and improving surveillance and response capacity.

The focus of basic education programs is to strengthen pre-primary, primary, and secondary education and teacher training. Efforts are focused primarily in Africa, but also include targeted work in Asia and the Near East and Latin America. (In addition to the $110 million requested in the CSD Fund, another $12.6 million is requested for basic education in the DA.)

Development Assistance
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
DA[1]	1,210,260	1,302,129	1,325,000

National Interests:

The Development Assistance (DA) account, in conjunction with other USAID-managed program accounts, serves to promote and sustain several U.S. policy objectives: broad-based economic growth, democracy and human rights, stabilizing population growth, and strengthening the environment.

Objectives and Justification:

DA funding covers all four of the new pillars – Economic Growth is $818 million ($110 million of which is for the Global Development Alliance); Global Health is $376 million; and Conflict Prevention is $132 million.

The Administration's FY 2002 request for DA includes funding programs for economic growth and agriculture, microenterprise programs, improvement in business, trade and investment, family planning, environmental activities, human capacity development (including a small amount for basic education), protecting human health, and democratic participation.

DA funds support programs in Africa, Asia, and Latin America, as well as central programs that are global in nature. Programs in Europe and the Independent States are covered under their own separate accounts. The Economic Support Fund also provides modest assistance for some of the above activities:

Economic growth programs will help 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. Funding will encourage institutional reforms, provide technology, especially for small farmers, and support microenterprise lending.

Environmental programs 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 management of natural resources.

[1] All years include funding for the Inter-America Foundation and the African Development Foundation. The FY 2000 level also reflects a transfer of $12.5 million form DA to the Child Survival and Disease Programs Fund account pursuant to the waiver authority of section 559D©(2)(A) of the FY 2000 Foreign Operations, Export Financing, and Related Programs Appropriations Act (P.L. 106-113), as well as the across-the board rescission. FY 2001 also reflects an across-the-board rescission.

In terms of global health activities, population programs will help spread access to information and services regarding family planning practices, which will reduce unintended pregnancies, improve infant and child health and reduce their mortality rates, and decrease maternal deaths associated with childbirth. Funding for population programs includes $358 million from DA, with a total of $425 from all accounts. These programs are integrated with programs that also protect human health.

In the area of conflict prevention, democracy and local governance programs will strengthen the rule of law and respect for human rights, encourage credible and competitive political processes, promote the development of politically active civil society, and make government institutions more transparent and accountable. A new initiative will integrate the existing democracy programs with new approaches in dealing with conflict resolution, including programs that address the economic causes of conflict.

International Disaster Assistance
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
Disaster Assistance[1]	227,014	299,340	200,000

National Interests:

International Disaster Assistance (IDA) funds humanitarian programs that provide relief, rehabilitation and reconstruction assistance to victims of natural and man-made disasters. Until FY 2001, this account also funded transition assistance, which now is appropriated separately. Funds in this account support USAID's Conflict Prevention and Developmental Relief pillar. The request includes $25 million budgeted for the new Global Development Alliance.

Objectives and Justification:

International Disaster Assistance program objectives are to: (1) meet the critical needs of targeted vulnerable groups in emergency situations; (2) increase adoption of disaster prevention and mitigation measures in countries at risk of natural disasters; and (3) enhance follow-on development prospects in priority, post-conflict countries.

To accomplish these objectives, USAID has a well-established management structure and is staffed with disaster relief experts who draw on public and private sector resources to respond within hours following a disaster declaration. USAID deploys assessment teams to identify needs, and disaster assistance response teams (DARTs) to coordinate emergency responses and facilitate information flows. USAID also provides search and rescue teams, ground operations teams, medical assistance, shelter, potable water, sanitation assistance and emergency and therapeutic feeding.

Effective humanitarian assistance requires that relief, mitigation, transition and development programs within USAID support each other. USAID collaborates with other assistance providers in the international community to coordinate programs and share the burden of relief costs. U.S. private voluntary organizations (PVOs) and non-governmental organizations (NGOs) are critically important partners in these efforts and play an essential role in raising resources, providing assistance, and implementing programs in the field.

Pursuant to Section 493 of the Foreign Assistance Act of 1961, as amended, the President has designated the USAID Administrator as Special Coordinator for International Disaster Assistance. USAID works closely with the Departments of State and Defense to coordinate American relief efforts. In many disaster situations, 24-hour,

[1] The FY 2000 International Disaster Assistance level includes $50 million for the Office of Transition Initiatives (OTI). Beginning in FY 2001, funding for OTI is now appropriated as a separate account as Transition Initiatives. Levels for FY 2000 and FY 2001 reflect rescissions and include supplementals of $25 million in FY 2000 and $135 million in FY 2001.

daily coverage is provided to ensure a speedy and appropriate response, and the transmission of accurate information between the disaster site and participating USG agencies. Satellite communication equipment augments USAID's ability to accurately target emergency assistance and to coordinate with PVOs, NGOs, USG agencies and other donors.

Demands on resources have increased steadily for a number of years. In FY 2000, USAID responded to 74 disasters, form Afghanistan to Vietnam. Among the disasters were 21 floods, five epidemics, eight cyclones/hurricanes, and three earthquakes. Among the most severe were:

The Ethiopia drought, affecting more than 10 million people. A DART team was deployed and organized a program totaling $14.8 million for emergency health/nutrition, water, sanitation and emergency seeds for agriculture and averted wide-scale malnutrition, out-migration, morbidity and mortality.

Eritrea suffered both a drought and a complex emergency when a third round of hostilities between Eritrea and Ethiopia broke out. Approximately 1.6 million Eritreans were affected, producing widespread human suffering and hardship. USAID ultimately provided $5.9 million for emergency health/nutrition, water, sanitation, shelter, clothing and emergency seeds for agriculture, with extensive collaboration between USAID and NGOs.

Southern Africa floods affected nearly four million in Mozambique, Madagascar, Botswana, Zimbabwe and South Africa. Flood damage was extensive, isolating many areas and displacing large populations. Many people lost homes, household possessions, crops, livestock and seed base. USAID led the USG response to emergency humanitarian needs. At its peak the regional DART was comprised of 34 disaster response specialists and the Miami Dade Search and Rescue Team.

Complex emergencies, involving civil conflict often complicated by natural disasters, account for an increasing share of the IDA budget. Although these conflicts fluctuate in intensity, their resolution is very difficult and relief assistance may be necessary for long periods. Increasing emphasis is being placed on applying preparedness and mitigation lessons learned to deal with these emergencies.

Transition Initiatives
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
Transition Initiatives	0	49,890	50,000

National Interests:

Transition Initiatives (TI) funds humanitarian programs which provide post-conflict assistance to victims of natural and man-made disasters. Until FY 2001, this type of assistance was funded under the International Disaster Assistance account. Funds in this account also support USAID's Conflict Prevention and Developmental Relief pillar.

Objectives and Justification:

The FY 2002 TI request of $50 million will support programs administered by USAID's Office of Transition Initiatives (OTI). The Office addresses the opportunities and challenges facing conflict-prone countries and those making the transition from the initial crisis stage of a complex emergency (frequently addressed by OFDA) toward a more stable political and economic situation.

USAID established OTI in 1994 to help local partners advance peaceful, democratic change in conflict-prone countries. OTI works on the ground to provide fast, flexible, short-term assistance targeted at key transition needs. Its ability to assist local partners in addressing the root causes of conflict is key to bridging the gap between emergency relief and long-term development.

Transition Initiatives programs support U.S. foreign policy priorities in assisting transition countries usually during the critical two-year period when they are most vulnerable to renewed conflict or instability. Working closely with local, national, international and non-governmental partners, these are short-term, high-impact projects designed to increase momentum for peace, reconciliation, and reconstruction. Strategies are tailored to meet the unique needs of each transition country and are initially tested on a small scale and only applied more broadly when it is clear that high impact is being achieved. Changing conditions require new or modified strategies.

In FY 2000 OTI initiated a new program in Zimbabwe, continued programs in 12 countries or provinces (Albania, Colombia, Democratic Republic of Congo (DROC), East Timor, Indonesia, Kosovo, Lebanon, Montenegro, Nigeria, Philippines, Sierra Leone, and Serbia), and completed programs in five countries (Angola, Bosnia-Herzegovina, Croatia, Honduras and Rwanda). OTI also provided technical assistance to help USAID missions develop transition strategies in countries where OTI does not have a presence. A new program in Peru was initiated early in FY 2001.

Transition assistance has included:

Supporting community development programs that encourage political participation at the local level;
Funding reintegration of ex-combatants into their communities as productive citizens;
Backing alternative media and public information campaigns to encourage peace, reconciliation, and informed participation in elections;
Assisting local efforts to fight corruption and promote transparent, accountable governing systems;
Helping governments develop action plans for key reforms;
Encouraging measures to bring the military under civilian democratic control;
Building the capacity of civil society organizations to effectively engage government officials in dialogue and debate;
Promoting human rights by funding human rights education and monitors;
Assisting national governments to manage their strategic natural resources; and,
Supporting local efforts to mitigate/manage ethnic and religious conflict.

USAID Credit Programs
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
Development Credit Program			
Subsidy – by transfer		[4,989]	[25,000]
Subsidy – Appropriation	-	1,497	-
Administrative Expense	-	3,991	7,500
Development Credit Authority		-	-
Subsidy – by transfer	[3,000]		
Micro and Small Enterprise Development			
Subsidy	1,500	1,497	-
Administrative Expense	500	499	-
Urban and Environmental Credit Program			
Subsidy	1,500	-	-
Administrative Expense	4,990	-	--

National Interests:

Credit promotes broad-based economic growth in developing and transitional economies and is often the best means to leverage private funds for development purposes.

Objectives and Justification:

For FY 2002, the Administration is requesting transfer authority of up to $25 million from USAID-managed program accounts, including ESF, SEED, and FSA accounts, for the newly consolidated Development Credit Program (DCP). This program consolidates the former Urban and Environmental Credit program, the Micro and Small Enterprise Development programs and the former Development Credit Authority program. The DCP will allow USAID to use credit as a flexible development tool for a wide range of development purposes and will increase the flow of funds to urban credit and micro and small enterprise development programs.

In addition, $7.5 million is requested for administrative costs for the expanded program. It is envisioned that all future agency credit activities will be carried out under the reforms embodied in DCP regulations and the Federal Credit Reform Act of 1992. This program augments grant assistance by mobilizing private capital in developing countries for sustainable development projects. DCP is not intended for sovereign risk activities.

USAID Operating Expenses
($in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
Operating Expenses	518,960[1]	531,827[1]	549,000

National Interests:

USAID's development and humanitarian programs play an important role in support of U.S. foreign policy and national security objectives. The Operating Expenses (OE) budget of USAID provides critical funding for salaries and support costs of the staff responsible for managing these programs.

Objectives and Justification:

The FY 2002 request for USAID Operating Expenses is $549 million, excluding the Office of Inspector General, which is requested separately. These funds will provide resources needed to maintain current staffing levels associated with USAID's presence in key developing countries, continue to build effective information technology and financial management capabilities, and strengthen staff capabilities with training. The request includes $8 million for facility security where USAID is not collocated with Embassies. (There is also a request for $50 million for collocated USAID facilities included within the State Department's Embassy Security, Construction, and Maintenance request.)

These funds cover the salaries, benefits, and other administrative costs associated with USAID programs worldwide, including those managed by USAID and financed through Development Assistance, the Child Survival and Disease Program Fund, the Economic Support Fund, the Support for East European Democracy Act, the Freedom Support Act, and PL 480 Title II Food for Peace Programs.

The increase requested is needed to offset reduced availability of funds from non-appropriated sources – including prior-year recoveries – which totaled $82 million in FY 2001 but will drop to $63 million in FY 2002. Total operating resources remain constant at $613 million; USAID will absorb the cost of inflation.

[1] FY 2000 excludes a $4 million transfer from Plan Colombia for administrative costs and FY 2001 includes a $13 million supplemental for administrative cost related to emergency assistance in Eastern Europe.

USAID Office Of The Inspector General
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
IG Operating Expenses	24,950	26,941	32,000

National Interests:

The FY 2001 request covers operations, including salaries, expenses, and support costs, of the Office of Inspector General's (OIG) personnel.

Objectives and Justification:

The goal of the Office of the Inspector General (OIG) is to help: (1) assist USAID to implement its strategies for sustainable development and provide USAID managers with information and recommendations that improve program and operational performance and 2) work with USAID to protect and maintain the integrity of the Agency and its programs by investigating allegations of federal criminal violations and serious administrative violations involving USAID programs and personnel.

The FY 2002 budget request of $32 million covers operations, including salaries, expenses, and support costs of the Office of the Inspector General (OIG) involving USAID programs and personnel operating in over 80 different countries around the world.

OTHER BILATERAL ECONOMIC ASSISTANCE

Economic Support Fund
Assistance for East Europe and the Baltic States
Assistance for the Independent States of the Former Soviet Union

Economic Support Fund
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
ESF	2,792,187	2,314,896	2,289,000

National Interests:

The Economic Support Fund (ESF) addresses economic and political foreign policy interests of the United States by providing 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), with overall foreign policy guidance from the Department of State, implements most ESF-funded programs. ESF furthers our foreign policy interests by:

Increasing the role of the private sector in the economy, reducing government controls over markets, enhancing job creation, and improving economic growth.

Assisting 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.

Developing and strengthening institutions necessary for sustainable democracy through support for the transformation of the public sector, including assistance and training to improve public administration, promote decentralization, and strengthen local governments, parliaments, independent media and non-governmental organizations.

Assisting in the 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.

Strengthening capacity to manage the human dimension of the transition to democracy and a market economy, and to help sustain the neediest sectors of the population during the transition period.

Objectives and Justification:

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. 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 sustained economic growth. However, in the short term, 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 of key friends and allies.

The largest share of the FY 2002 ESF request remains focused on supporting Middle East peace through programs that foster economic stability and development in Israel, Egypt and other Arab countries pledged to support the peace process. ESF is also requested to support: peace and reconciliation in Ireland and Cyprus; democratic institution building and economic growth in the Western Hemisphere and Caribbean: rebuilding democratic institutions and programs that support African integration into the global economy and conflict management on the continent; democratic and economic strengthening in Indonesia and East Timor; programs that promote rule of law and address the growing problems of trafficking and forced labor of women and children in South Asia; and programs that can quickly respond to prevent or forestall human rights abuses and exploit unanticipated opportunities to promote democracy.

Further detailed justification for the proposed programs are found in the "Country and Regional Programs" section.

Economic Support Fund

($ in thousands)

	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
Africa			
Africa Regional Democracy Fund	6,000	13,951	15,000
Angola	-	3,986	2,000
Countries in Transition	10,000	15,945	20,000
Education for Development and Democracy	10,000	14,947	15,000
Ethiopia/Eritrea	-	-	2,500
Great Lakes Justice Initiative	10,000	9,966	10,000
Nigeria	20,000	24,914	25,000
Organization of African Unity	-	997	-
Presidential Economic Growth Opportunity	2,000	1,993	-
Regional Organizations	-	997	4,000
SADC Initiative	1,000	997	-
Safe Skies	2,000	1,993	3,000
Sierra Leone	1,500	-	9,000
Subtotal - Africa	**62,500**	**90,686**	**105,500**
East Asia & the Pacific			
Accelerating Economic Recovery in Asia	5,000	4,982	5,000
Burma	3,500	3,488	3,500
Cambodia	10,000	14,948	25,000
China Rule of Law	-	-	5,000
Chinese Compensation	-	28,000	-
East Asia and Pacific Environmental Initiative	3,500	3,488	4,000
East Timor	25,550	24,914	25,000
Indonesia	22,450	49,828	50,000
Mongolia	6,000	11,959	12,000
Philippines	-	3,986	15,000
Regional Democracy	3,000	5,882	6,000
Regional Security Fund	250	249	250
Regional Women's Issues	2,500	2,990	5,000
South Pacific Fisheries	14,000	13,952	14,000
Subtotal - East Asia & the Pacific	**95,750**	**168,666**	**169,750**
Europe			
Cyprus	14,950	14,948	15,000
EUR Regional	21,139	-	-
International Fund for Ireland	19,525	24,914	19,600
Irish Visa Program	4,000	4,983	5,000
Subtotal - Europe	**59,614**	**44,845**	**39,600**
Near East			

Economic Support Fund

($ in thousands)

	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
Egypt	727,267	692,603	655,000
Iraq Opposition	10,000	24,914	25,000
Israel	949,056	840,000	720,000
Jordan	149,500	149,483	150,000
Jordan - Wye Supplemental	50,000	-	-
Lebanon	15,000	34,879	32,000
Middle East Democracy	6,000	3,986	7,000
Middle East Fact Finding	1,200	2,790	-
Middle East Multilaterals	2,800	2,990	3,000
Middle East Regional Cooperation	10,000	4,983	5,000
US - North Africa Partnership	5,000	3,986	5,000
West Bank/Gaza	85,000	84,707	75,000
West Bank/Gaza - Wye Supplemental	400,000	-	-
Yemen	-	3,986	5,000
Subtotal - Near East	**2,410,823**	**1,849,307**	**1,682,000**
South Asia			
Bangladesh	-	-	3,000
India	-	4,983	7,000
Nepal	-	-	3,000
Pakistan	-	-	7,000
South Asia Democracy	8,000	4,983	-
South Asia Energy and Environment	-	3,488	-
South Asia Regional Funds	3,000	-	7,000
South Asia Regional Stability Fund	-	997	-
Sri Lanka/Maldives	-	-	3,000
Women and Children Support Fund	-	4,484	-
Subtotal - South Asia	**11,000**	**18,935**	**30,000**
Western Hemisphere			
Administration of Justice/ICITAP	6,500	6,976	10,000
Bolivia	-	1,993	10,000
Centers for Educational Excellence	-	-	7,000
Colombia	4,000	-	-
Cuba	3,500	4,982	5,000
Dominican Republic	3,000	3,488	2,000
Eastern Caribbean	7,000	6,975	11,000
Ecuador	1,500	5,481	30,000
El Salvador	4,950	4,982	21,000
Guatemala	20,000	13,951	10,000
Haiti	52,550	46,835	35,000

Economic Support Fund

($ in thousands)

	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
Honduras	-	996	1,000
Jamaica	1,200	1,495	1,000
Mexico	2,000	6,178	10,000
Nicaragua	-	1,495	1,500
Panama	1,000	996	4,000
Paraguay	1,000	3,488	3,500
Peru	4,000	2,200	10,000
Peru/Ecuador Peace	11,000	6,975	5,000
Venezuela	500	-	500
W. Hemisphere Regional Democracy	800	598	-
Subtotal - Western Hemisphere	**124,500**	**120,084**	**177,500**
Global			
Holocaust Victims Fund	11,000	-	-
Human Rights and Democracy Funds	9,000	13,404	13,500
Oceans, Environmental and Science Initiative	4,000	4,983	4,000
Partnership to Eliminate Sweatshops	4,000	3,986	5,000
Policy Initiatives	-	-	62,150
Subtotal - Global	**28,000**	**22,373**	**84,650**
Total	**2,792,187**	**2,314,896**	**2,289,000**

Assistance for Eastern Europe and the Baltic States
($ in Thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
SEED	582,970	674,338	610,000

National Interests:

Since 1989, the Support for East European Democracy (SEED) Act has promoted important U.S. national interests and strategic goals in North Central and South Central Europe. With the graduation of the northern tier countries, the program has shifted its focus southward. This region retains the ability to pull in U.S. allies and ultimately the U.S. to uphold vital interests, as the conflict in Bosnia-Herzegovina (Bosnia) and Kosovo and more recent insurgencies in southern Serbia and Macedonia demonstrate. SEED assistance provides a proactive defense by funding important peace implementation programs, which have laid the foundation for longer-term solutions through the rise of democratic institutions and market economies. SEED does this by supporting innovative models, technical assistance and training to facilitate reform and transition. SEED funding promotes broad-based economic growth in the transitional countries of Central Europe and increases adherence to democratic practices and respect for human rights. Many of these countries have made important progress toward achieving the goals of the SEED program: building a market economy with a strong private sector, consolidating democracy, and improving the quality of life for citizens. Croatia and the Federal Republic of Yugoslavia (FRY) made dramatic moves in this direction last year, supported by SEED assistance.

SEED programs help ensure that local and regional instability -- particularly in South Central Europe -- does not threaten the security and well being of the United States and its allies. A peaceful, democratic and economically strong Central Europe gives the United States and the Atlantic Alliance substantially greater assurance of security at a lower cost. SEED programs also minimize the human price 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, as well as a gateway to the vast potential markets in Russia and Ukraine.

While the SEED program has built a solid record of accomplishment, much remains to be done. Two groups of countries in South Central Europe continue to need substantial U.S. assistance. The first group is comprised of countries and regions whose economic and political transition has been delayed by hostilities. This group includes Bosnia, Croatia, Kosovo, and, more recently, the Former Yugoslav Republic of Macedonia (FYROM) and the FRY. The aftermath of the 1999 conflict in Kosovo and the ongoing instability in southern Serbia and northern Macedonia calls for intensive U.S. assistance and leadership to establish and maintain security, promote inter-ethnic dialogue, address humanitarian needs, and strengthen democratic forces. We need to insure our investment in Croatia and the FRY by helping democratically elected governments cement their success. Bosnia remains a difficult challenge, given the severe physical and human damage caused by the war and the extreme hatred and distrusts it generated. Nevertheless, we have seen progress in minority returns, the rise of moderate parties and the arrival of foreign banks. The United States continues to exercise leadership through both its SEED Act assistance and military presence to ensure the Dayton Peace Accords are implemented.

The second group contains the neighboring countries of Albania, Bulgaria, and Romania. All suffered debilitating economic and/or political crises as a result of the 1999 Kosovo conflict, which have challenged political, economic and social stability. SEED is helping these countries deal with these crises and move forward in their transitions.

Objectives & Justification:

Objectives of the SEED program for FY 2002 include:

To support the Federal Republic of Yugoslavia as it overcomes a decade of political oppression and economic mismanagement. The country needs to solidify the democratic gains in Belgrade, improve the effectiveness and accountability of local government; strengthen public awareness of rule of law issues and respect for minority rights; and help the government develop and implement a comprehensive program for economic, political and administrative reform. U.S. assistance will continue to advance the process of democratization in Montenegro through support for economic reform and development of the private sector.

To stabilize and transform Kosovo into an economically viable, democratically self-governing territory through the support of UNMIK, the development of legitimate institutions of local self-government, the training and equipping of the Kosovo police, and the development of an effective justice system and respect for minority rights.

To implement the Dayton Peace Agreement in Bosnia, continuing to support the return of minorities, enhancing the voices of the moderate political leaders while supporting economic reform aimed at greater privatization and legal and regulatory reform.

To work with the reform-minded, democratic government of Croatia as it undertakes economic reform, consolidates democracy, and fully implements refugee return programs in order to rapidly move Croatia toward integration with the West.

To foster FYROM efforts to bring the benefits of economic and political reforms to all its citizens.

To stabilize, transform, and integrate the countries of Southeast Europe into Transatlantic institutions, through the development of greater intra-regional ties under the aegis of programs such as the Stability Pact for Southeast Europe.

To provide limited SEED assistance to Northern Tier countries to preserve progress in democratic and economic reforms, provide targeted economic assistance for countries in fiscal crisis, and to help empower the strongest countries in Central and Eastern Europe to assist their neighbors in Southeast Europe and the former Soviet Union.

SEED assistance supports U.S. security, democracy, commercial, and human rights interests in North Central and South Central Europe. FY 2002 SEED assistance will also:

Enhance security on the ground for U.S. peacekeeping troops in Kosovo and Bosnia;

Speed up the stabilization process in the countries of the former Yugoslavia, allowing faster withdrawal of U.S. forces;

Help prevent possible further outbreaks of armed conflict;

Improve internal security and rule of law, reducing the influence of organized crime and corruption;

Improve the investment climate and help open new markets for American business;

Improve the lives of citizens in the region through more effective government, improved social services, and a cleaner environment.

See individual country and regional program papers for detailed program justifications.

Assistance for Eastern Europe and the Baltic States

($ in thousands)

	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
Albania	32,000	35,123	35,000
Bosnia-Herzegovina	100,000	79,824	65,000
Bulgaria	32,000	35,123	35,000
Croatia	36,200	44,527	45,000
Federal Republic of Yugoslavia	67,500	172,120	145,000
-- Montenegro	42,500	72,340	
-- Serbia	25,000	99,780	
Kosovo	164,800	149,670	120,000
Macedonia	30,000	32,927	45,000
Romania	35,000	38,415	38,000
Regional	85,470	86,609	82,000
Total	**582,970**	**674,338**	**610,000**

Assistance for the Independent States
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
FSA/NIS	835,812	808,218	808,000

National Interests:

Events in the New Independent States (NIS) greatly influence U.S. and global security. The sheer size of the NIS region, its borders with key countries in Europe, the Middle East, South Asia, and East Asia, proliferation concerns, and the region's capacity to produce critical energy supplies mean that the U.S. has a vital national interest in seeing the NIS become stable, democratic and prosperous nations. The United States also has strong national security interests in preventing the proliferation of weapons of mass destruction, delivery systems, and weapons technology and expertise from the former Soviet arsenal.

Stability and prosperity in the region will only be possible if the New Independent States successfully complete the transition they began in 1991 from totalitarianism and centrally planned economies to democratic governance and market-based economies. The assistance programs funded under the FREEDOM Support Act (FSA) are aimed at facilitating this transition by supporting emerging democratic organizations and market institutions and by helping the NIS develop the legal and political infrastructure common to democratic, market-based countries. FSA assistance also helps prevent the proliferation of weapons of mass destruction, related technology and expertise, and combats transnational threats such as drug trafficking and organized crime.

Objectives & Justification:

Because the transition of the NIS into democratic states with market-based economies will occur unevenly and over a long period of time, U.S. assistance programs are based on two principles: first, a balance between programs that address immediate threats and programs that promote lasting, generational change; and second, selective engagement based on willingness to reform.

To engage effectively with the NIS, there is an urgent need to continue humanitarian and nonproliferation programs to address the suffering caused by regional conflicts and poverty and the illicit trafficking in weapons and weapons technology. At the same time, the United States must continue to invest in long-term political and economic reform through exchanges, support for NGOs, the free media, and Internet access, and through support for private enterprise, especially small business, and training for entrepreneurs.

In providing technical assistance, we will continue to distinguish between countries and sectors that are more open to reform and those that remain resistant or hostile. The trend will continue to move away from assistance to central governments and towards the grassroots. Assistance to central governments only makes sense when these governments are committed to make good use of it. In countries where the commitment to reform is genuine, similar programs will continue in FY 2002. In countries where no such commitment exists, programs will target

activities deemed important to U.S. national security, and grassroots programs that focus on the next generation, NGOs and the private sector.

The broad objectives of FREEDOM Support Act assistance to the NIS in FY 2002 are:

To help the NIS establish open and competitive market economies and, in the process, expand opportunities for U.S. trade and investment;

To promote the development of democratic institutions, the rule of law, and civil society;

To enhance security through cooperative nonproliferation efforts;

To further enhance security through support for efforts to resolve regional conflicts, especially in the Caucasus; and

To ease the human costs of transition through humanitarian aid and a focus on the social sector.

More specific objectives in FY 2002 will include:

Advancing the peaceful resolution of violent conflicts by support for peace efforts, regional integration and reconstruction projects;

Fostering the development of civil society, strengthening the rule of law, and promoting transparency at all levels of government by supporting NGOs, the independent media and law enforcement;

Supporting regions within individual NIS in their efforts to institute local reform policies that can serve as models of successful reform and influence other regions and, ultimately, national policies;

Bolstering private enterprise, especially small business, through training and increased availability of credit;

Helping national governments that show a commitment to reform and to building the legal and institutional infrastructure of free-market democracies;

Changing mindsets among NIS citizens, especially the next generation, through exchanges and partnerships that expose them to Western societies and practices;

Opening these societies to multiple sources of information through support for independent media and Internet access;

Fighting the spread of infectious diseases such as TB and HIV/AIDS, and trying to improve child and maternal health;

Providing former Soviet weapons scientists with alternative, peaceful civilian research opportunities;

Enhancing the New Independent States' capability to deter, detect and interdict illicit transfers of weapons of mass destruction; and

Facilitating the relocation of Russian troops and the destruction or removal of munitions currently in the other NIS.

Assistance for the Independent States of the Former Soviet Union

($ in thousands)

	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
Armenia	102,550	89,802	70,000
Azerbaijan	31,968	34,250	50,000
Belarus	8,489	10,000	11,000
Georgia	108,533	91,798	90,000
Kazakhstan	44,826	44,596	44,000
Kyrgyzstan	30,064	30,355	28,000
Moldova	50,436	43,710	44,000
Russia	186,631	167,845	167,000
Tajikistan	9,926	11,230	11,000
Turkmenistan	6,195	6,200	5,500
Ukraine	174,154	169,630	169,000
Uzbekistan	20,042	23,565	22,000
Regional	61,998	85,237	96,500
Total	**835,812**	**808,218**	**808,000**

INDEPENDENT AGENCY

Peace Corps
Inter-American Foundation
African Development Foundation

Peace Corps
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
Peace Corps	244,069	264,417	275,000

National Interests:

The Peace Corps was established 40 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 166,000 Americans from every background have served in the Peace Corps in 135 countries. Volunteers contribute to the social and economic development of interested countries; promote a better understanding of Americans among the people Volunteers serve; and strengthen Americans' understanding about the world and its peoples.

Objectives & Justification:

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 U.S. 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' Coverdell World Wise Schools 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 often live in remote, isolated communities. Volunteers receive intensive language and cross-cultural training in order to become part of their host 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.

The Peace Corps' budget request for FY 2002 is $275,000,000, an increase of $10,583,000 over the $264,417,000 provided to the Peace Corps in FY 2001. The FY 2002 request will enable

the Peace Corps to continue its current program and will provide additional funds to support on-going costs related to safety and security needs and technology infrastructure improvements.

The Peace Corps' FY 2002 request includes the following: (1) additional funds for volunteer safety and security upgrades communications capabilities, provides for additional guard services, and supports the hiring of three new Regional Safety Officers ($3,113 thousand); (2) continue the technology infrastructure improvements and conversion from Macintosh to PC-based systems for Peace Corps' overseas posts ($1,576 thousand) and additional anticipated costs associated with the implementation of the new financial management system ($747 thousand); and (3) costs related to second year support costs for the Volunteer increases experienced in FY 2001 ($1,496 thousand) and FY 2002 cost increases related to inflation and salary increases ($3,651 thousand).

The following areas are priorities for the Peace Corps for FY 2002:

(1) Volunteer Safety and Security - The safety and security of our Volunteers are the Peace Corps' highest priority. Volunteers working under difficult circumstances in remote areas of the world need the assurance that they will be able to perform their assignments without undue risks to their safety and security. The Agency has taken significant steps over the past few years by means of supplemental funding to ensure the requisite support and training to carry out their work. Specific efforts include greater attention to the identification of Volunteer sites; upgraded communications systems to enhance safety; updating emergency action plans at each post and regular testing; hiring of three Safety and Security Officers to support posts and; providing safety reviews and training components. The Peace Corps has also provided additional guard protection and physical security enhancements at overseas posts. The Agency will also continue to explore opportunities to strengthen our efforts and systems in this area including peer support networks and increased capability to provide adjustment and mental health support. Since most of these enhancements were funded by means of supplemental appropriations, the Peace Corps will be required to absorb these on-going needs within its current operations.

(2) Identifying New Programs, Graduations and Right-sizing of Programs - Consistent with the global nature of its mission, the Peace Corps maintains a broad international presence in seeking to provide as many opportunities as possible for Americans to serve overseas. It is also faced with the changing realities of political, economic and social development within the countries served. Given these realities, the Peace Corps utilizes its annual internal strategic planning process to assess its global presence in order to ensure that Volunteers are able to respond effectively to the development needs of host countries. In FY 2001 this process resulted in the opening of a new Peace Corps program in the Republic of Georgia and a re-opening of the program in Uganda. The Peace Corps will close programs in Poland in FY 2001 and the Slovak Republic, Latvia, Estonia and Lithuania by the end of FY 2002. The process of assessing country entries and departures is further compounded by the need to determine whether the Peace Corps has an appropriate Volunteer presence in each country given the changing circumstances encountered at each post. Thus, the number of Volunteers viewed as necessary and appropriate during phases of development may change as a country's priorities evolve. These assessments result in an informed means for managing new country entries and graduations as well as the internal re-allocation of Volunteer resources to meet changing needs.

(3) Strengthening Business Support Systems - Peace Corps utilizes a composite of functions and processes in its essential operations. Business processes such as recruiting and delivering Volunteers; recruiting, hiring and training staff in domestic and overseas offices; providing management oversight; financial management and support; technology infrastructure and support; and communications across the Agency are examples of these functions. FY 2002 will be a critical year to focus upon these business infrastructure systems to ensure that our business operations are sound and efficient. Key means and strategies for beginning to accomplish this challenge in FY 2002 include: the first phase of implementation of a new financial management system that will meet the needs of the Peace Corps in the coming years; initiating the Agency's conversion from Macintosh to Windows computers at overseas posts; developing standards, policies and guidelines to simplify the management and security of overseas information technology systems; modifying the means and strategies by which Volunteers are recruited and placed by taking greater advantage of improved information technology capabilities; and enhancing customer service to internal and external clients of the Peace Corps.

All of these efforts will allow for greater management capability and oversight over existing operations.

Inter-American Foundation
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
DA	4,981	11,974	12,108

National Interests:

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. The Inter-American Foundation stimulates eonomic and democratic developmentat the grassroots level throughout Latin America and the Caribbean.

The Foundation seeks 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 the United States Agency for International Development (USAID), the World Bank, the Inter-American Development Bank, private foundations and non-governmental organizations (NGOs). By doing so, the interests of the United States are furthered through the promotion of democratic principles and economic development at the grassroots level.

Objectives & Justification:

In FY 2002, the Inter-American Foundation will continue to 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 Inter-American 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 affect their lives.

In FY 2002, the Inter-American 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 U.S. and local 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 Inter-American 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.

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 Inter-American 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 Inter-American Foundation's limited staff and financial resources, the quest for creative and effective ways to increase the impact of its limited resources is be an ongoing institutional priority.

African Development Foundation
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
DA	14,345	15,965	16,042

National Interests:

The African Development Foundation (ADF) plays a unique role within the U.S. government's foreign assistance programs. ADF is the only agency working directly at the grassroots level, entirely in partnership with African non-governmental organizations, to alleviate poverty and promote broad-based sustainable development. The Foundation's assistance is targeted to unleash the entrepreneurial spirit of poor communities and small enterprises. Its activities are African-driven and African-owned. It 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. national interests in Africa, including: stimulating broad-based, sustainable economic development; developing trade and investment opportunities; and protecting Africa's fragile environment.

Objectives & Justification:

ADF resources will be focused and concentrated 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); and promoting community-based HIV/AIDS interventions.

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 seventeen years has been development of micro and small African enterprises (MSEs), so the Foundation has a unique capacity to stimulate these engines of broad-based growth that create jobs and generate income. ADF's efforts will complement the policy and regulatory reform supported by USAID and its larger-scale, formal sector enterprise development programs.

Recognizing the Foundation's extensive experience in improving the productivity of small farmers and building robust small enterprises, it has a special role under the African Growth and Opportunity Act to increase the participation of African grassroots enterprises and producer

groups in international trade. Under its trade and investment initiative, ADF has developed some innovative and replicable models that promote non-traditional exports which poor farmers can grow and market and enable small manufacturers to expand production for export.

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. The Foundation supports development of new technologies and techniques and community-based land use planning and implementation, with an emphasis on identifying NRM initiatives with potential for replication.

The Foundation is undertaking a new initiative in HIV/AIDS. With its extensive rural base, ADF will be able to reach thousands that are beyond traditional prevention campaigns. And with its focus on supporting African-led solutions, the Foundation will be able to support innovative solutions to this complex socio-economic problem.

ADF is currently active in thirteen countries, with a concentration on creating jobs and generating income through micro and small enterprise development. This funding is critical to expanding ADF's grassroots trade and investment efforts, launching the new HIV/AIDS initiative, and opening a new country program in Eritrea.

For each strategic objective, ADF has established numerous performance 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; and people trained in HIV/AIDS prevention and community remediation programs undertaken.

DEPARTMENT OF STATE

International Narcotics Control and Law Enforcement
Migration and Refugee Assistance
U.S. Emergency Refugee and Migration Assistance Fund
Nonproliferation, Anti-Terrorism, Demining, and Related Programs

International Narcotics Control and Law Enforcement
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
INC	1,322,341	324,285	948,000

National Interests:

Drugs and transnational crime pose a unique threat to the long-term security of the United States and are among the two most important sources of global instability in the post-Cold War era. Unlike other foreign policy interests that may challenge either domestic or external interests, drugs and transnational crime simultaneously target both. Through their power to corrupt and subvert, they have the capacity to erode U.S. social and economic structures. Within the State Department, the Bureau of International Narcotics and Law Enforcement Affairs (INL) has broad responsibility for federal law enforcement policy and program coordination in the international arena.

Domestically, illicit drug use directly or indirectly causes the death of 52,000 Americans and costs our society $110 billion a year – and that is without taking into account the lives wasted or destroyed by addiction. And it threatens to claim a new generation. Surveys have shown an alarming increase since 1992 in the number of American teens using drugs. Heroin is staging a comeback among young people ignorant of the epidemic of the 1960s and '70s. Domestic prevention and enforcement alone cannot cope with the avalanche of drugs entering the U.S.; they must be supported by effective control in the source and transit countries. President Bush has pledged to work with producing nations to eliminate the sources of drugs at their root. To do this, we will double the funding of $150 million over five years for alternate crop development efforts in Bolivia, Peru and Ecuador, and provide an additional $15 million over five years for crop substitution programs in Southwest Asia.

The same need for international efforts is true of other aspects of global organized crime such as money laundering, credit card fraud, and the traffic in illegal aliens, illegal firearms, and stolen vehicles. These activities cost the U.S. taxpayer billions of dollars annually by draining capital from U.S. businesses, disrupting the labor market, and putting additional strains on public health, education, and welfare institutions.

International drug trafficking and organized crime are forces that jeopardize the global trend toward peace and freedom, undermine fragile new democracies, sap the strength from developing countries and threaten our efforts to build a safer, more prosperous world. The administration is answering these national security threats by making international narcotics and crime control top foreign policy priorities. Our no-nonsense policy is aimed at achieving greater U.S.-led international cooperation focused on the most critical drug and crime targets. INL's efforts are focussed on reducing drug availability in the U.S. by 50 percent between 1996 and 2007. In the transnational crime arena, INL will strengthen existing anticrime programs and create new ones for strengthening our borders, ensuring that global criminals have nowhere to hide, attacking international financial and trade crimes, combating corruption, and responding to emerging crime challenges.

Within the broad International Affairs Strategic Plan, INL's primary mandates are embodied in two strategic goals under the law enforcement national interest heading: minimize the impact of international crime on the U.S. and its citizens and reduce the entry of illegal drugs into the U.S.

Objectives & Justification:

INL's efforts in FY 2002 using International Narcotics Control and Law Enforcement funds (INCLE) and Andean Counterdrug Initiative funding (ACI) will work to:

reduce drug crop cultivation through a combination of enforcement, eradication, and alternative development programs in cooperation with host government organizations;

strengthen the ability of law enforcement and judicial institutions in developing countries to investigate and prosecute major drug trafficking organizations, and to 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:

build stronger law enforcement networks to prevent and combat, among other threats, financial crimes and money laundering, alien smuggling and trafficking in women and children, violence against women and children, uncontrolled trafficking in small arms, and intellectual property theft;

strengthen efforts by the UN and other international organizations to assist member states to combat international criminal activity; and

thwart international crime's ability to undermine democracy and free-market economies in Eastern Europe, Russia and the New Independent States (NIS), and other vulnerable states through strengthening law enforcement and criminal justice systems and anti-corruption initiatives.

Despite the enormity of the task and the challenges ahead, INL's programs are achieving success. For example:

Eradication and alternative development programs in certain source countries are eliminating illicit cultivation of coca at record rates. In Bolivia, for example, net cultivation of coca for 2000 was down by 33% from the previous year. In Peru, net cultivation for the year was down 12%, with an overall 70% reduction since 1995;

Our global initiatives to strengthen and better regulate financial institutions are making it easier for authorities to identify and track money laundering and seize the assets of organized crime. INL has fostered a global network of financial regulators who are trading information daily. We have funded efforts that have exposed some of the biggest money launderers in the past few years. Working with foreign banking and regulatory officials, U.S. authorities are confiscating hundreds of millions of dollars in cash and bank accounts from organized crime syndicates;

Agreements were reached with the governments of Ecuador, El Salvador and the Netherlands to establish forward operating locations at Manta, Ecuador, Comalapa International Airport in El Salvador, and in Curacao and Aruba, to support interdiction and detection and monitoring efforts in those important transit areas;

A new International Law Enforcement Academy (ILEA) is being established in Gaborone, Botswana. Like our ILEAs in Budapest and Bangkok, the purpose of our Gaborone ILEA is to strengthen regional law enforcement cooperation and improve participating law enforcement agency performance; and

In 2000, INL continued strengthening anticrime coordination with and among European and other major donor countries.

NEW INITIATIVES FOR 2002

The FY 2002 budget request includes funding for two new initiatives: the Andean Counterdrug Initiative and the Southwest Asia Initiative.

ANDEAN COUNTERDRUG INITIATIVE

As part of an overall Andean regional initiative, we are requesting $731 million for the Andean Counterdrug Initiative (ACI), a multi-year counterdrug assistance effort designed to sustain and expand programs initially funded by the Plan Colombia emergency supplemental of FY 2000. While the ACI will be used to sustain programs begun under the supplemental, it differs from Plan Colombia in several respects. It triples – to 45 percent – the share of counternarcotics assistance going to countries other than Colombia. ACI increases to 40 percent the amount of funding going to social and economic programs, exclusive of other economic assistance accounts.

Finally, ACI funding will be augmented from other accounts to support reforms directed toward strengthening democracy and economic growth. Combined with Plan Colombia, ACI will make a significant, immediate impact on the flow of narcotics out of the Andes. The goals are to achieve a 30 percent reduction in Colombian coca production between CY 2000 and the end of CY 2002, and to eliminate all illicit coca production in Bolivia by the end of CY 2002. ACI will support Colombia's push into the former coca-growing sanctuaries in Putumayo by backing joint operations between the Army's new air mobile counternarcotics brigade and the Colombian National Police's anti-narcotics unit.

It will also support alternative development and assistance to internally displaced persons, maritime and aerial interdiction, the Colombian National Police's aerial eradication program with additional spray aircraft, and human rights and judicial reform in Colombia.

SOUTHWEST ASIA INITIATIVE

Southwest Asia produces more opium than any other region in the world. Large quantities of inexpensive, high quality Afghan heroin are destined for Europe and North America. The Afghan drug trade is behind rising crime, corruption, drug addiction and HIV infection in Central, Southwest, and South Asia, and is a source of income for organized crime groups stretching across Russia into Europe and the U.S. Pakistan has been very successful in eliminating poppy cultivation from portions of its territory, but there remain pockets of cultivation. The President is proposing the provision of $15 million over a five-year period for crop control/alternative development programs in Southwest Asia to fight these problems. The U.S. will develop bilateral programs and participate in multilateral programs through the United Nations Drug Control Program (UNDCP) aimed at ending poppy cultivation in Afghanistan permanently. U.S. criteria for participation in UNDCP programs include requirements for local authorities to take active counternarcotics measures against the drug trade and to have a verification mechanism to measure compliance with performance benchmarks. In Pakistan, INL will build on its successful program, targeting cultivation and drug trafficking in the Khyber Agency of the Northwest Frontier Province.

International Narcotics Control and Law Enforcement

($ in thousands)

	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
NARCOTICS PROGRAMS			
Country/Regional Programs			
Andean Counterdrug Initiative: /1			
Colombia Total	894,429	48,000	399,000
Interdiction	*686,429*	*48,000*	*252,500*
Alternative Development/Institution Building	*208,000*	-	*146,500*
Peru Total	80,000	48,000	156,000
Interdiction	*55,000*	*21,000*	*77,000*
Alternative Development/Institution Building	*25,000*	*27,000*	*79,000*
Bolivia Total	158,000	52,000	101,000
Interdiction	*57,000*	*35,000*	*54,000*
Alternative Development/Institution Building	*101,000*	*17,000*	*47,000*
Ecuador Total	21,200	2,200	39,000
Interdiction	*13,200*	*2,200*	*19,000*
Alternative Development/Institution Building	*8,000*	-	*20,000*
Brazil	5,000	2,000	15,000
Venezuela	4,200	1,200	10,000
Panama	4,987	1,000	11,000
Latin America Andean Regional	7,000	-	-
Subtotal, Andean Counterdrug Initiative	**1,174,816**	**154,400**	**731,000**
Other Western Hemisphere:			
Bahamas	1,000	1,200	1,200
Guatemala	3,000	3,000	4,000
Jamaica	800	1,200	1,550
Mexico	4,071	10,000	12,000
Latin America Regional	7,806	7,957	12,500
Subtotal, Western Hemisphere	**16,677**	**23,357**	**31,250**
Asia/Middle East Regional	**4,798**	**3,328**	**7,050**
East Asia and the Pacific:	**7,000**	**7,200**	**8,200**
Laos	*4,000*	*4,200*	*4,200*
Thailand	*3,000*	*3,000*	*4,000*

International Narcotics Control and Law Enforcement

($ in thousands)

	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
South Asia:	**3,250**	**3,500**	**6,500**
Counterthreat in Southwest Asia	-	-	*3,000*
Pakistan	*3,250*	*3,500*	*3,500*
Interregional Aviation Support	**50,000**	**50,000**	**60,000**
Subtotal, Narcotics Country Programs	**1,256,541**	**241,785**	**844,000**
Other Narcotics Programs			
International Organizations	12,000	12,000	18,000
Regional Narcotics Training & Demand Reduction	9,000	10,000	12,000
System Support and Upgrades	5,000	4,000	6,000
Program Development & Support	9,800	11,500	13,000
Subtotal, Other Narcotics Programs	**35,800**	**37,500**	**49,000**
TOTAL, NARCOTICS PROGRAMS	**1,292,341**	**279,285**	**893,000**
ANTI-CRIME PROGRAMS			
INL Anti-Crime Programs	18,222	10,265	15,330
Civilian Police Contingent	-	10,000	10,000
Africa Regional Anti-Crime	-	7,500	7,500
Interntional Law Enforcement Acadamy	9,553	12,300	14,500
Migrant Smuggling/Trafficking in Persons	2,225	4,935	7,670
Subtotal, Anti-Crime Programs	**30,000**	**45,000**	**55,000**
Subtotal	**1,322,341**	**324,285**	**948,000**
Rescission	1,159	715	-
TOTAL	**1,323,500**	**325,000**	**948,000**

/1 - Andean Counterdrug Initiative begins in FY 2002. FY 2000 levels include $1,018 million in emergency supplemental funding for Plan Colombia.

Latin America
($ in thousands)

Account	FY 2000 Enacted	FY 2001 Estimate	FY2002 Request
Other INC	16,667	23,357	31,250
Plan Colombia	1,018,500	0	0
Andean Counterdrug	0	0	731,000

National Interests:

The elimination of the Latin American drug threat is a national security issue. Counternarcotics programs are essential to strengthening democratic institutions and defending them against an insidious threat that also undermines free market economies, human rights and environmental protection. In addition, the National Drug Control Strategy has five overarching goals, two of which relate to national interests in this area. Goal Four is to shield America's air, land and sea frontiers from the drug threat. Goal Five is to break foreign and domestic sources of supply.

Objectives and Justification:

In order to address these national interests and goals, International Narcotics Control and Law Enforcement (INCLE) and Andean Counterdrug Initiative (ACI) funds will support a variety of programs, with the following objectives: reducing drug crop cultivation and the processing and transportation of drugs through a combination of interdiction, eradication and alternative development programs; strengthening Latin American law enforcement and judicial institutions' abilities to investigate and prosecute major trafficking organizations through commodity assistance and training programs; undercutting traffickers' access to their drug proceeds and to financial systems; and increasing international awareness of the drug threat and its consequences to each Latin American country.

In Fiscal Year 2002, $762 million is being requested for the Latin America region to implement the goal to reduce drug availability in the U.S. by 50 percent between 1996 and 2007. The ACI request is $731 million for Colombia, Peru, Bolivia, Ecuador, Brazil, Venezuela and Panama. These funds will be used to continue enforcement, border control, crop reduction, alternative development, institution building, and administration of justice and human rights programs for the source countries of Colombia, Peru and Bolivia. Specifically, for Colombia we are requesting $399 million. $253 million of these funds will be dedicated to operations and maintenance of air assets provided under Plan Colombia supplemental funding, to Colombia National Police and Colombian Army Counternarcotics Brigade operational support, herbicide, airfield upgrades, base and security upgrades, communications equipment, and riverine and coastal interdiction activities.

The remaining $147 million will be used for alternative development, human rights and administration of justice programs. The requests for Peru and Bolivia focus on interdiction and border control efforts to preempt spillover from Colombia, and continuation of coca and poppy reduction programs, alternative development and institution building. We are also requesting similar funding for Ecuador, Brazil, Venezuela and Panama for enhanced border control and interdiction programs, plus alternative development monies for Ecuador.

INCLE funding to shield America's frontiers will target major drug transit routes from Latin America to the U.S., which shift from Mexico/Central America to the countries of the western and eastern Caribbean, depending on trafficking trends. Enhancing bilateral programs with Mexico is a major priority, due to its role as the leading smuggling gateway to the U.S., growing methamphetamine trafficking and the rise of powerful Mexican trafficking groups within the Latin American cocaine hierarchy. For all of these countries, the U.S. goal is to provide equipment, technical assistance and training to support the institutionalization of political will, law enforcement and judicial capabilities so that a sustainable effort can be mounted against the drug trafficking organizations that target the U.S.

Asian Regional
($ in thousands)

Account	FY 2000 Enacted	FY 2001 Estimate	FY2002 Request
INC	4,798	3,328	10,500

National Interests:

Available intelligence indicates that the flow of heroin and other contraband to the U.S. is increasing while U.S. addiction rates are rising and that Asian heroin accounts for a significant share of the heroin smuggled in to the U.S. The flow of illicit substances to U.S. shores cannot be stemmed without adequate support for counternarcotics efforts by cooperating governments in a region that covers over half the globe.

Objectives and Justification:

While illicit drug production in Southeast Asia has declined due to poor weather and stronger enforcement, three consecutive years of record opium production in Afghanistan have made inexpensive, high quality Afghan heroin available throughout the world. A relatively new phenomenon is the rapid increase in illicit amphetamine-type stimulant production and trafficking by Southeast Asian organizations that also traffic in heroin. Drug trafficking continues to proliferate through South and East Asia and into the Middle East and Africa, as local criminal organizations prosper and develop into regional, inter-regional and global networks. The transnational character of illicit narcotics trafficking requires a regional approach for multilateral and bilateral programs.

The FY 2002 regional cooperation program is designed to help governments begin establishing counternarcotics law enforcement units, obtain training or equipment, and conduct demand reduction/public awareness campaigns. The intent is not to establish permanent programs, but to provide seed money for countries to help themselves and to complement UNDCP and other donor programs.

East Asia: The program in East 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. Indonesia, with its weak institutions, has become a transit point as well as destination for illicit narcotics and is a new focus of our counternarcotics and law enforcement enhancement efforts. Institutional development and material assistance is also needed in China, Vietnam and Cambodia, where drug trafficking and abuse are rapidly growing problems, but whose 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 U.S. will also encourage and enhance existing regional cooperation in addressing narcotics control, including the East Asian regional campaign against amphetamine-type stimulant trafficking.

South Asia: In India, INL works with the government to support a program for an important opium yield survey, to provide law enforcement equipment to monitor the licit opium program, and to fund a small demand reduction programs run by NGOs.

Southwest Asia Initiatives: Southwest Asia produces more opium than any other region in the world. Large quantities of inexpensive, high quality Afghan heroin are destined for Europe and North America. The Afghan drug trade is behind rising crime, corruption, drug addiction and HIV infection in Central, Southwest, and South Asia, and is a source of income for organized crime groups stretching across Russia into Europe and the U.S. The President is proposing the provision of $15 million over a five-year period for crop control/alternative development programs in Southwest Asia to fight these problems. The U.S. will develop bilateral programs and participate in multilateral programs through the United Nations International Drug Control Program (UNDCP) aimed at ending poppy cultivation in Afghanistan permanently. U.S. criteria for participation in UNDCP programs include requirements for local authorities to take active counternarcotics measures against the drug trade and to have a verification mechanism to measure compliance with performance benchmarks.

Major Asian Countries
($ in thousands)

Account	FY 2000 Enacted	FY 2001 Estimate	FY2002 Request
INC	10,250	10,700	11,700

National Interests:

Heroin remains our narcotics control priority in Laos, Pakistan, and Thailand, which are both producer and transit countries. Available intelligence indicates that the flow of heroin and other contraband to the United States is increasing while U.S. addiction rates are rising. Recent intelligence analysis indicates that Asian heroin accounts for a significant share of the heroin smuggled in to the United States. The flow of illicit substances to U.S. shores cannot be stemmed without adequate support for counternarcotics efforts by cooperating governments in a region that covers over half the globe. Further, narcotics trafficking has a corrupting effect on both producer and transit countries, threatening to undermine democratic institutions in regions where key U.S. interests exist. Programs designed to enhance law enforcement activities and improve the rule of law in these countries benefit U.S. national interests by preserving the economic and political stability of allies and trading partners.

Objectives and Justification:

While our narcotics control priority in Asia is heroin, the threat to democratic institutions from the growing metamphetamine problem in Thailand means that our assistance there has the dual benefit of curbing heroin trafficking to the U.S. and helping the Thai cope with metamphetamine trafficking. While USG assistance to Thai alternative development programs has resulted in dramatic reductions in opium poppy cultivation there, Thailand remains a transit country for heroin flowing out of Burma to the U.S. Our current efforts seek to enhance interdiction activities throughout Southeast Asia.

The proven means of attacking opium poppy cultivation – bilateral programs in alternative development combined with strong enforcement – are unavailable in the two countries that produce most of the world's opium and heroin: Burma and Afghanistan. We therefore are working through programs in major countries – Thailand, Laos, and Pakistan -- to combat the trade, and pursuing diplomatic and public channels to increase international awareness of the expanding heroin threat. We also work closely with the United Nations Drug Control Program to address the threats from Burmese and Afghan heroin. We will continue to support crop suppression programs in Laos, the third leading producer, Pakistan, and Thailand, where we have government cooperation. In Pakistan, INL will build on its successful program, targeting cultivation and drug trafficking in the Khyber Agency of the Northwest Frontier Province. Through training, institution building, and information sharing, we will continue to strengthen law enforcement efforts against the major organizations that target the U.S. These programs have shown

impressive results in Pakistan and Thailand but must be maintained to guard against recidivism until former poppy producing areas have firmly established alternative means of economic support. The Laos program is still in its infancy but shows great promise.

Inter-regional Aviation Support
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
INC	50,000	50,000	60,000

National Interests:

The INL aviation program continues to work aggressively toward the strategic goal of significantly reducing the amount of illegal drugs entering the United States by eradicating raw materials for drug production where they are cultivated. Aerial eradication represents the most cost-effective method of illicit drug crop control, affording opportunities for large scale, fast moving campaigns. In those countries that conduct manual rather than aerial eradication, aircraft are essential for transporting manual eradicators to otherwise inaccessible and/or unsecured drug growing areas.

Objectives & Justification:

INL's aviation program supports host governments worldwide in their efforts to locate and eradicate drug crops, interdict drug production and trafficking activities, and develop their own institutional counternarcotics aviation capabilities. INL's air program also provides crucial helicopter support to host country interdiction activities, ultimately reducing illegal drug entry into the United States. Aviation reconnaissance resources are an essential element in locating, identifying and targeting drug activities, as well as verifying the results of operations. Medium-lift airplanes facilitate the movement of personnel and equipment to remote, underdeveloped, inaccessible, or unsecured regions where both infrastructure and law enforcement presence are minimal.

The interregional aviation program is also furthering the operational goal of enhancing political determination to combat illegal drug production and trafficking by working hands-on with host government technical aviation personnel. By instilling aviation technical and management skills and transferring technology, INL is building long-lasting institutions that have the personnel resources and the resolve to assume increased responsibility for counternarcotics air activities.

In FY 2002, the interregional aviation program will continue to place special emphasis on the expansion of successful eradication efforts in Putumayo in Colombia and other coca growing regions. A high level of support will continue in Colombia in the areas of flight operations and instruction, maintenance quality control, and repair parts provision. This will help to sustain a high aerial eradication sortie rate against illicit crops. Simultaneously, we will conduct intensive training of police and military counternarcotics aviation elements to enable their assumption of increased responsibility for these areas. We will also continue to provide support for helicopter operations in Peru and Bolivia. Successful training and institution building will allow us to continue to reduce U.S. contractor presence at those locations. The Office of Aviation will continue to pursue technological innovations to improve aircraft

performance and explore new variations of aircraft to enhance eradication capabilities at a reasonable cost.

The inter-regional aviation program will continue its 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. Further emphasis will be placed on programs to upgrade spray aircraft capabilities.

Other Narcotic Programs
($ in thousands)

Account	FY 2000 Enacted	FY 2001 Estimate	FY2002 Request
INC	35,800	37,500	49,000

National Interests:

As a result of the June 1998 United Nations General Assembly Special Session, international organizations are becoming increasingly important to international drug control. This meeting renewed the global commitment to combat illicit drugs and underscored the growing emphasis on such multilateral issues as chemical control, money laundering and maritime cooperation, and the elimination of illicit drug crops. By supporting programs that promote the construction of effective counternarcotics institutions, we are also promoting democracy and the rule of law.

Within the U.S. Department of State, the Bureau of International Narcotics and Law Enforcement Affairs has been charged with developing strategies and initiatives to achieve the international counternarcotics and criminal justice foreign policy national interest objectives. INL maintains a cadre of program and technical experts to carry out its initiatives, both overseas and domestically.

This program category includes two discrete functional activities. Regional Narcotics Training is designed to assist cooperating countries in creating effective national organizations for investigating drug trafficking and interdicting illegal narcotics. Drug Awareness and Demand Reduction seeks to reduce the worldwide demand for illicit drugs by motivating foreign governments and institutions into giving increased attention to the negative effects of drug abuse upon society. Both programs support the national interest of reducing the entry of drugs into the U.S. by providing technical expertise to foreign law enforcement, policy and demand reduction organizations. It is important to note that additional law enforcement narcotics training and demand reduction programs are also funded from other parts of the INCLE and ACI budgets.

The Systems Support and Upgrades program continues to work aggressively toward the strategic goal of significantly reducing the amount of illegal drugs entering the U.S. by providing technical engineering support for aircraft configurations and upgrades, and training and sustainment for C-26 aircraft operations. Both aerial eradication and aircraft denial programs are cost-effective methods of eradicating illicit drug crops and providing aerial platforms for surveillance and detection.

Objectives and Justification:

International Organizations

INL provides funds to international organizations such as the United Nations Drug Control Program (UNDCP), the OAS Inter-American Drug Abuse Control Commission

(CICAD) and the Colombo Plan's Drug Advisory Program, and through them to smaller sub-regional programs or organizations. Additionally, UN agencies, international financial institutions, and multilateral banks engaged in development programs in drug source countries have a role to play by factoring counternarcotics goals into their activities. Key U.S. objectives for international organizations are:

Maintain strategic leadership in focusing the international drug control effort and create a political atmosphere motivating other countries to view drug control as a major foreign policy concern and 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, and developing drug laws so that countries can investigate, prosecute, and punish major drug kingpins, and to reduce the demand for drugs;

Use international organizations to plan and execute programs which expand multilateral cooperation, advance U.S. international drug control goals or take the place of U.S.-funded programs in countries where there is limited U.S. presence, or where multilateral organizations are more palatable to countries with sovereignty sensitivities; and

Support efforts to make drug control an integral part of UN programs and ensure that a wide range of UN assistance furthers counternarcotics goals.

Continued USG assistance for UNDCP in FY 2002 is needed to pursue the global strategy to eliminate illicit opium and coca cultivation by 2008. This aid is particularly important to allow UNDCP to assist countries to capitalize on the decline in opium production in Pakistan and Burma. INL funds will be used to: support the global strategy to eliminate illicit cultivation; begin and sustain projects in the largest opium producing areas of South East Asia where the U.S. has limited access (e.g., Burma, China, Vietnam); support and leverage European support for programs in Southwest Asia where opium cultivation has been high, specifically in Afghanistan and Pakistan, including for an enhanced regional interdiction strategy; strengthen drug control institutions and regional cooperation in the NIS; coordinate and provide law enforcement training, judicial assistance, and demand reduction assistance to strengthen the counterdrug institutions in Russia and Africa; provide technical assistance to support the strengthening Western Hemisphere institutions involved in the investigation, prosecution, and confinement of major drug traffickers; continue legal advice into the drafting and implementation of legislation to implement the 1988 UN Convention; continue chemical control training; and continue a maritime cooperation training program.

Despite a broadening financial base, INL will continue to be CICAD's primary funding source in the years ahead. The FY 2002 budget request will support the effective operation of the Multilateral Evaluation Mechanism (MEM) and enable CICAD to provide effective technical support and training that Member States will need to address

shortcomings identified in national or regional counternarcotics efforts. Funding will encompass program activities that strengthen national drug commissions; enhance national performance and regional cooperation on control of drug smuggling, money laundering, chemical diversion, and arms trafficking; provide specialized law enforcement training, such as customs inspection and maritime interdiction; promote administration of justice reform; reduce or prevent drug abuse; develop or refine sub-regional models and curricula for drug awareness and crime prevention/anti-gang education (school- and community-based); promote best practices or establish regional standards for drug treatment; mobilize communities against drug abuse and trafficking; and promote sustainable alternative development in drug-producing regions. It will also be used to reinforce practical, effective sub-regional cooperation, such as in Central America, the Andes, and the Caribbean, to address cross-border or spillover effects of the drug problem.

Regional Narcotics Training and Demand Reduction

Regional Narcotics Training

International counternarcotics training is managed and funded by the U.S. Department of State and carried out by the Drug Enforcement Administration (DEA), the U.S. Customs Service, and the U.S. Coast Guard. Expansion of INL's narcotics training programs constitutes one of the surest means for implementing the current USG counternarcotics strategy for institution building and promotion of host nation self-sufficiency. INL-funded training will continue to support the major U.S. and international strategies for combating narcotics trafficking worldwide. Emphasis will be given to promoting training on a regional basis, and to contributing to the activities of international organizations, such as UNDCP and the OAS. Through the meetings of major donors, the Dublin Group, UNDCP and other international fora, INL will coordinate with other providers of training, and urge them to shoulder greater responsibility in providing training that serves their particular strategic interests. Programs dealing with financial crimes (e.g., methods for promoting asset seizure and combating money laundering) will continue to expand.

Drug Awareness and Demand Reduction

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 to the effects of drug abuse on their societies, and to target trafficking groups responsible for these problems. INL-funded training for FY 2002 will continue to strengthen host nation counternarcotics institutions so they can conduct more effective demand reduction and public awareness programs on their own. The program will give particular attention to cocaine producing and transit countries in Latin America and address the heroin threat from Southeast Asia. An expanded area of focus will be in countries of Eastern Europe and the former Soviet Union. These activities will be undertaken in collaboration with other donor countries and international organizations to reflect INL's emphasis on increased multilateral activities.

The training and technical assistance program in FY 2002 will be designed to prevent onset of use, to intervene at critical decision points in the lives of at-risk populations to prevent both initial use and further use, and to improve effective treatment programs for the addicted. The program will expand its emphasis on the development of national, regional, and international coalitions of public/private sector organizations to strengthen international cooperation and actions against the drug trade. Programs will continue to facilitate cross-cultural, comparative research to directly benefit foreign and U.S.-based demand reduction program. New research in FY 2002 will evaluate juvenile correctional institutions and identify drug prevention best practices.

The Public Awareness Program will enhance the ability of host countries to build public support and strengthen 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 focus on helping host governments conduct sustained drug awareness campaigns by developing linkages between the corporate sector and the mass media.

The Demand Reduction Program budget request will accommodate the increased need for training, enhance the development of international, regional and national counternarcotics partnerships, and facilitate cross-cultural, comparative research designed to improve U.S.-based services. At the policy level, the program will focus assistance on building and strengthening national-level counternarcotics institutions with the capacity to develop comprehensive policies, programs, and strategies. At the regional level, the program will enhance international coalitions of NGOs developed from FY 1996-2001, to mobilize international opinion against the drug trade, and to encourage governments to develop and implement strong counternarcotics policies and programs. At the grassroots level, the program will continue to help establish and sustain strong community partnerships and coalitions of public and private sector programs for drug prevention, expand community mobilization efforts, and create or enhance effective community- and school-based prevention programs.

System Support and Upgrades

The Systems Support and Upgrades program supports the following objectives:

Provide program cost savings through standardization of services, support and upgrade aviation performance characteristics through economy of scale procurement;
Provide standardization and sustainment support to those countries having received C-26 aircraft from the United States; and
Provide flexibility for contracting cost fluctuations by maintaining a separate account for equipment upgrades and other contracting requirements.

The Systems Support and Upgrade Project has historically included C-26 support, an airborne surveillance initiative, refurbishment of OV-10 Broncos, and upgrade of UH-1H helicopters. Through this funding, specialized systems that were previously not available were provided to meet counternarcotics mission requirements in support of surveillance, detection, eradication, interdiction and logistics. This project also allowed INL 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.

INL will support C-26 programs in Barbados, Trinidad and Tobago and with Colombia's National Police. Program support will include training of sensor operators and pilots, contract logistical support, and spare parts and maintenance. An appropriately tailored sparing protocol could save C-26 user nations as much as 50 percent of the cost of traditional spare parts packages. INL has contracted for engineering and modification services to modify C-26 aircraft with a suite of surveillance sensors. To ensure effective utilization of these powerful resources, funding will be provided for training personnel from host countries in data management and analysis and will strongly promote the development and implementation of information sharing protocols across host nation interagency and regional counternarcotics communities. A "systems" approach to maritime- and land-based surveillance operations will emphasize the requirement for effective coordination between strategic and tactical airborne surveillance units as well as those directly involved in ground-based interdiction activities.

INL received 22 OV-10D aircraft previously used by DOD, which has increased capabilities for conducting massive coca and opium aerial eradication campaigns throughout Latin America. 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. INL also intends to conduct testing to determine the feasibility of using excess A-10 aircraft as the next generation spray platform.

Program Development & Support

INL Washington staff activities include but are not limited to the following: overall policy formulation, guidance and analysis; developing, guiding, evaluating and backstopping programs overseas; budget formulation, funds control, and procurement; conducting periodic visits to embassy narcotics affairs sections to review, analyze, and make recommendations on programs and funds control; developing or sponsoring management control seminars for overseas staff; developing training programs for new personnel; and coordinating policy and programs with other agencies and governments.

Program Development and Support (PD&S) funds provide for the domestic administrative operating costs associated with the Washington-based INL staff. Approximately 70 percent of the requested PD&S funds will be used for salaries and

benefits of direct-hire INL employees, in addition to other part-time employees, contractors, reimbursable support personnel and re-hired annuitants. Currently, these funds support 89 domestic direct-hire American staff. Another 26 domestic positions are not funded from PD&S; one is based in Miami and is funded from Latin America Regional program funds, and eleven are in direct support of interregional aviation activities and are therefore funded from that portion of INL's budget. The rest are involved in anticrime activities and are funded by the Department of State's Diplomatic and Consular Programs account.

Staff travel is also provided under PD&S funding and is essential to review and evaluate the many programs INL supports worldwide, as well as to promote and advance international counternarcotics and criminal justice foreign policy objectives. In addition, PD&S funds are used for the following: other services including computer service personnel, computer maintenance and payments to the U.S. Department of State for the support services provided; utilities, primarily telephone; computer equipment, software and office furniture; printing and reproduction (e.g., the Congressional Budget Justification and the International Narcotics Control Strategy Report); and supplies and materials.

Anti-Crime Programs
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
INC	30,000	45,000	55,000

National Interests:

The international crime threat to U.S. interests is manifest across three broad, interrelated fronts: threats to Americans and their communities, threats to American businesses and financial institutions, and threats to global security and stability. The impact of international crime is felt directly on the streets and in the communities of the United States: hundreds of thousands of individuals enter illegally each year, and there is wide-scale smuggling of drugs, firearms, stolen cars, child pornography, and other contraband across our borders. Criminals seek to protect their anonymity and their wealth by laundering their profits through the vast, complex, and unevenly regulated international banking and financial systems. We need to confront these activities and those who carry them out decisively with comprehensive, coordinated, and effective law enforcement, intelligence and diplomatic efforts that include forging crime control alliances with our international partners.

Objectives & Justification:

The Secretary of State mandated the Bureau of International Narcotics and Law Enforcement Affairs to fund, coordinate, and provide policy guidance for international crime control matters. INL's international crime control programs have several elements.

Anticrime Programs

The U.S. is making strides globally towards enhancing international cooperation in the fight against international organized crime. In FY 2000, over 4,000 law enforcement officers worldwide received training under INL's Anticrime Training and Technical Assistance Program. In addition to training, INL provides technical assistance, equipment and other assistance to countries to combat transnational crimes such as alien smuggling, trafficking in stolen vehicles, illegal trafficking in small arms and firearms, trafficking in persons, and money laundering and other financial crimes. INL also has programs in anti-corruption, border controls, rule of law, critical infrastructure protection, and intellectual property rights. INL will continue these training and technical assistance programs in FY 2002.

INL uses federal, state and local law enforcement agencies, the International Criminal Investigative Training Assistance Program (ICITAP), the Office of Overseas Prosecutorial Development and Training (OPDAT), and other organizations to provide law enforcement training programs and technical assistance to Russia and other countries in the NIS, Central and Eastern Europe, Latin America, Africa and Asia. Multilateral organizations are another implementation mechanism, and INL provides contributions to several, including the UN Center for International Crime Prevention, the Financial Action Task Force, the Caribbean

Financial Action Task Force, and the Group of States Against Corruption (GRECO), a group created under the auspices of the Council of Europe.

Civilian Police Contingent

U.S. participation in CIVPOL requires a comprehensive program to recruit, screen, train, equip, pay and support U.S. police officers deployed overseas. This program plans to provide the resources to develop a voluntary reserve of some 2,000 personnel who would remain in their regular jobs until called for duty. After completing an initial training program, personnel would receive regular in-service training to maintain an appropriate level of readiness. The names of trained individuals would be maintained in a central U.S. database to draw upon when the need arises for fast mobilization of trained law enforcement personnel.

Africa Regional Anticrime Program

Most of the limited counternarcotics and anticrime funds spent to date in Africa have been focused on narcotics problems in Nigeria and South Africa. African criminal groups that operate in these countries are now spreading throughout the region and increasing their geographic diversification. Countries as disparate as Malawi, Ethiopia, and the Ivory Coast have become transit routes. Nigerian and South African criminal organizations have matured and become transnational concerns that exploit whatever weakness they can find or, with their growing sums of money, create. The law enforcement assault on these organizations must be region-wide and closely coordinated.

FY 2002 programs will continue to concentrate on Nigeria and southern Africa, but will also aid other governments and regional organizations. Training will remain paramount in the Africa program. Customs training, police science training, specialized training for counternarcotics units, demand reduction programs, technical assistance and public education campaigns will account for the majority of Africa regional funding. Material assistance will continue through communications equipment, vehicles, computer databases and other equipment being provided to police organizations that work closely with U.S. law enforcement on transnational crime problems that affect the U.S.

International Law Enforcement Academies (ILEAs)

INL will continue to support the work of established ILEAs in Budapest and Bangkok. The new facility for Gabarone should be completed during FY 2002, although some limited training will be provided in FY 2001. The facility at Roswell, New Mexico should also be completely renovated by the end of FY 2002. In addition, INL will, after surveying available locations, negotiate the establishment of a new ILEA in Latin America. Other activities in FY 2002 will include developing and implementing initiatives targeted at the areas of growing international criminal activity which are not normally included in ILEA programs; and expanding the core curriculum and specialized training offered by the ILEAs to include hazardous waste dumping, smuggling proscribed hazardous materials, and trafficking in protected natural resources and endangered species.

Migrant Smuggling/Trafficking in Persons

Over 700,000 people, mostly women and children, are trafficked every year around the world for sexual exploitation, sweatshop labor, domestic servitude, and other forms of forced labor, including into the United States. Domestic violence comes in many different forms, whether as spousal, child or elder abuse, dowry deaths, or honor killings. We have begun to see linkages between domestic violence and trafficking. The United States has taken the lead internationally in giving violence against women and children a much higher foreign policy profile.

Congress recently authorized the State Department to establish the Office to Monitor and Combat Trafficking in Persons, which is expected to be located in INL. In addition to providing support for programs in this area, the Office is taking the lead in drafting the annual report to Congress on countries' efforts to meet minimum standards as outlined in the Victims of Trafficking and Violence Prevention Act of 2000.

In response to the alien smuggling and trafficking in persons problems, INL created a Migrant Smuggling and Trafficking in Persons Coordination Center in FY 2001. In FY 2002, INL will expand the capabilities of the Center by sponsoring regional alien smuggling conferences and providing funding to experts to conduct research in the field of alien smuggling.

Migration and Refugee Assistance
&
Emergency Refugee and Migration
Assistance Fund

FY 2002 Overview
($ in thousands)

Account	FY 2000 Enacted	FY 2001 Estimate*	FY 2002 Request
MRA [/a,b]	622,625	698,460	715,000
ERMA	12,452	14,967	15,000
TOTAL	635,077	713,427	730,000

[/a] In FY 2000, $166.6 million was carried forward from the FY 1999 Emergency Supplemental Appropriations Act (P.L. 106-31), associated with the Kosovo crisis.
[/b] Of the $622.6 million appropriated in FY 2000, $21 million was not made available until September 30, 2000. This $21 million is included in the FY 2000 column of the chart above.

National Interests:

Humanitarian Response is a national interest as well as a strategic goal in the United States International Affairs Strategic Plan (IASP). Among the Department's principal funding components for achieving several elements of this goal are the Migration and Refugee Assistance (MRA) appropriation, together with the U.S. Emergency Refugee and Migration Assistance (ERMA) Fund for unexpected, urgent refugee and migration needs. Either directly or through contributions to international organizations such as the UN High Commissioner for Refugees (UNHCR), the International Organization for Migration (IOM), the UN Relief and Works Agency for Palestine Refugees in the Near East (UNRWA), and the International Committee of the Red Cross (ICRC), these funds support programs for the protection of refugees and conflict victims, the provision of basic needs to sustain their 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. These funds also support efforts to manage international migration flows humanely and effectively. The total FY 2002 request of $730,000,000 for refugee and migration assistance funding consists of $715,000,000 for the MRA appropriation, and $15,000,000 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 2002, the following areas have been identified as specific goals for MRA funding:

Assistance, Protection, and Durable Solutions – Maintain viable and efficient international humanitarian response mechanisms at internationally accepted standards, promote equal access to effective protection and first asylum to refugees

and conflict victims, and support voluntary repatriation of refugees, providing a catalyst for their sustainable reintegration in the country of origin.

International Migration – Support efforts to manage international migration flows humanely and effectively.

Resettlement – Provide resettlement opportunities to refugees and encourage other countries to do so.

Objectives and Justification:

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. Either directly through non-governmental organizations or through contributions to international organizations such as UNHCR, IOM, UNRWA, and the ICRC, these funds support programs for 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). As well as 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 two goals outlined above; 2) the admission of refugees to the United States, supporting the resettlement goal; 3) a grant to support the resettlement of humanitarian migrants in Israel, supporting the international migration 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 priorities:

Assuring that basic international life-sustaining standards of care and protection are provided across geographic regions, particularly in Africa, and especially focusing on health;
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;
Supporting voluntary repatriation solutions that ensure safety and dignity and provide support to communities of return; and
Expanding the Department's consultation and coordination with other donors and the international organizations to ensure that the collective international effort meets critical humanitarian needs.

Refugee Admissions: This request will support a level of admissions similar to that in FY 2000 and FY 2001. The President, following the annual consultation process with

Congress later in FY 2001, will determine the final number of refugee admissions and the regional allocations. 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, and 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 humanitarian migrants in Israel from the former Soviet Union and other countries of distress.

Administrative Expenses: This request finances the administrative expenses of a staff of 112 permanent positions in the Bureau of Population, Refugees, and Migration. Costs related to a staff of five permanent positions dedicated to international population activities are included in the Department of State's Diplomatic and Consular Programs (D&CP) budget request. The D&CP budget request also includes costs related to one temporary and four permanent positions in the Office of Global Humanitarian Demining.

Migration and Refugee Assistance
Overseas Assistance
($ in thousands)

Account	FY 2000 Enacted	FY 2001 Estimate	FY 2002 Request
MRA	455,925	514,270	509,000

The FY 2002 request for Overseas Assistance is $509 million, a decrease of almost $5.3 million from the FY 2001 estimate. This primarily reflects a downsizing of MRA funding for the Balkans as the refugee situation there continues to improve. Support for Africa, on the other hand, will increase by $6.6 million. This increase will support new initiatives to address refugee health problems.

The primary purposes of overseas assistance funding are to meet international protection and short-term, life-sustaining needs of refugees and conflict victims, and to support durable solutions, notably voluntary repatriation. 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 2002 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 may also 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.

Over the past two years, the United States has worked to bring the level of services provided to refugees overseas up to basic acceptable international standards of care. The FY 2002 request will support new health initiatives in Africa and South Asia that will seek a more targeted approach to address increasing refugee health problems by focusing on specific interventions in areas such as HIV-AIDS and malaria.

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. In general, funds for overseas assistance will be used to respond to the 2002 calendar year budget appeals issued by international organizations.

The Office of the United Nations High Commissioner for Refugees (UNHCR) 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 2002, 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 approximately 3.7 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 operations. MRA funds will be contributed to WFP toward the cash expenses of refugee feeding programs undertaken in cooperation with UNHCR. The U.S. Government provides food commodities to WFP under other appropriations.

The Department intends to use the funds requested for FY 2002 to respond to the calendar year 2002 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 2001 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 reallocate funds between regions or organizations within the overseas assistance request level of $509,000,000 in response to changing requirements.

MRA PROGRAM SUMMARY

(dollars in thousands)

	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request	Increase or Decrease (-)
Overseas Assistance	**$ 455,925**	**$ 514,270**	**$ 509,000**	**$ (5,270)**
Africa [/a]	154,847	180,900	187,500	6,600
East Asia [/c]	15,485	26,600	17,000	(9,600)
Europe [/a,c]	57,692	100,853	79,000	(21,853)
Near East/North Africa	108,250	99,147	102,500	3,353
South Asia [/a,c]	29,879	34,800	35,500	700
Western Hemisphere	16,486	13,626	14,500	874
Multiregional Activities [/c]	73,286	58,344	56,000	(2,344)
Migration [/b]			17,000	17,000
Refugee Admissions [/a,c]	**92,900**	**109,854**	**130,000**	**20,146**
Refugees to Israel	**60,000**	**59,868**	**60,000**	**132**
Administrative Expenses [/a]	**13,800**	**14,468**	**16,000**	**1,532**
Appropriation Total [/a,c]	**$622,625**	**$698,460**	**$715,000**	**16,540**

[a/] In FY 2000, $166.6 million was carried forward from the FY 1999 Emergency Supplemental Appropriations Act (P.L. 106-31), associated with the Kosovo crisis, and obligated as follows: $380,000 for Administrative Expenses, $23.3 million for Admissions, $22.3 million for Overseas Assistance in Africa, $117 million for Overseas Assistance in Europe, and $3.4 million for Overseas Assistance in South Asia. This carryforward amount is not included in the chart above.

[b/] In FY 2000 and FY 2001, funds for Migration activities were included within the individual Overseas Assistance regions. In FY 2002 they will be separated out into a new Overseas Assistance category.

[c/] Of the $622.6 million appropriated in FY 2000, $21.0 million was not made available until September 30, 2000. These funds have been allotted in FY 2001 as follows: $1 million for Overseas Assistance in East Asia, $3.6 million for Overseas Assistance in Europe, $250,000 for Overseas Assistance in South Asia, $1.5 million for Multiregional Activities, and $14.7 million for Refugee Admissions. This $21 million is included in the FY 2000 column of the chart above.

Assistance Programs in Africa
Program Summary
($ in thousands)

Account	FY 2000 Enacted	FY 2001 Estimate*	FY 2002 Request
MRA	154,847	180,900	187,500

* Does not include funds for Migration activities.

The Administration requests $187,500,000 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. Some voluntary repatriations took place in 2000 to Liberia, Rwanda, Sierra Leone, Somalia, Kenya, and Eritrea. However, more refugees were generated in 2000 than returned as fighting erupted between Eritrea and Ethiopia and internal conflict intensified in Angola, the Democratic Republic of Congo, Sudan, Sierra Leone and Burundi. In late 2000, some 500,000 Sierra Leonean and Liberian refugees in Guinea and their Guinean host communities were victimized by rebel attacks, forcing many to flee northward in Guinea or to return to Sierra Leone. At the beginning of 2001, efforts were underway to relocate refugees to safer camps in Guinea. The possibility of peace in the Congo has raised hopes for increased humanitarian assistance to refugees and internally displaced.

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. contributions to UNHCR programs in Africa continue to fund protection and the most basic material assistance to save and maintain the 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. 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 continue to seek to address these gaps.

UNHCR will also pursue opportunities for permanent solutions for some refugee populations. In 2002, UNHCR is expected to be implementing repatriation and reintegration programs in Eritrea, Ethiopia, 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 continue to be a focus on achieving a smooth 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, Ethiopia, Eritrea, 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.)

World Food Program

In recent years, contributions to WFP have supported feeding programs for Sierra Leonean and Liberian refugees in Guinea; for Ethiopian and Eritrean refugees in Sudan; for Somali refugees in Ethiopia, Djibouti, and Kenya; for Sudanese refugees in Uganda, Ethiopia, and Kenya; for Angolan refugees in Zambia and Namibia; and for Congolese and Burundi refugees in Tanzania. In FY 2002, funds may be contributed to WFP for expenses of such programs undertaken in conjunction with UNHCR, including local/regional purchase of food to fill nutritional gaps.

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, food distribution, education, and other assistance for children. 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 international life-sustaining standards of care. 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)

Account	FY 2000 Enacted	FY 2001 Estimate*	FY 2002 Request
MRA	15,485	26,600	17,000

* Does not include funds for Migration activities.

The Administration requests $17,000,000 in FY 2002 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 continuing at the beginning of 2001. Those remaining in Bangladesh at the end of the organized repatriation (estimated 15,000) will need a durable solution. UNHCR is negotiating with the government about this.

At the beginning of 2001, some 127,000 refugees from a variety of ethnic groups in Burma still resided in camps in Thailand to which they had fled to escape attacks by the Burmese army and its allies as well as from general persecution, such as forced labor. The Thai Government continues to cooperate with the UNHCR on the registration and protection of refugee camp populations.

United Nations High Commissioner for Refugees

By the beginning of 2001, Burmese and residual Timorese refugees were the largest caseloads of concern to UNHCR. U.S. contributions to UNHCR will include funds for protection of Burmese refugees in Thailand, while assistance to those refugees is provided through NGOs. U.S. contributions will also cover reintegration and recovery needs in East Timor as well as Burmese refugees who returned from Bangladesh.

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 tends to be localized, e.g., Aceh and Irian Jaya in Indonesia. 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 assistance to returned Timorese.

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 2002 request will continue funding NGOs working in Thailand along the Burmese border, as well as international and non-governmental organization programs that deliver services to refugees, asylum seekers, and repatriates to address needs not covered by the programs of international organizations outlined above.

Assistance Programs in Europe
Program Summary
($ in thousands)

Account	FY 2000 Enacted	FY 2001 Estimate*	FY 2002 Request
MRA	57,692	100,853	79,000

* Does not include funds for Migration activities.

The Administration requests $79,000,000 to respond to assistance needs in Europe, including the New Independent States (NIS) of the former Soviet Union. This is a decrease of $21,853,000 from the FY 2001 estimate, reflecting primarily a downsizing of MRA funding for the Balkans as the refugee situation continues to improve. This also reflects the transfer of Migration funds from this regional line to a new Migration line.

In Kosovo, the international community will continue to support efforts to stabilize and protect ethnic minority communities. Approximately 220,000 ethnic minorities remain displaced from Kosovo and continuing conflict on the Kosovo/Macedonia border and Kosovo/Serbia boundary threatens to displace others. There remain over one million Bosnian and Croatian refugees and internally displaced persons. Five years after the Dayton Accords were signed, a promising surge in the return of ethnic minority refugees/IDPs occurred in the latter half of 1999 and during 2000. This welcome trend is expected to continue in 2001 and 2002. Continued funding is therefore required through FY 2002 to support UNHCR-led relief and repatriation efforts in the Balkans. MRA funding is also needed to support humanitarian efforts for the refugees and displaced persons from the Caucasus.

To respond to the Kosovo crisis in 1999, support requirements were funded from supplemental appropriations. The request for FY 2002 funding in Europe represents a continuing decline in funding, since immediate needs stemming from the Kosovo crisis have been met and protection, the primary focus of UNHCR and ICRC, and humanitarian needs in Bosnia continue to decline as persons return home and rebuild their lives.

Opportunities for solutions in the Balkans increased with political changes in Yugoslavia in October 2000 and increased returns to Bosnia-Herzegovina and Croatia. International community efforts to promote returns and other solutions in the region intensified in FY 2001 and will continue in FY 2002. Continued funding is required through FY 2002 to support these critical efforts. The U.S. Government plays a catalytic role in the international community to promote returns in the Balkans.

In the former Soviet Union, the transformation from Soviet rule to independent states continues to be a volatile process. Some nine million persons in the NIS are refugees, displaced persons, repatriates, or other migrants. Fighting in Chechnya which started in 1999 displaced persons as many as 330,000 people who need care and maintenance now, and eventually, reintegration assistance. The North Caucasus region of the Russian Federation, which had tens of thousands of Internally Displaced Persons (IDPs) and refugees from several conflicts even before the latest fighting, will continue to be an

unstable region prone to outbreaks of violence. 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. Despite ongoing talks, there has been little progress in resolving the conflict over Abkhazia, which affects some 270,000 internally displaced persons. Recent peace talks on Nagorno-Karabakh are more promising, and could help resolve the fate of some of the one million internally displaced and refugees this year. The Administration is committed to supporting continued attention to the issues outlined in the Program of Action (POA) of the 1996 Regional Conference on Refugees and Migration in the Commonwealth of Independent States (CIS Conference). Although the POA expired in 2000, the countries of the NIS and the international community have committed themselves to activities that will ensure that these issues continue to be addressed. IOM, the Organization for Security and Cooperation in Europe (OSCE), and UNHCR will continue to implement related programs throughout the NIS and will require funding in FY 2002.

United Nations High Commissioner for Refugees

In FY 2002, UNHCR's efforts in Bosnia and Croatia will include sharply reduced levels of protection, legal aid and basic humanitarian assistance for the return of refugees and internally displaced persons (IDPs) affected by the 1991-95 wars. Given new opportunities to promote durable solutions in the FRY, UNHCR will focus on protection, legal assistance, information, and reintegration assistance to refugees and IDPs there as well as continue to provide more limited humanitarian assistance to those unable to return in 2001 and 2002. UNHCR programs seek to stabilize ethnic minority communities.

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, conducting prison visits, and building the capacity of local Red Cross societies. ICRC will also continue limited relief activities to the most vulnerable in FY 2002. ICRC continues to play a lead role in conflict situations on the Kosovo/Macedonia border and Kosovo/Serbia boundary.

In FY 2002 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. U.S. support for ICRC enabled it to respond immediately to the humanitarian needs of displaced persons that fled fighting in Chechnya starting in 1999 and to maintain important activities in Chechnya, despite the difficult security situation there.

World Food Program

Funds will be contributed to WFP for programs undertaken in cooperation with UNHCR. WFP will continue to provide food and coordinate food supplies for the most vulnerable persons of concern in FY 2002. In past years, contributions have been made

for WFP programs in the Balkans and toward WFP components of consolidated appeals for Tajikistan, the South Caucasus, and the North Caucasus.

Other International Organizations/Non-Governmental Organizations

Our partnership with other international and non-governmental organizations in the former Yugoslavia is unprecedented. Continued funding will be required to support these organizations as they facilitate return and provide assistance to refugees and IDPs in the Balkans. Non-governmental organizations serve as implementing partners for UNHCR assistance and repatriation efforts. In addition, NGOs work in cooperation with other donors/partners to target specific populations. For example, the U.S. Department of State has funded NGOs to implement programs facilitating the return of displaced persons to areas where their ethnic group is in the minority and programs to stabilize ethnic minority communities.

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 focus on building the capacity of their indigenous NGO partners and encouraging self-sufficiency for refugee and IDP communities. In FY 2001, we will partner with non-governmental organizations in Chechnya and Ingushetiya to enhance assistance to IDPs in programs coordinated with UNHCR and the rest of the international community.

Assistance Programs in the Near East
And North Africa
Program Summary
($ in thousands)

Account	FY 2000 Enacted	FY 2001 Estimate*	FY 2002 Request
MRA	108,250	99,147	102,500

*Does not include funds for Migration activities.

The Administration requests $102,500,000 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 3.7 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 to 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 that is 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 prisoners of war and those missing in action) 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 international organizations 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)

Account	FY 2000 Enacted	FY 2001 Estimate*	FY 2002 Request
MRA	29,879	34,800	35,500

* Does not include funds for migration.

The Administration requests $35,500,000 in FY 2002 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. Voluntary repatriation from Iran accelerated in 2000, but the 183,000 returnees were only a fraction of the estimated 1.4 million Afghan refugees living in Iran. The war in Afghanistan continued with the annual offensives displacing tens of thousands and leaving their home areas devastated. A severe drought affected large sections of the country in 2000, damaging crops, killing livestock and decreasing the ability of the people to survive without assistance. Most international assistance programs resumed in Afghanistan in 2000 despite concerns over security, Taliban restrictions on relief agencies, and the Taliban's treatment of women and minorities.

The government in Pakistan was slow to allow UNHCR to register new arrivals as refugees in 2000, and at times closed the border to prevent large inflows of Afghans, maintaining that they were fleeing poverty and the drought rather than persecution. As 2001 began, this standoff resulted in a situation wherein 70,000 to 80,000 Afghans were camped out in a makeshift site with no UNHCR assistance allowed. The Department has given, and will continue to give, special attention to the needs of women in the programs of international organizations and NGOs.

There were still over 92,000 registered Bhutanese refugees in six camps in eastern Nepal at the beginning of 2001, out of some 110,000 Bhutanese refugees in Nepal. Talks in 2000 between the two governments aimed at finding a resolution to the citizenship issues surrounding these refugees finally bore fruit in the fall. Joint Bhutan-Nepal verification of the refugees' identity and citizenship began in early 2001.

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 camps in India's southern Tamil Nadu State. Voluntary repatriation remained stalled as the ongoing conflict in Sri Lanka continued in 2000. India is also host to over 130,000 Tibetan refugees. Approximately 2,500 new Tibetan refugees arrive in India each year.

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 and Iran, 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 that decide to return. UNHCR is also concerned with the internally displaced in Sri Lanka. In Nepal, UNHCR's presence supports Tibetan refugees in transit to India as well as the Bhutanese refugee population.

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 and visits to detainees. 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 as well as with protection of detainees and conflict victims in Kashmir. With no resolution to those conflicts in sight, support for ICRC's critical humanitarian efforts through U.S. contributions to its regional appeal will continue.

World Food Program

In recent years, U.S. contributions to WFP have supported feeding programs for Afghan refugees and repatriates and Bhutanese refugees. In FY 2002, 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 Afghan women and girls, particularly through health and education projects implemented by non-governmental organizations. To the extent possible, consideration will be given to supporting projects that 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 the Western Hemisphere
Program Summary
($ in thousands)

Account	FY 2000 Enacted	FY 2001 Estimate*	FY 2002 Request
MRA	16,486	13,626	14,500

* Does not include funds for Migration activities.

The Administration requests $14,500,000 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 conflict in Colombia continues to displace civilians in need of humanitarian assistance and protection from ICRC and UNHCR. Other IOs are also active in providing assistance to IDPs including WFP, the United Nations Children's Fund (UNICEF), and the Pan American Health Organization (PAHO). Additionally, several American NGOs are partnering with Colombian NGOs to provide aid. While Colombia represents the most significant humanitarian assistance requirement in this region, ongoing UNHCR and ICRC programs of protection and humanitarian law dissemination throughout the hemisphere are needed to maintain a capacity for dealing with refugee and asylum needs now and potentially in the future. UNHCR training workshops in the Caribbean are particularly important, as they have no permanent staff in the region, operating through a system of "honorary liaisons".

United Nations High Commissioner for Refugees

U.S. contributions will help support UNHCR programs that directly assist the small numbers of refugees throughout the hemisphere and work with states to put 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. UNHCR will also carry out a modest program in Colombia to assist the government in responding to the assistance and protection needs of internally displaced persons.

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.

Other International Organizations/Non-Governmental Organizations

The Department may consider funding other relevant international organizations, and NGOs as required to meet special requirements for assistance to refugees, internally displaced, and migrants in the region and/or complement the assistance efforts of the international organizations outlined above.

Multiregional Activities
Program Summary
($ in thousands)

Account	FY 2000 Enacted	FY 2001 Estimate*	FY 2002 Request
MRA	73,286	58,344	56,000

* Does not include funds for Migration activities.

For FY 2002, the Administration requests $56,000,000 for Multiregional Activities. These funds support the U.S. contribution to the headquarters budget of the ICRC, the headquarters and global program costs of UNHCR, the multiregional refugee activities of international or non-governmental organizations, and international migration activities. (The ICRC contribution is paid in Swiss francs, and the dollar amount will vary according to the exchange rate at the time of payment.) These funds will support multiregional refugee activities of international and non-governmental organizations, particularly UNHCR, including special 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 not less than 10 percent of the 2002 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; the Swiss Government contributes approximately 50 percent. U.S. contributions to ICRC's regional appeals are described under the previous regional sections of this document.

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 units 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
Program Summary
($ in thousands)

Account	FY 2000 Enacted*	FY 2001 Estimate*	FY 2002 Request
MRA	16,000	16,600	17,000

* Migration is a new Assistance category in FY 2002. In previous years, Migration activities were included in the individual Regional and Multi-Regional financial plans. Funds shown above for FY 2000 and FY 2001 are therefore also included in the previous program summaries of each of those Overseas Assistance categories.

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. The International Organization for Migration (IOM) is the chief international organization through which our funds for migration activities are disbursed. The proposed $17 million for migration activities in FY 2002 includes our annual assessed contribution to IOM. As a member of IOM, as authorized in the Migration and Refugee Assistance Act of 1962, the United States pays a 29.95% assessment to the organization's administrative budget. (The IOM assessed contribution is paid in Swiss francs, and the dollar amount will vary according to the exchange rate at the time of payment.)

One of our chief migration activities is participation in and support for multilateral migration dialogues. Since 1996, we have been involved in the Regional Conference on Migration (RCM), a forum where eleven North and Central American governments (as well as the Dominican Republic) discuss and seek to cooperate on common migration challenges. In FY 2001, the Bureau also fulfilled the U.S. commitment to serve as "Responsible Coordinator" in implementing the migrant worker initiative originating in the Santiago (Chile) Summit of the Americas Action Plan. In addition, the U.S. participates in the "Intergovernmental Consultations on Asylum, Refugee, and Migration Policies in Europe, North America, and Australia" (IGC), an informal channel for senior and mid-level policy officials from the United States, Canada, Australia, and European countries to exchange views and share information. In Africa, we support nascent migration dialogues among members of the Economic Community of West African States (ECOWAS), and among member states of the Southern African Development Community (SADC).

Migration and asylum also 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 information campaigns to address the problem of trafficking in women. In FY 2002, PRM will continue its efforts to advance cooperation with the EU member states and the European Commission on migration issues with a special focus on protection. PRM has also supported efforts to develop effective and

humane migration management systems in the Newly Independent States (NIS). We helped fund the first major migration conference in the region and continue to back projects aimed at addressing the many migration-related challenges in that part of the world.

Finally, assistance in this category will be provided to migrants in pilot projects to support the international migration policy goals for which PRM has primary responsibility, especially the promotion of the human rights of vulnerable migrants, including asylum seekers and victims of trafficking. MRA funds will be closely coordinated with other USG anti-trafficking programming, including work done by law enforcement entities.

Refugee Admissions
Program Summary
($ in thousands)

Account	FY 2000 Enacted	FY 2001 Estimate	FY 2002 Request
MRA	92,900	109,854	130,000

The Administration requests $130,000,000 to support the Refugee Admissions program in FY 2002. This level is an increase of $20,146,000 over the FY 2001 enacted level, reflecting a grant increase in our Reception and Placement program and the fact that $14,700,000 appropriated in FY 2000 was available in FY 2001.

This request will support a level of admissions similar to that in FY 2000 and FY 2001. The President, following the annual consultation process with Congress later in FY 2001, will determine the FY 2002 number of refugee admissions and the 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 request funds all related refugee admissions activities and the processing and transportation of a small number of Amerasian Immigrants. In FY 2002, PRM will continue to give priority to enhancing accessibility to the refugee admissions program for individuals in need of the protection afforded by resettlement and to enhancing the quality of the initial resettlement services received by each arriving refugee.

Actual U.S. refugee admissions for FY 2000 and the established FY 2001 ceilings are shown in the table below:

Geographic Region	FY 2000 Actual	FY 2001 Ceiling
Africa	17,554	20,000
East Asia	4,561	6,000
Europe	37,467	37,000
Latin America/Caribbean	3,233	3,000
Near East/South Asia	10,117	10,000
Unallocated		4,000
TOTAL – FUNDED	72,932	80,000

Africa

Admissions of African refugees increased approximately 35 percent in FY 2000 from 13,000 to 17,554 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 of special humanitarian concern and will be eligible for direct registration. In addition, refugees from some countries undergoing active or recently concluded armed conflict will be eligible for

family reunification processing. In FY 2001, some of the largest populations are expected to be Sudanese, Sierra Leoneans, and Somalis.

East Asia

ODP, ROVR, and Amerasians - For 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 19,000 Vietnamese applicants under the Resettlement Opportunity for Vietnamese Returnees (ROVR). In FY 2002, we expect to complete residual caseloads as well as to address the needs of Vietnamese protection cases.

First Asylum - In FY 2002 it is expected that small numbers of Burmese and refugees from other Asian countries may also be processed.

Europe

The FY 2002 program will primarily include persons from the former Soviet Union, persons from the Republics of 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 of special interest to the United States. These include Jews, Evangelical Christians, and certain 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 vulnerable cases, and other refugees for whom reintegration is not a viable option.

Near East and South Asia

In FY 2002, admissions of Iranians (primarily religious minorities) and Iraqis are expected to continue and the admission of vulnerable Afghans -- particularly women and certain ethnic minorities -- is expected to increase.

Latin America and the Caribbean

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. Nationals of other countries, such as Colombia, will be considered if referred by UNHCR.

SUMMARY OF COSTS

The total cost of all admissions activities to be covered from appropriated funds in FY 2002 is estimated at $130,000,000. The requested funds are directly related to costs

incurred on behalf of refugees whose actual admission will occur in FY 2002 or in 2003. 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 case identification and 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 for resettlement 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. For approved 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 an U.S.-based Refugee Data Center, which operates a case allocation and a Reception and Placement (R&P) grant verification system. The computerized Worldwide Refugee Admissions Processing System (WRAPS) will be deployed in FY 2002, streamlining all aspects of refugee processing.

Transportation and Related Services

In FY 2002, 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.

In an effort to strengthen program oversight and improve the quality of services provided to refugees, the Department has recently developed "Standards of Care" which better define the R&P services agencies are expected to provide. The Department is also exploring ways to expand its program monitoring efforts.

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)

Account	FY 2000 Enacted	FY 2001 Estimate	FY 2002 Request
MRA	60,000	59,868	60,000

The FY 2002 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 the former Soviet Union and certain countries of distress.

In 1991, approximately 145,000 individuals from the former Soviet Union arrived in Israel; by 2000, this number had declined to approximately 51,000.

Administrative Expenses
Program Summary
($ in thousands)

Account	FY 2000 Enacted		FY 2001 Estimate		FY 2002 Request	
	Positions	Funds	Positions	Funds	Positions	Funds
MRA	110	13,800	112	14,468	112	16,000

The FY 2002 request of $16,000,000 for administrative expenses is an increase of $1,532,000 from the FY 2001 estimate. The requested increase will fund full year support costs of several refugee coordinator positions to be filled by the end of FY 2001 ($721,000) and International Cooperative Agreement Support Services (ICASS) System costs associated with same new positions ($180,000). In addition the increase is needed to fund domestic and overseas wage increases ($430,900) and historical increases for ICASS ($200,000).

The FY 2002 request will finance the salaries and operating costs associated with a staff of 112 permanent positions in the Bureau of Population, Refugees, and Migration. This staff, both overseas and domestic, manages the resources and array of issues for which PRM is responsible. The overseas staff manages important humanitarian and refugee responsibilities. Domestic staff direct diplomatic initiatives and policy development, address program design, monitor and evaluate operational activities, and maintain an equally important policy liaison role, supporting other parts of the State Department in integrating refugee and humanitarian issues into broader regional foreign policy concerns. Costs related to a staff of five permanent positions dedicated to international population activities are included in the Department of State's Diplomatic and Consular Programs (D&CP) account. The D&CP budget request also includes costs related to one temporary and four permanent positions in the Office of Global Humanitarian Demining.

Requirements by Object Class
($ in thousands)

Object Class	FY 2000 Enacted	FY 2001 Estimate	FY 2002 Request
Personnel compensation	7,198	7,941	8,462
Personnel benefits	2,252	2,356	2,528
Benefits for former personnel	0	0	0
Travel and transportation of persons	958	1,119	1,225
Travel and transportation of things	30	11	13
Rents, communications, and utilities	541	559	705
Printing and reproduction	148	139	139
Other services	1,908	2,046	2,563
Supplies and materials	159	138	165
Personnel property	606	159	200
Grants, subsidies, and contributions	608,825	683,992	699,000
Appropriation Total	622,625	698,460	715,000

Emergency Refugee and Migration Assistance Fund
Summary Statement
($ in thousands)

Account	FY 2000 Enacted	FY 2001 Estimate*	FY 2002 Request
ERMA	12,452	14,967	15,000

*reflects an 0.22% rescission on the $15,000,000 original appropriation

The Emergency Refugee and Migration Assistance (ERMA) Fund 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 requests $15,000,000 for the ERMA Fund to provide the flexibility needed to respond to unexpected refugee and migration emergencies.

Program Activities

In FY 2000 and FY 2001, as of March 2001, a total of $95,000,000 was drawn down from the ERMA Fund for the following requirements:

Africa:

Presidential Determination 2001-05 - $5,000,000
On December 15, 2000, $5,000,000 was authorized to meet the urgent and unexpected needs of refugees, displaced persons, victims of conflict, and other persons at risk due to the crisis in Guinea.

Presidential Determination 2001-05 - $10,000,000
On December 15, 2000, $10,000,000 was authorized to meet the urgent and unexpected needs of refugees, displaced persons, victims of conflict, and other persons at risk due to the crisis in the Democratic Republic of the Congo.

East Asia:

Presidential Determination 2000-07 - $30,000,000
On November 10, 1999, $30,000,000 was authorized to meet the urgent and unexpected needs of refugees, displaced persons, victims of conflict, and other persons at risk due to the Timor crisis.

Europe:

Presidential Determination 2001-10 - $20,000,000
On January 17, 2001, $20,000,000 was authorized to meet the urgent and unexpected needs of refugees, displaced persons, victims of conflict, and other persons at risk in the Balkans.

Presidential Determination 2001-05 - $3,200,000
On December 15, 2000, $3,200,000 was authorized to meet the urgent and unexpected needs of refugees, displaced persons, victims of conflict, and other persons at risk in the North Caucasus.

Presidential Determination 2001-05 - $5,000,000
On December 15, 2000, $5,000,000 was authorized to meet the urgent and unexpected needs of refugees, displaced persons, victims of conflict, and other persons at risk in Serbia.

Presidential Determination 2000-07 - $10,000,000
On November 10, 1999, $10,000,000 was authorized to meet the urgent and unexpected needs of refugees, displaced persons, victims of conflict, and other persons at risk due to the North Caucasus crisis.

Near East:

Presidential Determination 2001-05 - $8,800,000
On December 15, 2000, $8,800,000 was authorized to meet the urgent and unexpected needs of refugees, displaced persons, victims of conflict, and other persons at risk due to the crisis in the West Bank and Gaza.

South Asia:

Presidential Determination 2001-10 - $2,000,000
On January 17, 2001, $2,000,000 was authorized to meet the urgent and unexpected needs of refugees, displaced persons, victims of conflict, and other persons at risk due to the crisis in Nepal.

Presidential Determination 2001-05 - $1,000,000
On December 15, 2000, $1,000,000 was authorized to meet the urgent and unexpected needs of refugees, displaced persons, victims of conflict, and other persons at risk due to the Afghan crisis.

Summary Statement
($ in thousands)

Object Class	FY 2001 Opening Balance	FY 2002 Request
Grants, subsidies, and contributions	160,277 *	15,000

* Of which, $145,310,000 was carried forward from FY 2000 and $14,967,000 was appropriated in FY 2001.

Nonproliferation, Anti-Terrorism, Demining, and Related Programs
($ in Thousands)

Program	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
Nonproliferation & Disarmament Fund	15,000	14,967	14,000
Export Control Assistance	14,530	19,100	17,000
Science Centers[1]	[59,000]	35,000	37,000
IAEA Voluntary Contribution	43,000	47,000	49,000
CTBT Preparatory Commission	13,693	21,056	20,000
KEDO	55,307	54,879	95,000
Nonproliferation Contingency	-	20,000	-
Anti-terrorism Assistance	31,000	38,000	38,000
Terrorist Interdiction Program	1,250	4,000	4,000
Philippines CT Support	2,000	-	-
Lockerbie Trial Support	-	15,000	16,000
Humanitarian Demining	40,000	39,912	40,000
Small Arms Destruction	-	2,000	2,000
Total, NADR Program	215,780	310,914	332,000

National Interests:

The Nonproliferation, Anti-terrorism, Demining, and Related Programs Account (NADR) funds critical, security-related programs in support of a broad range of U.S. national interests. NADR programs serve as an important tool for working with foreign nations to reduce transnational threats to America's security, as well as to mitigate local threats that cause regional instabilities and humanitarian tragedies. The FY 2002 request of $332 million reflects the funding needed to support U.S. efforts to reduce threats posed by international terrorist activities, landmines, and stockpiles of excess weapons, as well as by nuclear, chemical, and biological weapons, missiles, their associated technologies, and destabilizing conventional weapons.

Objectives & Justification:

The NADR account supports U.S. efforts in four areas: nonproliferation, anti-terrorism, regional stability, and humanitarian assistance. The success or failure of the United States in dealing with problems in each of these areas will have implications for maintaining U.S. security and military superiority; efforts to promote reconciliation and stability in the Middle East, South Asia, and Northeast Asia; and access to critical resources and markets.

[1] Science Centers funded from FREEDOM Support Act/NIS account in FY 2000.

Nonproliferation Efforts

One of the most direct and serious security threats facing the United States is the possibility of conflict involving weapons of mass destruction (WMD). The central nonproliferation challenge is to halt the clandestine spread of WMD materials and technology to rogue states, terrorist groups, and other non-state actors. The FY 2002 NADR request funds bilateral and multilateral assistance programs which directly support U.S. nonproliferation objectives:

To deny materials and technology to proliferators by containing Russia, China, and North Korea as suppliers;

To prevent and contain WMD and missile programs in key countries and regions including Iran, Iraq, Libya, North Korea and South Asia;

To prevent the leakage of Cold War-era nuclear materials and expertise, primarily from the former Soviet Union;

To strengthen international nonproliferation agreements and norms; and

To ensure that peaceful nuclear cooperation serves safety, environmental, and nonproliferation goals.

NADR supports three nonproliferation programs on a direct bilateral or limited multilateral basis: the Nonproliferation and Disarmament Fund (NDF), a contingency fund for unanticipated requirements or opportunities; the Science Centers, which finance civilian research by former Soviet weapons experts in Russia, the Ukraine, and the other independent republics of the former Soviet Union; and Export Control Assistance, which is designed to strengthen national export control systems in key countries worldwide.

NADR funds also leverage other international donors in three multilateral fora. Under the International Atomic Energy Agency (IAEA), the U.S. voluntary contribution supplements the IAEA's operating budget to implement strengthened nuclear safeguards measures and allow expansion in nuclear safety cooperation with key countries. Funding for the International Monitoring System (IMS), which will collect worldwide data from seismic, hydroacoustic, infrasound, and radionuclide stations, will provide an important supplement to U.S. national capabilities for detecting and monitoring nuclear explosion testing. The IMS is managed by the Comprehensive Nuclear-Test-Ban Treaty (CTBT) Preparatory Commission in Vienna. Finally, the U.S. contribution to the Korean Peninsula Energy Development Organization (KEDO) supports implementation of the 1994 Agreed Framework between the United States and the Democratic People's Republic of Korea (DPRK). U.S. assistance funds part of KEDO's administrative expenses and provides annual shipments of heavy fuel oil to the DPRK until completion of the first light water reactor, as stipulated in the Framework. The Administration is reviewing U.S. policy on North Korea. In the meantime, we will continue to abide by the Agreed Framework so long as North Korea does.

Anti-terrorism Efforts

The NADR account also supports a comprehensive approach to preventing and countering terrorist attacks on U.S. citizens and to minimize the impact of any attacks that may occur, whether at home or abroad. NADR funds both the Antiterrorism Assistance (ATA) and Terrorist Interdiction Program (TIP), which provide technical training and equipment to assist foreign countries in protecting facilities, individuals, and infrastructure, as well as to prevent the transit of terrorists and their materials across borders. The FY 2002 program will support ongoing core ATA programs and allow for expansion in selected regions, as well as support new TIP countries' efforts to interdict terrorists. NADR funds also will be used in FY 2002 to support the incremental cost of holding in the Netherlands the trial for the 1988 bombing of Pan Am Flight 103 over Lockerbie, Scotland.

Regional Stability and Humanitarian Assistance

Finally, the NADR account funds programs that promote an environment to allow for peace and regional stability, as well as meet humanitarian needs. The Humanitarian Demining Program (HDP) supports demining and mine awareness efforts that allow mine-affected nations to protect innocent civilians, return displaced persons to their homes, rebuild shattered economic infrastructure, return agricultural land to productivity, and allow the safe delivery of other humanitarian services. The principle means used to achieve these objectives is to build an indigenous capacity to execute and manage humanitarian mine action initiatives.

In FY 2002, NADR will also fund the second year of the Small Arms Destruction initiative, which is designed to eliminate Cold War-era surplus small arms and light weapons in Eastern Europe and the former Soviet Union, and post-conflict stockpiles, mainly in Latin America and Sub-Saharan Africa. As with the Humanitarian Demining Program, the Small Arms Destruction initiative promotes regional stability and minimizes threats to civilian populations by destroying weapons that fuel the international illicit arms market, in turn exacerbating regional and civil conflicts and claiming thousands of lives and displacing large numbers of civilians every year.

Individual NADR program justifications are found in the Global Programs section; KEDO and the Science Centers justifications are located in the East Asia & Pacific and Newly Independent States sections, respectively.

DEPARTMENT OF THE TREASURY

Treasury Technical Assistance
Debt Restructuring Program

Treasury Technical Assistance

Detailed justification not available at time of publication.
See justification in the Department of the Treasury's FY 2002 budget submission.

Debt Restructuring Program

Detailed justification not available at time of publication.
See justification in the Department of the Treasury's FY 2002 budget submission.

MILITARY ASSISTANCE

International Military Education and Training
Foreign Military Financing
Peacekeeping Operations

International Military Education and Training
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
IMET	49,810	57,748	65,000

National Interests:

The International Military Education and Training (IMET) program is a low cost, highly effective component of U.S. security assistance that provides training on a grant basis to students from over 130 allied and friendly nations. In many countries, it is the only military engagement tool available. IMET advances U.S. national interests through:

furthering U.S. national security by establishing and maintaining effective, mutually beneficial military-to-military relations which culminate in increased understanding and defense cooperation between the United States and foreign countries.

increasing the ability of foreign military and civilian personnel to instill and maintain basic democratic values and protect internationally recognized human rights.

Military training provided under the IMET program is professional and non-political, exposing foreign students to the U.S. military organizations, procedures and the manner in which military organizations function under civilian control. Training focuses primarily on professional development but may also include technical training. The English language proficiency requirement required for IMET participation 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 critical sector of society which often plays a pivotal role in supporting, or transitioning to, democratic governments.

A less formal, but significant, part of IMET exposes students to the American way of life. This popular program of sponsorships, field trips, and guest speakers informally introduces IMET students to democratic values, civil and human rights, and the rule of law. Expanded IMET (E-IMET) courses perform a similar function but in a more structured atmosphere. The curriculum of E-IMET courses fosters greater respect for and understanding of the principle of civilian control of the military. E-IMET is an effective means of promoting democratic values and key to U.S. national security and foreign policy objectives.

Objectives & Justification:

Achievement of the objectives is accomplished through training to augment the capabilities of the military forces of participant nations to support joint operations and interoperability with U.S. forces.

IMET objectives are specifically achieved through a variety of military education and training activities conducted by the DoD for foreign military and civilian officials. These include

formal instruction involving over 2,000 courses taught at approximately 150 military schools and installations for approximately 10,000 foreign students.

The FY 2002 request for IMET reflects an increase of $7.3 million over the FY 2001 allocation. Almost one half of this increase will support the expansion of training programs with Partnership for Peace (PfP) countries as well as the newest NATO members (Czech Republic, Hungary and Poland). The request also seeks to increase funds for countries in Africa and the Western Hemisphere where IMET is effective in maintaining U.S. influence and assisting countries in transitions to democracy. Over one-third of the IMET funds for FY 2002 will be provided to these two regions.

The IMET program is an investment in ideas and people which has an overall positive impact on the numerous students trained under the program. For a relatively modest investment, it presents democratic alternatives to key foreign militaries and civilian leaders. As foreign militaries improve their knowledge of U.S. military doctrine and operational procedures, military cooperation is strengthened. This cooperation leads to opportunities for military-to-military interaction, information sharing, joint planning and combined force exercises that facilitate interoperability with U.S. Forces. Additionally, access to foreign military bases and facilities is notably facilitated through the IMET program.

The IMET program supports regional stability and democracy goals in a number of ways:

Increased evidence and demonstration of militaries in 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 forces exercises, and U.S. access to foreign military bases, facilities, and airspace;

Promulgation of military regulations that improve military justice systems and procedures in accordance with internationally recognized human rights;

Increased number of U.S.-trained foreign military and civilian personnel in military, defense ministry, and legislative leadership positions. Elevation of these students in positions of prominence within their government bureaucracy has a positive effect on support for U.S. policies;

Continued improvement of governments' ability to utilize their defense resources, particularly U.S.-origin equipment, with maximum effectiveness, thereby contributing to greater self-reliance and interoperability with U.S. forces.

The following table shows the FY 2002 IMET request. Further information on individual country programs may be found in the respective country narratives.

International Military Education and Training

($ in thousands)

	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
Africa			
Angola	-	50	100
Benin	356	390	400
Botswana	479	580	580
Burkina Faso	-	-	50
Burundi	-	-	50
Cameroon	189	180	190
Cape Verde	123	120	120
Central African Republic	103	110	110
Chad	100	130	130
Comoros	-	-	50
Cote D'Ivoire	22	-	50
Democratic Republic of Congo	-	-	50
Djibouti	163	150	160
Equatorial Guinea	-	-	50
Eritrea	27	155	375
Ethiopia	152	175	475
Gabon	47	150	160
Gambia	-	-	50
Ghana	450	450	470
Guinea	179	230	250
Guinea-Bissau	22	50	50
Kenya	422	450	460
Lesotho	86	85	100
Madagascar	160	160	170
Malawi	345	350	360
Mali	270	320	325
Mauritania	-	100	100
Mauritius	79	80	100
Mozambique	178	200	215
Namibia	175	195	200
Niger	-	100	110
Nigeria	525	650	750
Republic of the Congo	-	110	110
Rwanda	164	100	100
Sao Tome and Principe	45	85	85
Senegal	764	800	850
Seychelles	72	60	75
Sierra Leone	-	170	200
South Africa	904	1,200	1,450

International Military Education and Training

($ in thousands)

	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
Swaziland	105	85	100
Tanzania	167	200	200
Togo	-	50	75
Uganda	247	100	100
Zambia	137	175	190
Zimbabwe	286	-	50
Subtotal - Africa	**7,543**	**8,745**	**10,395**
East Asia & the Pacific			
Cambodia	-	-	250
East Timor	-	-	50
Fiji	78	-	-
Indonesia	-	200	400
Laos	-	50	50
Malaysia	740	700	700
Mongolia	512	650	650
Papua New Guinea	177	180	200
Philippines	1,415	1,500	1,710
Samoa	85	120	120
Solomon Islands	53	150	150
Thailand	1,730	1,595	1,650
Tonga	103	100	115
Vanuatu	63	100	100
Vietnam	-	50	50
Subtotal - East Asia & the Pacific	**4,956**	**5,395**	**6,195**
Europe			
Albania	646	1,200	800
Bosnia and Herzegovina	601	1,175	800
Bulgaria	1,000	1,600	1,200
Croatia	514	1,025	600
Czech Republic	1,441	1,400	1,800
Estonia	789	750	1,000
Greece	25	25	500
Hungary	1,398	1,400	1,800
Latvia	749	750	1,000
Lithuania	750	800	1,000
Macedonia	504	750	550
Malta	100	150	300
Poland	1,670	1,300	1,900
Portugal	656	750	750

International Military Education and Training

($ in thousands)

	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
Romania	1,093	1,550	1,400
Slovakia	633	950	850
Slovenia	579	1,050	800
Turkey	1,554	1,600	1,800
Subtotal - Europe	**14,702**	**18,225**	**18,850**
Near East			
Algeria	115	125	200
Bahrain	216	235	250
Egypt	1,006	1,100	1,200
Jordan	1,679	1,700	1,800
Lebanon	582	575	600
Morocco	904	955	1,000
Oman	230	250	275
Saudi Arabia	-	-	25
Tunisia	906	955	1,000
Yemen	125	135	250
Subtotal - Near East	**5,763**	**6,030**	**6,600**
Newly Independent States			
Georgia	409	475	850
Kazakhstan	567	600	650
Kyrgyzstan	358	400	475
Moldova	487	600	850
Russia	717	800	800
Tajikistan	-	-	75
Turkmenistan	313	325	300
Ukraine	1,338	1,500	1,700
Uzbekistan	547	550	800
Subtotal - Newly Independent States	**4,736**	**5,250**	**6,500**
South Asia			
Bangladesh	456	475	525
India	480	500	650
Maldives	100	110	125
Nepal	216	220	225
Sri Lanka	203	245	275
Subtotal - South Asia	**1,455**	**1,550**	**1,800**
Western Hemisphere			
Argentina	740	800	850
Bahamas	112	115	140

International Military Education and Training

($ in thousands)

	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
Belize	161	275	275
Bolivia	548	650	700
Brazil	223	250	440
Chile	499	550	570
Colombia	900	1,040	1,180
Costa Rica	280	200	350
Dominican Republic	487	450	500
Eastern Caribbean	487	560	675
Ecuador	518	550	625
El Salvador	523	525	800
Guatemala	228	250	350
Guyana	168	195	275
Haiti	222	-	-
Honduras	548	525	625
Jamaica	461	500	600
Mexico	865	1,000	1,150
Nicaragua	194	220	375
Panama	117	150	170
Paraguay	210	200	300
Peru	455	475	500
Suriname	102	100	110
Trinidad & Tobago	132	125	135
Uruguay	326	350	415
Venezuela	384	400	500
Subtotal - Western Hemisphere	**9,890**	**10,455**	**12,610**
Global			
E-IMET Schools	-	1,800	1,800
General Costs	765	298	250
Subtotal - Global	**765**	**2,098**	**2,050**
Total	**49,810**	**57,748**	**65,000**

Summary of Students Trained Under IMET

	FY 2000 Actual	FY2001 Estimate	FY2002 Request
Africa:			
Angola	-	2	4
Benin	64	73	75
Botswana	57	69	69
Burkina Faso	-	-	2
Burundi	-	-	2
Cameroon	12	11	12
Cape Verde	5	5	5
Central African Republic	2	2	2
Chad	7	9	9
Comoros	-	-	2
Congo (Brazzaville)	-	3	4
Congo (Kinshasa)	-	-	2
Cote d' Ivoire	1	-	2
Djibouti	3	3	3
Equatorial Guinea	-	-	2
Eritrea	-	6	15
Ethiopia	2	2	6
Gabon	3	6	3
Gambia	-	-	2
Ghana	58	58	61
Guinea	73	94	102
Guinea-Bissau	1	2	2
Kenya	107	114	117
Lesotho	68	67	79
Madagascar	26	26	28
Malawi	128	130	133
Mali	68	81	82
Mauritania	-	4	4
Mauritius	24	24	30
Mozambique	66	74	80
Namibia	10	26	27
Niger	-	4	2
Nigeria	115	130	17
Rwanda	8	5	5
Sao Tome	2	4	4
Senegal	69	72	77
Seychelles	1	1	1
Sierra Leone	-	7	4
South Africa	447	594	718
Swaziland	17	14	15

	FY 2000 Actual	FY2001 Estimate	FY2002 Request
Tanzania	8	10	10
Togo	-	2	3
Uganda	18	7	7
Zambia	42	54	58
Zimbabwe	18	-	3
Regional Total	1,530	1,795	1,890
East Asia & Pacific:			
Cambodia	-	-	4
East Timor	-	-	1
Fiji	22	-	-
Indonesia	-	8	16
Laos	-	2	2
Malaysia	126	119	119
Mongolia	130	165	165
Papua New Guinea	96	110	123
Philippines	90	95	109
Samoa	68	96	96
Solomon Islands	19	54	54
Thailand	94	87	90
Tonga	1	1	1
Vanuatu	2	3	3
Vietnam	-	-	2
Regional Total	648	740	785
Europe:			
Albania	109	207	140
Bosnia Federation	55	108	73
Bulgaria	90	171	138
Croatia	136	256	149
Czech Republic	128	151	160
Estonia	42	40	53
Georgia	84	98	175
Greece	1	1	1
Hungary	143	174	184
Kazakhstan	18	19	21
Kyrgyzstan	9	10	12
Latvia	157	157	210
Lithuania	28	30	37
Macedonia (FYROM)	157	238	171
Malta	8	12	24
Moldova	62	76	108
Poland	182	191	214

	FY 2000 Actual	FY2001 Estimate	FY2002 Request
Portugal	12	14	14
Romania	113	159	145
Russia	248	277	277
Slovakia	100	153	134
Slovenia	183	354	271
Tajikistan	-	-	3
Turkey	204	210	236
Turkmenistan	6	6	6
Ukraine	311	349	395
Uzbekistan	33	33	48
Regional Total	2,619	3494	3399
Near East Asia:			
Algeria	9	10	16
Bahrain	28	30	32
Egypt	62	68	74
India	18	18	24
Jordan	163	165	175
Lebanon	129	127	133
Morocco	46	49	51
Oman	102	111	122
Saudi Arabia	-	-	1
Tunisia	82	86	91
Yemen	6	6	12
Regional Total	645	670	731
South Asia			
Bangladesh	31	32	36
Maldives	6	7	8
Nepal	43	44	45
Sri Lanka	10	12	14
Regional Total	90	95	103
Western Hemisphere:			
Antigua-Barbuda*	12	14	15
Argentina	191	207	220
Bahamas	10	10	13
Barbados*	9	10	15
Bolivia	88	104	112
Belize	20	34	34
Brazil	22	25	43
Chile	201	222	230
Colombia	763	881	1000

	FY 2000 Actual	FY2001 Estimate	FY2002 Request
Costa Rica	69	49	86
Dominica*	7	8	9
Dominican Republic	36	33	37
Ecuador	94	100	113
El Salvador	143	143	219
Grenada*	6	9	10
Guatemala	19	21	29
Guyana	16	19	26
Haiti	39	-	-
Honduras	208	200	238
Jamaica	118	128	153
Mexico	95	110	126
Nicaragua	135	140	200
Panama	12	15	17
Paraguay	42	40	60
Peru	55	57	60
St. Kitts & Nevis*	9	10	12
St. Lucia*	9	8	10
St. Vincent & Grenadines*	5	7	8
Suriname	72	70	77
Trinidad & Tobago	12	11	12
Uruguay	74	79	94
Venezuela	93	97	121
Regional Total	2,684	2,861	3,399
Worldwide Total	8,216	9,655	10,307

*These countries comprise the Eastern Caribbean. See Eastern Caribbean narrative for specific country programs.

Foreign Military Financing
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
FMF	4,788,297	3,568,133	3,674,000

National Interests:

Foreign Military Financing (FMF) promotes U.S. national security by working toward global and regional stability through strengthening democratically elected governments and containing transnational threats, thereby reducing the likelihood of conflict and war. The FMF program results in strengthened coalitions, improved bilateral military relationships, and more capable friends and allies that are increasingly interoperable with U.S. forces. FMF is a critical foreign policy tool for promoting U.S. interests around the world by ensuring coalition partners and friendly foreign governments are equipped and trained to work toward common security goals and to share the burden in joint missions. Funds provided through this program enable key allies and friends to improve their defense capabilities by financing the acquisition of U.S. military articles, services, and training.

FMF is related to, but distinct from, Foreign Military Sales (FMS), the system which manages government-to-government military equipment sales. The majority of defense sales managed under the FMS process are paid for with national funds of the purchasing country. The FMF program also provides funds for purchases of military equipment and training using the FMS system. In doing so, the program encourages demand for U.S. systems and contributes to a strong U.S. defense industrial base, which is a critical element of the national defense strategy.

Objectives & Justification:

To assist allies and friends to help strengthen their self-defense capabilities, meet their legitimate security needs and promote defense cooperation;

To improve key capabilities of friendly countries to contribute to international crisis response operations, including peacekeeping and humanitarian crisis;

To promote the effectiveness and professionalism of military forces of friendly foreign countries;

To promote rationalization, standardization, and interoperability of the military forces of friendly foreign countries with U.S. Armed Forces;

To support the U.S. industrial base by promoting the export of U.S. defense related goods and services.

The vast majority of FMF, over 93%, goes to the Middle East (Israel, Egypt and Jordan) to promote regional peace and stability in helping to meet the legitimate security needs of parties engaged in trying to achieve peace in that region. This assistance supports the long-standing U.S.

policy goal of seeking a just, lasting and comprehensive peace between Israel and its Arab neighbors.

The balance of FY 2002 FMF grant funding will be used to:

continue to assist the newest NATO members (Czech Republic, Hungary and Poland) modernize and meet NATO standards;

provide support to NATO aspirants, the New Independent States and other eligible countries by providing training and equipment to facilitate their participation in NATO's Partnership for Peace (PfP) programs, exercises and operations;

assist the Baltic States and countries in Central and Southeastern Europe with ongoing modernization efforts, improvement in their peacekeeping capabilities, and continuation of programs supporting regional stability by promoting military reform;

continue assistance to Caribbean nations, which have been key partners with the U.S. in areas such as disaster relief and narcotics trafficking, to maintain small defense and maritime forces essential to regional peace and security;

help countries in the Western Hemisphere improve their ability to respond to growing regional instability;

provide training and equipment to Western Hemisphere countries that contribute to peacekeeping missions and respond to crises around the world, with the goal of improving their peacekeeping capabilities and reducing the burden on U.S. forces.

assist our Asian partners in strengthening basic force capabilities, improve their ability to maintain key defense systems and facilitate interoperability with U.S. forces;

help bring stability and peace to troubled nations in Africa by sustaining efforts to set up and train peacekeeping and humanitarian response capacity, through continued support of bilateral and multilateral peacekeeping operations in several countries and by supporting efforts to revamp military forces in ways that will help democracy flourish; and

continue funding the Enhanced International Peacekeeping Initiative (EIPC) which assists selected foreign countries in developing their institutional capacities to field more efficient and well-led peacekeeping units; enhances military interoperability, leadership performance, the use of common peacekeeping doctrine, and English language proficiency at the institutional level; and promotes burdensharing and regional capability to support peace.

The following table depicts the FMF request for FY 2002. Further details about the proposed programs can be found in the relevant country narratives.

Foreign Military Financing

($ in thousands)

	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
Africa			
Africa Regional Stability	-	17,911	3,000
Nigeria	10,000	-	10,000
South Africa	-	-	6,000
Subtotal - Africa	**10,000**	**17,911**	**19,000**
East Asia & the Pacific			
East Timor	-	1,791	1,000
Mongolia	-	1,990	2,000
Philippines	1,437	1,990	19,000
Subtotal - East Asia & the Pacific	**1,437**	**5,771**	**22,000**
Europe			
Albania	1,600	8,607	4,650
Bosnia and Herzegovina	-	5,970	2,500
Bulgaria	4,800	13,434	10,000
Croatia	4,000	3,980	6,200
Czech Republic	6,000	8,956	12,000
Estonia	4,000	6,169	6,500
Hungary	6,000	8,956	12,000
Latvia	4,000	5,174	7,000
Lithuania	4,400	6,468	7,500
Macedonia	-	13,582	10,500
Malta	450	2,985	1,000
Poland	8,000	12,240	15,000
Romania	6,000	16,916	11,500
Slovakia	2,600	10,747	8,500
Slovenia	2,000	5,473	4,500
Subtotal - Europe	**53,850**	**129,657**	**119,350**
Near East			
Egypt	1,300,000	1,293,592	1,300,000
Egypt Supplemental	25,000	-	-
Israel	1,920,000	1,980,000	2,040,000
Israel - Wye	1,200,000	-	-
Jordan	74,715	74,630	75,000
Jordan - Wye Supplemental	150,000	-	-
Morocco	1,500	2,488	3,500
Tunisia	3,000	3,483	3,500
Subtotal - Near East	**4,674,215**	**3,354,193**	**3,422,000**

Foreign Military Financing

($ in thousands)

	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
Newly Independent States			
Georgia	3,000	4,478	5,650
Kazakhstan	1,500	1,891	2,750
Kyrgyzstan	1,000	1,841	2,000
Moldova	1,250	1,493	1,800
Turkmenistan	600	697	700
Ukraine	3,250	3,980	4,800
Uzbekistan	1,750	2,438	2,950
Subtotal - Newly Independent States	**12,350**	**16,818**	**20,650**
Western Hemisphere			
Argentina	450	995	-
Bahamas	50	139	100
Belize	100	199	300
Dominican Republic	400	647	220
Eastern Caribbean	1,300	1,542	2,130
El Salvador	-	-	3,500
Guyana	100	124	600
Haiti	300	448	600
Jamaica	500	582	900
Suriname	-	-	250
Trinidad & Tobago	250	299	400
WHA Conflict Prevention/Response	-	-	5,000
Argentina	-	-	2,000
Bolivia	-	-	1,000
Chile	-	-	1,000
Uruguay	-	-	1,000
WHA Regional Stability	-	-	4,000
Bolivia	-	-	1,000
Ecuador	-	-	1,000
Panama	-	-	1,000
Peru	-	-	1,000
Subtotal - Western Hemisphere	**3,450**	**4,975**	**18,000**
Global			
Enhanced International Peacekeeping	2,500	5,970	8,000
FMF Administrative Costs	30,495	32,838	35,000
Policy Initiatives	-	-	10,000
Subtotal - Global	**32,995**	**38,808**	**53,000**
Total	**4,788,297**	**3,568,133**	**3,674,000**

FMF Administrative Costs
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
FMF	30,495	32,838	35,000

National Interests:

FMF Administrative funds support the national security of the United States. Funding for select headquarters staff and about one half of the support costs of Security Assistance Officers in the field enable the professional implementation and oversight of the Foreign Military Financing grant program.

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 Defense Security Cooperation Agency (DSCA).

Objectives & 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 Arms Export Control Act and the Foreign Assistance Act. These functions include staffing headquarters, personnel management, budgeting and accounting, office services and facilities and support for non-FMS functions of the overseas Security Assistance Organizations (SAOs).

The Defense Administrative Costs account funds administration of the IMET program; management of drawdowns of military equipment and services; grant transfers of excess defense articles and naval vessels; fulfilling responsibility for monitoring military items previously transferred under the former Military Assistance Program (MAP); reviewing FMF-financed Direct Commercial Contracts (DCC); and management of the FMF program. The initiation and expansion of security assistance relationships with many new democracies around the world require the establishment of SAOs in an increasing number of locations.

The FY 2002 request for Defense Administrative costs will fund the establishment and/or the continuing operating costs of new SAOs and is essential to the effective management of security assistance programs with these new defense partners. The sustained increases in IMET funding levels from the FY 1995 level of $26 million has also increased administrative workload and funding requirements. Departmental and headquarters management and oversight for FMF programs, not connected to FMS, have grown significantly. The amount requested is the minimum essential funding to accomplish the mission.

FMF Administrative Costs
($ in thousands)

Program	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
Departmental & Headquarters Administrative Expenses (a)	7,505	9,848	10,401
SAO Administrative Expenses (a)	22,990	22,990	24,599
Total, Budget Authority	30,495	32,838	35,000

(a) Excludes Defense Security Cooperation Agency (DSCA) and overseas security assistance organization (SAO) costs related to FMS which are financed from sales under sections 21, 22, and 29 of the Arms Export Control Act. See Overseas Military Program Management table for further details on SAO costs.

Peacekeeping Operations
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
PKO	149,952	126,721	150,000

National Interests:

Peacekeeping Operations (PKO) funds support U.S. national interests in promoting human rights, democracy, and regional security, and facilitating humanitarian response. The PKO account promotes increased involvement of regional organizations in conflict resolution, multilateral peace operations, and sanctions enforcement. The United States has a strong interest in enhancing the ability of other nations to lead or participate in voluntary peacekeeping and humanitarian operations through these organizations in order to reduce the burden on the United States. PKO funds also help leverage fair-share contributions to joint efforts where no formal cost sharing mechanism is available.

Objectives & Justification:

Peacekeeping is often necessary to separate adversaries, maintain peace, 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. Such peacekeeping operations can reduce the likelihood of hostile interventions by other 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.

PKO account objectives include: promoting regional and global stability by supporting multilateral peacekeeping initiatives; encouraging greater participation of foreign forces in international peacekeeping activities; and leveraging fair-share contributions to peacekeeping efforts from those countries with greater potential to pay, while facilitating increased participation of poorer countries when resource constraints would otherwise prevent it.

Programs for FY 2002 include:

Support for the Joint Military Commission, made up of representatives of each party to the Lusaka Peace Accords, which is working with the United Nations to implement the cease fire agreement in the Democratic Republic of Congo;

These funds will help support the Organization for African Unity's (OAU) role in implementing the peace agreement between Eritrea and Ethiopia and help bring stability to this region of Africa.

Funding for the final year of the African Regional Crisis Initiative (ACRI) that will enable the continuation of training for African military forces in basic military skills for peacekeeping and crisis management. These funds include purchasing equipment and other necessary items for

non-lethal training for battalion and brigade exercises, as well as administrative costs for the ACRI program.

Funds for the U.S. share of support to the Multinational Force & Observers in the Sinai, which monitors the common border areas between Israel and Egypt in support of ongoing peace efforts in the Middle East.

Providing the U.S.-assessed share for the Organization for Security and Cooperation in Europe (OSCE), to carry out conflict prevention and crisis management missions in Bosnia, Croatia, Kosovo and selected Central European countries and the New Independent States, as well as to institute a rapid reaction capacity to deploy teams to address crises throughout the OSCE region. This meets Dayton Accord agreed assessments and supports the Office of the High Representative.

Providing support for ongoing bilateral and/or multilateral peacekeeping and capacity-building efforts in East Timor, such as continued U.S. civilian police participation in the UN Transitional Administration in East Timor (UNTAET) mission, and assistance in local police force and criminal justice system development.

The following table outlines the FY 2002 Peacekeeping Operations request

Peacekeeping Operations

($ in thousands)

Country	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
Africa Crisis Response Iniative	20,000	20,000	20,000
Africa Regional Peacekeeping	16,654	26,500	51,000
East Timor	8,500	8,500	8,000
Haiti	3,800	1,721	-
Israel-Lebanon Monitoring Group	450	-	-
Multinational Force and Observers	15,902	16,000	16,400
OSCE Bosnia	51,271	18,500	20,500
OSCE Croatia	-	3,300	3,300
OSCE Kosovo	33,375	15,500	14,500
OSCE Regional - Europe	-	16,700	16,300
Total	**149,952**	**126,721**	**150,000**

MULTILATERAL ECONOMIC ASSISTANCE

Multilateral Development Banks
International Organizations and Programs

Multilateral Development Banks

Detailed justification not available at time of publication.
See justification in the Department of the Treasury's FY 2002 budget submission.

International Organizations and Programs
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
IO&P	188,300	185,591	186,000

National Interests:

International organizations and programs support U.S. national interests by addressing many global challenges, such as climate change, ozone depletion, aviation security, and humanitarian relief that require international consultation and coordination. In some areas, such as protecting the ozone layer or safeguarding international air traffic, solutions cannot be effective unless they are global. In other areas, such as the emergency provision of food, the United States multiplies the influence and effectiveness of its contributions through support for international programs.

Objectives & Justification:

Multilateral institutions support a wide network of international agreements in many different areas including 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.

The UN Development Program is the oldest and largest of the UN Funds and Programs. UNDP's priorities are fully consistent with U.S. foreign policy goals and complement U.S. bilateral efforts. Its near universal presence in program countries gives it credibility as a neutral platform for development activities. Close cooperation with host governments often provides UNDP's resident representatives with the access necessary to convey difficult ideas, suggestions, or support. UNDP's country-level collaboration enables it to operate effectively in even the most difficult circumstances. UNDP also has been a leader in putting the UN reform agenda into operation. In his capacity as head of the UN Development Group (UNDG), the UNDP Administrator has continued to push for greater field-level coordination of UN activities through the resident coordinator system. As the source of funds and manager of this system, UNDP instituted competency-based selection of resident coordinators using independent assessments, a significant departure from past UN practices. It is important for the United States to demonstrate continued support for an organization that has been most responsive to our insistence upon reform.

Achieving a healthy and sustainable world population is a critical element of the U.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. Sustainable 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 United States implements its international population policy through both bilateral and multilateral programs. The UN Population Fund

(UNFPA) is the largest multilateral provider of population assistance and has primary responsibility among the UN system for population issues. It operates in over 160 developing countries to meet internationally-agreed quantitative goals on access to reproductive health care and voluntary family planning services, safe motherhood, HIV/AIDS education and prevention, and education for women and girls. UNFPA does not fund abortions nor does it advocate abortion as a means of family planning.

The Montreal Protocol provides the framework for the world to address the problem of ozone depletion. Support of the Protocol benefits U.S. national interest in protecting the health of American citizens, the world community, and the global environment. Certain manufactured chemicals emitted into the atmosphere have led to the destruction of the stratospheric ozone layer. Without repairing the ozone layer that shields the earth, dangerously high levels of ultraviolet (UV) light reach the surface of the earth. 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 FY 2002, the Afghan Emergency Trust Fund is requested under Migration and Refugee Assistance; the International Fund for Agricultural Development (IFAD) is requested under International Financial Institutions, and the UN Children's Fund (UNICEF) is included in the Child Survival and Diseases account.

UN Voluntary Fund for Technical Cooperation in the Field of Human Rights
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
IO&P	1,500	1,500	1,500

National Interests:

Contributing to the UN Voluntary Fund for Technical Cooperation in the Field of Human Rights furthers the U.S. goal of promoting democracy and human rights. The U.S. contribution demonstrates America's commitment to democratization, respect for the rule of law, good governance and the promotion and protection of human rights. The UN can use the Fund to undertake projects which, in some instances, the United States cannot implement bilaterally. In addition, the Fund often complements other bilateral, regional, and non-governmental organization programs.

Objectives & Justification:

The UN Secretary General formally created the Fund in 1987. 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 and provides the resources necessary to implement UN-related international conventions and other human rights instruments.

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, and, as a result of U.S. initiative, several UNHRC special rapporteurs are now authorized to recommend programs for funding consideration. The High Commissioner for Human Rights 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. The Fund provides experts to train government officials, draft, review or revise legislation, and conduct human rights education programs and training programs for police and military forces.

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 adopt, implement and adhere to the democratic traditions which donor nations are promoting. Reliable funding would also strengthen the effectiveness of the UN High Commissioner for Human Rights as overseer of the UN Human Rights Programs, as well as reiterate the U.S. commitment 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. Contributions have climbed to more than $7 million annually, led by the United States and other western nations. In recent years, as more countries have begun the transition to democracy, the number of requests for assistance has increased considerably. At present an annual backlog of more than $10 million in unfunded projects exists. Maintaining our FY 2000 and FY 2001 funding level of $1.5 million in FY 2002 will help continue to leverage increased contributions by other governments.

UN Voluntary Fund for Victims of Torture
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
IO&P	5,000	5,000	5,000

National Interests:

Providing funding to the United Nations Voluntary Fund for Victims of Torture (the Fund) supports the U.S. foreign policy goal of promoting 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. U.S. contributions underscore our commitment to the rights of the individual and to the essential importance of protecting these rights. Contributions to the Fund also demonstrate the U.S. commitment to humanitarian assistance to victims of human rights violations.

Objectives & Justification:

As of May 1998, 105 countries have ratified the UN 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.

The U.S. has been at the forefront of efforts to end torture internationally. As the single largest contributor to the Fund in recent years, U.S. contributions underscore our commitment and encourage other governments to increase their contributions. Each year the Fund receives requests for financial support far in excess of available funds, leading to a considerable shortfall. Only 31 countries contributed to the Fund in 1997. The International Rehabilitation Council for Torture Victims estimates a need of over $10 million in additional funds for rehabilitation services.

The Fund, 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. All grants are awarded by the five-member Fund 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.

Starting from the first treatment and rehabilitation center in 1982, there are now over 200 such centers in over 60 countries all over the world including the United States. From 1983 to 1997, the Fund financed 255 projects for direct assistance to victims of torture. The 26th of June was officially proclaimed "United Nations Day in Support of Torture Victims" and was marked for the first time in 1998. As more countries ratify the Torture Convention and make the

commitment to observe international human rights standards, they are also likely to acknowledge their responsibility to treat and rehabilitate victims of torture. The Fund finances training programs for health care professionals specializing in the treatment of torture victims and human rights courses for government officials and police forces.

Organizaton of American States Fund for Strengthening Democracy
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
IO&P	2,500	2,500	2,500

National Interests:

The funds requested are in support of programs to strengthen democracy and human rights protection through the Organization of American States' (OAS) Unit for the Promotion of Democracy and the Inter-American Commission on Human Rights. In supporting these programs, this Fund advances the fundamental U.S. goal of a Western Hemisphere comprised of stable democracies, where respect for human rights and the rule of law is the norm and the cause of good governance is advanced. Both efforts complement existing U.S. bilateral programs and help implement U.S. strategic approaches in the Summit of the Americas process.

Objectives & Justification:

The Unit for the Protection of Democracy is the organ of the OAS Secretariat responsible for activities that support democratic consolidation in the hemisphere. Created in 1990 by the OAS General Assembly, the Unit provides (in the words of its enabling resolution) "advice or assistance to preserve or strengthen their political institutions or democratic processes." The $2.5 million requested supports specific activities in areas of strategic importance to the U.S. including electoral observation missions, the reform of election laws and administrations, peace-building initiatives, humanitarian demining in Central America and the Andean region, and emergency responses to threats to democratic institutions.

OAS electoral observations defused potential trouble in recent elections in Peru, Guyana, St. Vincent and the Grenadines, Suriname and Venezuela. A high level Special Mission to Peru was instrumental in facilitating critical political reforms and the restoration of democracy in Peru. The Unit's demining program has provided cost-effective support in the removal of approximately 60,000 mines and unexploded artifacts in Central America. This program's success in advancing peace and democracy led to a new initiative to expand demining efforts to Peru and Ecuador. The Unit could not carry on this work without $10-$15 million of external financial assistance, of which the Democracy Fund is a small but key component. The Fund is also essential to leverage other international contributions for democratic stabilization and reform programs.

The Inter-American Commission on Human Rights is one of the two main organs in the inter-American system (along with the Inter-American Court on Human Rights) that are responsible for monitoring and adjudicating human rights complaints. The Commission also conducts on-site visits and publishes its observations in special country reports. In addition, the Commission works on special projects of direct interest to the United States. For example, in 1998 the Commission created a "Special Rapporteur on Freedom of Expression" to protect press freedom in countries where governments seek to curtail it by pressure, threats and violence. The reluctance of OAS member states to fund the Commission at an adequate level makes U.S.

voluntary contributions essential to carrying out on-site visits and achieving its broader mission of advancing the human rights agenda in the region.

Finally, the OAS Fund for Strengthening Democracy supports preventative diplomacy initiatives aimed at strengthening the capacity of the Inter-American system to respond to threats to democratic institutions, such as the recent threats to democracy in Peru and Haiti. The Fund also will help the OAS continue to implement Summit of the Americas priorities for improving the effective exercise and consolidation of democracy, promoting human rights, advancing good governance norms, and fostering greater participation of woman and indigenous peoples in democratic societies.

World Food Program
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
IO&P	5,000	5,000	5,400

National Interests:

The World Food Program's (WFP) current primary enterprise is feeding the hungry through emergency operations. U.S. donations of cash and commodities to WFP help to achieve the U.S. objectives of combating starvation, poverty, and human misery, while promoting a degree of stability in turbulent circumstances. Hence, U.S. contributions to WFP advance our national interest and strategic goal of humanitarian response, and, by extension, the strategic goals of promoting regional stability and democracy and human rights. Thirteen percent of WFP's project funds are devoted to development, which fosters the U.S. strategic goals of economic development and environmental protection.

Objectives & Justification:

WFP is the UN system's front-line multilateral food agency, providing emergency food intervention and grant development assistance. WFP uses commodities and cash donated by member countries for humanitarian relief, and social, economic, and environmental development. WFP operates exclusively from voluntary contributions from member states. Commodities are distributed as emergency food assistance in the aftermath of natural and man-made disasters, in protracted relief and recovery operations to assist refugees and displaced persons, and in development projects that promote food security.

WFP responded quickly and effectively to numerous man-made and natural disasters throughout 2000, when it fed more than 89 million persons in more than 80 nations. WFP spent 62 percent of its resources in 2000 on emergency programs, 25 percent on other humanitarian relief projects, and 13 percent on development activities. WFP development projects relate directly to its food aid mission and seek to improve agricultural production, rural infrastructure, nutrition and the environment. Food-for-work projects helped build infrastructure and promote self-reliance of the poor through labor-intensive programs. WFP is the largest provider of grant assistance to Africa within the UN system.

Last year, WFP, together with other UN agencies and NGOs, averted a famine in the Horn of Africa, where some 16 million persons were at risk. By year's end, more than a dozen African countries were embroiled in varying degrees of armed conflicts, from Angola to Sierra Leone. About 16 million persons were affected by humanitarian consequences of armed conflict combined with drought in the Horn of Africa and the Great Lakes. Six million Africans were either refugees or internally displaced persons. The WFP also delivered crucial relief in 2000 to such diverse food insecure places as the Democratic People's Republic of Korea, the Balkans, Afghanistan, the former Soviet Union and Eastern Europe and Latin American and the Caribbean, particularly Haiti, Nicaragua, Bolivia and Honduras. The United States has encouraged the

organization to focus on its comparative advantage in relief and rehabilitation and place less emphasis on development, an area better handled elsewhere in the UN system.

An annual contribution from the IO&P account enables WFP to cover miscellaneous costs while waiting for donor pledges to be fulfilled and for donors to defray delivery costs. In recent years, it has proven critical in helping WFP bridge serious financial gaps.

UN Development Program
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
IO&P	80,000	87,091	87,100

National Interests:

Economic prosperity is one of the seven national interests identified in the Strategic Plan for International Affairs. With programs in over 170 countries, the New York-based United Nations Development Program (UNDP) is the largest source of grant-based, technical cooperation assistance in the UN system. It is the chief coordinating organization for development/technical assistance implemented by UN agencies. UNDP emphasizes economic reform, democracy and peace building. In promoting economic prosperity, UNDP works to improve developing countries' trade and investment attractiveness, infrastructure, institutions, and rule of law (including anti-corruption) through projects in governance and institutional capacity building. All these elements facilitate cooperative and productive participation within an increasingly complex, global web of nations.

UNDP is the oldest and largest of the UN Funds and Programs. Its priorities are fully consistent with U.S. foreign policy goals and complement U.S. bilateral efforts. Its near universal presence in program countries gives it credibility as a neutral platform for development activities. Close cooperation with host governments often provides UNDP's Resident Representatives with the access necessary to convey difficult ideas, suggestions, or support. UNDP's country-level collaboration enables it to operate effectively in even the most difficult circumstances (e.g., North Korea, Afghanistan and Sudan; in Burma UNDP, proscribed from contact with the ruling junta, has an effective, far-reaching community-based program).

UNDP is financed by voluntary contributions from UN member countries. Throughout UNDP's history, the U.S. has generally been the largest contributor to the organization. As a large donor, we retain a permanent position on UNDP's governing body, the Executive Board, along with Japan. Support for UNDP remains in our critical interests. UNDP's programs encourage sustainable, open economies and constitutional democracies.

Objectives & Justification:

In line with U.S.-backed reform initiatives, UNDP has changed dramatically over the last five years. It has moved away from a pure entitlement system to one that includes performance-based criteria for country allocations and greater local capacity building through national execution. Furthermore, the organization has implemented decentralized decision-making, is reducing its headquarters staff, is putting greater focus on areas of "comparative advantage," and is advocating more forcefully for key global objectives such as poverty alleviation, and good governance.

UNDP has been a leader in putting the UN reform agenda into operation. In his capacity as head of the UN Development Group (UNDG), the UNDP Administrator has continued to push

for greater field-level coordination of UN activities through the resident coordinator system. In a significant departure from past practices, UNDP has instituted competency-based selection of its resident coordinators using independent assessments.

U.S. strategy is to engage the leadership of UNDP and its Executive Board to make the organization as efficient, effective and accountable as possible. The United States 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.

The budget request for FY 2002 is about the same as the FY 2001 pledge level. Support for UNDP remains in our vital interests. UNDP's programs encourage sustainable, open economies and constitutional democracies. It is important for the U.S. to demonstrate continued strong support for the organization as it continues the reform process.

UN Development Fund for Women
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
IO&P	1,000	1,000	1,000

National Interests:

The UN Development Fund for Women's (UNIFEM) 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. 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's goals coincide with several of our strategic goals: economic development, democracy and human rights, and global growth and stability.

Objectives & Justification:

For FY 2002, one million dollars is requested to support programs to strengthen women's economic capacity, to enhance women's governance and leadership, and to promote women's human rights. UNIFEM is the only UN voluntary fund whose primary concern is the integration of women into the national economies of their countries. Since its creation in 1976, UNIFEM has focused on three areas:

For Strengthening Women's Economic Capacity UNIFEM: is working to find new international markets for women's traditional products; including tests approaches to development and shares the lessons it learns with other development organizations, working in Western Asia on a series of projects to give women the skills they need to successfully run small-scale businesses, working in Burkina Faso to pilot a project that could demonstrate how small-scale, women-run enterprises can compete successfully in global markets and working in India with the Self-Employed Women's Association to improve conditions for home-based workers.

For Engendering Governance and Leadership UNIFEM is working: in Francophone Africa to facilitate a process of building women's leadership skills through a training program implemented by the Institute for African Democracy; in South Asia with the Aga Khan Foundation to look at alternative ways in which women are organizing for economic empowerment; and in the CIS region to meet the challenges of peace-building by strengthening women's contributions to peace negotiations.

For Promoting Women's Human Rights UNIFEM: initiated global inter-agency campaigns in which nine UN agencies joined together to address violence against women and girls and, through its trust fund for the elimination of violence against women, worked with NGOs around the world to eradicate female genital mutilation and to combat trafficking in women and girls.

OAS Development Assistance Programs
($ in Thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
IO&P	5,150	5,500	5,500

National Interests:

The request is for the U.S. contribution to the development assistance programs of the OAS's Inter-American Council for Integral Development managed by the Inter-American Agency for Cooperation and Development (IACD). The programs contribute to the economic development of the hemisphere as well as to the administration and delivery of services by the public sector by using projects to share best practices. Income disparity in the region continues to be the worst in the world. Strengthening member states' capacity to overcome extreme poverty contributes to the overall goal of consolidating democratic institutions and addressing global issues in environmental management. The level of funding that the United States contributes is used as a barometer of U.S. commitment to the development of member states with smaller and more vulnerable economies. Support for U.S. political initiatives is influenced by our commitment to these programs.

Objectives & Justification:

The OAS program is one of the largest pools of grant resources available in the hemisphere and is ideally suited to finance the type of multinational projects that will emerge from the Summit. This program fills a niche that is left vacant by larger institutions that finance loans for individual member states. By promoting joint projects, this program leverages the use of scarce grant resources to address common problems.

The new Inter-American Agency for Cooperation and Development (IACD) has improved and strengthened program execution and has entered into partnership with private sector and other non-government entities to develop projects that promote the use of best practices in educational technology, government procurement and science and technology. The Agency has restructured its capacity to assist member states in formulating project proposals, execute pre-feasibility studies and assist in identifying financing from outside sources for ongoing larger projects.

The Director General has drawn upon his many contacts in the government, private sector and academia to negotiate and sign partnership agreements that will leverage voluntary fund resources and will provide additional support and resources to develop the Educational Portal of the Americas and implement other education mandates of the Santiago and Quebec Summits, as well as specific initiatives presented by the member states to the Second Ministers of Education Meeting. As an example, the Educational Portal of the Americas is a U.S. initiative that will implement the Canadian concept of connectivity with technology developed by the Instituto Tecnologico de Monterrey of Mexico with financing from Microsoft Corporation. Over one hundred and fifty universities and centers of learning have already expressed an interest in posting

courses on the Portal. The IACD has already received pledges of 200 fellowships for degree courses being offered on the internet by some of these universities.

The Agency will evaluate results of the first Strategic Plan that was approved following the Miami Summit in order to determine what changes need to be made to reflect and implement new Summit priorities. Member states will also adapt project and evaluation methodologies to take better advantage of the opportunities offered by the new partnerships that have been developed.

The OAS will continue to tailor its specific projects to the comparative advantage it has over other institutions in the following areas:

Design and implementation of multinational projects at a lower cost utilizing best practices and leveraging the existing OAS fellowship and training programs to improve training in all fields;

Identification for member governments of priority areas for policy reform, i.e. trade liberalization, environmental management, labor management, labor markets and regulations and the exchange of experiences and best practices in the implementation of those reforms;

Use of established networks for cooperative multinational programs in areas such as social and educational development, environmental protection and watershed management, port security and science and technology; and

Assist smaller economies with the formulation of national or regional projects that promote institution building to allow better access to multinational cooperation or to obtain reimbursable financing.

World Trade Organization/Technical Assistance and Capacity Building
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
IO&P	0	1,000	1,000

National Interests:

The United States actively supports efforts to provide trade-related capacity building assistance to developing and least developed countries. Promoting trade liberalization and the development of rules-based economic systems in our trading partners encourages investment, and increases the ability of these countries to take advantage of the benefits of market access opportunities provided by World Trade Organization (WTO) agreements.

Objectives & Justification:

For FY 2002, one million dollars is requested as the U.S. contribution to the World Trade Organization (WTO) Global Trust Fund for Technical Assistance. Funds will be used to support WTO technical assistance activities for WTO Member developing countries, with a particular emphasis on least developed countries, economies in transition, and countries in the process of accession. The objective of WTO technical assistance activities is to assist recipient countries in their understanding and implementation of agreed international trade rules, in achieving their fuller participation in the multilateral trading system, and ensuring a lasting, structural impact by directing technical assistance towards human resource development and institutional capacity building.

The Global Trust Fund was created in July 1999 to replace a number of individual trust funds and provide predictable and stable funding for WTO technical assistance activities. These activities contribute to four specific U.S. objectives:

To promote open and transparent markets. WTO technical assistance helps countries to understand and adopt open and transparent rules and regulatory regimes, both to comply with WTO obligations and to promote trade. For example, most WTO agreements require countries to notify their trade laws and regulations, and, in many cases, obligate them to procedural disciplines designed to ensure transparency and openness.

To provide opportunities for U.S. exports. Implementation of the multilateral rules that are fundamental to the WTO creates access for U.S. exports. For example, the Agreement on Customs Valuation requires WTO Members to implement transparent and fair valuation procedures for imports.

To promote global growth and stability. The Asian financial crisis demonstrated the importance of global growth and stability to the world, and certainly to the United States. Those countries that had successfully implemented economic reforms and WTO rules weathered the storm and emerged quickly. WTO technical assistance activities support the implementation of WTO rules.

To foster economic development. For most developing countries and economies in transition, economic development is a fundamental need and objective. History shows that the capacity to trade is a key component of economic development, including integration into the rules-based trading system.

The Global Trust Fund for Technical Assistance of the World Trade Organization supplements regular budgetary funds for the technical assistance and capacity building activities of the WTO Secretariat. The Secretariat's activities in this area help WTO Member developing countries and economies in transition, as well as countries in the process of acceding to the organization understand and implement the rules of the multilateral trading system. This assistance contributes to the U.S. national interests by helping countries become integrated into the world trading system, which in turn contributes to their economic prosperity and stability.

International Civil Aviation Organization
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
IO&P	300	300	300

National Interests:

The Aviation Security Fund and the U.S. contribution for Aviation Safety together promote U.S. national interests in Law Enforcement and protection of American Citizens. In supporting international aviation security improvements the United States is simultaneously supporting foreign affairs strategic goals related to open markets, counterterrorism, and protection of American citizens. The Fund strengthens aviation security with the goal of preventing terrorism and unlawful interference with civil aviation and its facilities.

Through the Aviation Safety program, the International Civil Aviation Organization (ICAO) has been able to address inconsistencies in aircraft design and certification standards. These inconsistencies hinder the identification of potential safety problems before an aircraft is placed into service and cause a considerable waste of aviation safety resources on duplicative processes. A better aircraft certification standard will improve the safety of all new aircraft regardless of the state of design or manufacture. The program continues to address deficiencies in the use of the English language and phraseology in air traffic communications. Improved communication procedures directly contribute to safer air travel and benefit U.S. strategic goals regarding open markets and protection of traveling American citizens.

Objectives & Justification:

The ICAO Aviation Security Fund was established following the explosion 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 Aviation Security Fund. The destruction of UTA flight 771 over Niger in September 1989 further emphasized the urgency of the situation. In the wake of the 1997 TWA flight 800 plane crash near Long Island, the U.S. urged ICAO to accelerate the establishment of additional heightened security measures at airports.

Since 1990, the Aviation Security Fund has been highly successful in rendering assistance to states in the implementation of ICAO aviation security standards with focus on: aviation security program development, including national legislation; training program development and implementation; pre-board screening of passengers; passenger and baggage handling/reconciliation; control of access and protection of aircraft; assessment and dissemination of threat; and contingency planning and management of response to acts of unlawful interference.

In 2002, ICAO will continue its evaluation visits to countries that have requested assistance, as well as follow-up missions. It also will continue to provide advice, and workshops and specialized training, including on specifically focused topics to meet deficiencies in programs and procedures.

The FY 2002 request of $200,000 for the Fund will continue to be applied to the development of standardized training packages that comprise parts of the ICAO Aviation Security training program. ICAO also will provide model training courses for aviation security personnel to enable states to achieve self-sufficiency in basic aviation security implementation and training.

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 percent of all international air passengers.

The FY 2002 request of $100,000 for aviation safety will help ICAO develop a program to establish a single worldwide aircraft design standard. The development of this global standard will significantly improve aviation safety. The effort may allow the refocusing of aviation safety resources to improvements in operations/infrastructure with high potential safety value. The global standards also will result in a significant improvement in the aircraft certification process in non-western states that presently utilize significantly different certification standards.

UN Environment Program
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
IO&P	10,000	10,000	10,750

National Interests:

The United Nations Environment Program (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 the environmentally sound 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.

Objectives & Justification:

The United Nations Environment Program (UNEP) is a principal venue for advancing U.S. international environmental interests in a multilateral context. Continued U.S. leadership in UNEP is crucial if UNEP is to fulfill its role of promoting sound environmental management. U.S. involvement also 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 policies and standards.

UNEP provides an important forum for catalyzing and coordinating international responses to global and regional environmental problems. UNEP identifies environmentally-sound development practices and supports the collection, assessment, and dissemination of environmental information to governments, the private sector, and academia. UNEP also facilitates the use of and response to this information by providing governments, particularly developing countries, with advice and training, upon request, in environmental assessment, management, legislation, and regulation.

UNEP's role advising the international community on global environmental trends is essential if economic growth, urbanization, and population pressures are to be addressed in a sustainable manner over the long-term. Specifically, UNEP provides the United States with a forum to discuss international issues and provides a platform from which to launch cooperative efforts on a range of issues that impact directly and indirectly on U.S. strategic interests, including persistent toxic substances, hazardous wastes, coastal zone management, diffusion of environmentally-sound technologies, transboundary air pollution, and clean drinking water.

UNEP's work focuses on land resource degradation, including desertification and deforestation, and loss of biodiversity; oceans and coastal areas, including coral reef protection; toxic chemicals and hazardous wastes; fresh water supply and quality; atmospheric pollution issues; and trade and environment issues.

A U.S. contribution of $10.75 million is requested in FY 2002 to support UNEP and a range of international programs it oversees, administers or with which it is associated. This request level is necessary to achieve several important U.S. objectives through UNEP, such as sponsoring international negotiations on regulating toxic chemicals, such as DDT, that are carried over long-distances and pose health risks to U.S. citizens. U.S. funding also helps UNEP address problems posed by land-based sources of marine pollution. U.S. support at the $10.75 million level will also leverage funding from other major donor countries, including Japan, the United Kingdom, and Germany.

The U.S. contribution to UNEP helps fund the Secretariats of several important international environmental agreements and UNEP-related programs, including the Intergovernmental Forum on Chemical Safety and the South Pacific Regional Environment Program. U.S. funding for UNEP will support important ongoing work to monitor and assess the state of the global environment.

Montreal Protocol Multilateral Fund for the Protection of the Ozone Layer
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
IO&P	28,000	26,000	25,000

National Interests:

The Montreal Protocol benefits U.S. national interests in protecting the health of American citizens, the world community, and the global environment. Certain manufactured chemicals emitted into the atmosphere have led to the destruction of the stratospheric ozone layer. Without repairing the ozone layer that shields the earth, dangerously high levels of ultraviolet (UV) light reach the surface of the earth. 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.

Objectives & Justification:

The Montreal Protocol Multilateral Fund provides funding to developing countries of the Protocol to carry out its overarching objective: reversing the human-created damage to the ozone layer done by emissions of ozone-depleting substances (ODSs). With adequate support, the Fund can ensure that ozone-depleter phaseout schedules are met. Maintaining financial support to the Fund protects the effort the United States has taken domestically to phase out ODS. Ozone depletion is a global problem. U.S. efforts would be undermined and our resources ill-spent if other countries continue or increase their use of ODSs.

Since 1991, when the Fund was created, Fund projects have provided excellent opportunities for U.S. industries to export technologies and for U.S. technical experts to provide consulting services. The United States is a leader in ozone protection technologies and has captured a significant portion of the sales/technology transfer opportunities created by Multilateral Fund projects. Among other objectives, in FY 2002, the United States will work to reduce chlorofluorocarbon (CFC) smuggling.

International Conservation Programs
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
IO&P	5,150	5,450	5,700

National Interests:

The United States currently supports several international conservation programs, including the World Conservation Union (IUCN), International Tropical Timber Organization (ITTO), Convention on International Trade in Endangered Species (CITES), Ramsar Convention on Wetlands, the United Nations Forum on Forests (UNFF) and the Montreal Process on Criteria and Indicators for Sustainable Forest Management. Such programs are essential to conserving the world's productive ecosystems and the ecological and economic goods and services they provide. As the world continues to grapple with the growing effects of population growth and concomitant environmental degradation both on land and in the seas, modest U.S. expenditures support these key organizations and initiatives takes on ever greater importance.

The United States is an influential participant in these programs. An increased understanding of the critical interdependence of conservation and sustainable management and use of global natural resources and human welfare and prosperity lies squarely within our foreign policy agenda. U.S. leadership in this area is reflected in support for programs which have a proven record in implementing the principle of sustainable development, striking a balance between protection of resources and their responsible use for legitimate needs.

On a comparable basis, the FY 2002 request for international conservation programs is the same as FY 2001. However, an adjustment of $250,000 is necessary in this budget request to reflect the transfer of funding for the Convention to Combat Desertification (CCD) from the United Nations Environment Program (UNEP) to International Conservation Programs.

Objectives & Justification:

CCD: The United States ratified the Convention to Combat Desertification (CCD) in November 2000, and the U.S. became a party to the Convention on 15 February 2001. There are currently 172 signatories to the CCD, including both developed and developing countries. The Convention is intended to address the fundamental causes of famine and food insecurity in Africa by stimulating more effective partnership between governments, local communities, non-governmental organizations, and aid donors and by encouraging the dissemination of information derived from new technology. The CCD also provides mechanisms for the exchange of technology and know-how on an international and regional basis, an area of strength for the United States private sector.

The United States strongly supports the aims of the CCD and believes it is a unique instrument to help affected parties develop and implement national action plans to address desertification in arid and semiarid lands through partnerships and with the help of the international community. In particular, the Convention aims to combat desertification through the

development and implementation of national action plans in affected countries, and by empowering individuals and communities, through their participation in development and implementation, to devise grassroots solutions to problems of desertification and dryland degradation. The United States has been engaged in regional anti-desertification efforts consistent with the aims of the CCD, particularly in Africa. USAID contributes roughly $35 million annually to anti-desertification activities, including assistance to the development of National Action Plans, which supports U.S. obligations consistent with the Treaty.

CITES: The Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) protects species threatened or endangered by trade by managing international trade in certain plants and animals and where necessary, prohibiting such trade. The United States provided the impetus for the negotiation of the treaty, which was signed in Washington, D.C. in 1973 and now has 148 parties. CITES advances U.S. environmental goals of preserving global biodiversity, while exploring the possibilities of sustainable development.

CITES' two-tiered listing system allows for trade in some species. This is done through a system of permits, enabling such activities as research and education and such commercial activities as big game hunting and alligator farming to take place. This results in economic benefits to the concerned parties, including the United States, while controlling any trade in highly endangered species. Besides affording these tangible economic benefits, CITES provides an important international political forum at its biennial Conferences of the Parties. As a major donor to the Convention, and one with strong scientific and wildlife management credentials, the United States enjoys strong influence and has affected the development and implementation of international wildlife trade policy. The United States has served as the chair of the new Finance and Budget subcommittee of CITES' Standing Committee, the executive body of the Convention, and is serving as chair of the Standing Committee until the next CITES Conference of the Parties (COP), now scheduled for November 2002.

Ramsar: The U.S. voluntary contribution to the Ramsar Convention helps to support the core budget of the Convention and also funds a U.S. -initiated wetlands training and capacity building grants program for the Western Hemisphere. Ramsar relies on contributions from its 123 parties to carry out the work of the Convention through a small secretariat. The United States has consistently promoted budgetary restraint and accountability within the convention.

The United States maintains a decision-making role in the grants funded under this initiative. As the next Conference of Parties (COP) takes place in November 2002, some funds may be used to support this meeting (the costs for which are not included in the core budget) and also for regional preparatory meetings in the Western Hemisphere leading to the COP. The U.S. contribution particularly supports Latin American and Caribbean countries. U.S. efforts and targeted funding directly impact on the migratory bird species we share with our southern neighbors that are dependent on healthy wetland habitats through the hemisphere.

ITTO: The International Tropical Timber Organization (ITTO), whose 53 members represent 95 percent of world trade in tropical timber, 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 and U.S. domestic and importing industries actively participate in ITTO. ITTO's recognition of the timber market's dependency on sustainable harvesting links U.S. trade interests with U.S. priorities for sustainable management, with the goal of having a long-term supply of tropical wood from well managed forests.

Through its voluntary contributions to the ITTO, the United States advances its national interests by supporting projects that help tropical timber-producing countries implement appropriate policies to conserve and sustainably manage their forests, generating significant global environmental benefits and assuring U.S. importers a long-term supply of tropical wood. Each year, a modest U.S. contribution leverages several millions of dollars in project co-funding from Japan, Switzerland, Netherlands, United Kingdom, Sweden and other contributors. Because of its active and consistent support of ITTO projects and activities, the United States also plays an influential role in shaping the priorities and activities of the Organization. The new Executive Director is addressing efficiencies and improvements in the functioning of the ITTO consistent with U.S. interests.

U.S. contributions in FY 2002 will be used to finance high priority projects to improve management of timber producing forests, increasing the efficiency and environmental soundness of the tropical timber industry, and enhance the transparency of the tropical timber trade. Our contribution will also be used to build on the cost saving and efficiency measures taken by the ITTO based on U.S. proposals and to improve public education and awareness of the benefits of tropical timber products from sustainably managed sources.

IUCN: The World Conservation Union (IUCN) is a useful forum for the advancement of U.S. conservation and sustainable development objectives and compliments the international environmental priorities of U.S. agencies. IUCN technical and management expertise can also be applied to help advance emerging U.S. priority issues like the minimizing of ecological damage of invasive species. IUCN is the only international environmental organization whose membership includes governments, governmental agencies, and the non-governmental sector. IUCN has some 880 members in 134 countries. The United States Government and five federal agencies are members. The IUCN has six Commissions that draw on the knowledge base of more than 9,000 volunteer scientific experts worldwide. IUCN's mission 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 ecologically sustainable.

By targeting our funding, we help to shape IUCN's activities on such U.S. priorities as invasive species, forests, coral reefs,ecosystem management and endangered species. For FY 2002 we plan to use our contribution to help IUCN leverage additional funds to continue work on such U.S. priority issues as the implementing criteria and indicators for sustainable forest management in Russia and other countries; strengthening the management of national parks in developing countries; in proving coral reef and marine resource management and combating desertification. IUCN is a dynamic partner in our initiative to develop an Indo-Pacific Sea Turtle Conservation Agreement aimed at protecting sea turtles in that geographical area, a successful process we will continue to support. We will also cooperative with IUCN on an international initiative on invasive species.

Montreal Process: The U.S. is one of 12 member countries of the Montreal Process Working Group on Criteria and Indicators for the Conservation and Sustainable Management of Temperate and Boreal Forests, which was launched by Canada and the U.S. in 1994 to better assess forest conditions and trends. Together these countries, which include Russia, Japan, Australia and Chile, comprise 60 percent of the world's forests and over 90 percent of the world's non-tropical forests, as well as 40 percent of the world trade in forest products. The Working Group, which is supported by a small coordinating unit based in Ottawa, has endorsed a comprehensive set of criteria and indicators for the conservation and sustainable management of forests. Participation in the Montreal Process Working Group enables the United States to advance national interests both internationally and domestically, including by promoting sustainable development of the forest sector with major trading partners whose forests are threatened by pressures outside the forest sector and lack of resources for proper forest management. The Working Group enhances regional forest cooperation in North America and more broadly the exchange of information on forest management practices and promotion of U.S. ecosystem approaches. U.S. contributions in FY 2002 will be used to promote U.S. approaches to inventory, monitoring and assessment and to improving the capacity of countries to adopt the Montreal Process criteria and indicators as the framework for their future forest inventories, assessments, and monitoring and performance accountability on national forests.

UNFF: Based on a U.S. proposal, the United Nations Forum on Forests (UNFF) was established under ECOSOC in October 2001, replacing the Ad Hoc Intergovernmental Forum on Forests (IFF). The U.S. has been actively engaged in establishing the permanent, results-oriented mechanism to facilitate coherent and coordinated multilateral action by countries and to address critical international forest policy issues, including economic, environmental and social issues. The UNFF, like its predecessors, the IFF and the IPF (the Ad Hoc Intergovernmental Panel on Forests), is supported by voluntary contributions. The goal of the UNFF is to promote forest conservation and sustainable management globally and raise the forest standards of other countries to the U.S. level. Its objectives and functions are being actively shaped by the United States and will address areas of U.S. interest and reflect U.S. priorities. The UNFF will provide a practical and much needed mechanism to facilitate and improve coordination and efficiency among major international forest related international organizations, institutions and agreements, including the FAO, ITTO, the WTO, CIFOR, the World Bank as well as many other international programs related to and impacting on forests. The UNFF will facilitate this improved coordination through the Collaborative Partnership on Forests (CPF). Effective coordination and facilitation of projects on the ground can provide a practical way to address forest priorities in the context of U.S. national priorities.

As a world leader in sustainable forest management and the world's largest producer and trade in forest products (valued at $150 billion/year), as well as the largest forest sector employer, the United States has a strong interest in maximizing the effective use of existing organizations and scare resources in ways the promote U.S. priorities and interests. U.S. contributions in FY 2002 will be used to leverage comparable contributions from other donor countries to support a small secretariat, operating expenses and conference support.

International Panel on Climate Change/UN Framework Convention on Climate Change
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
IO&P	6,500	6,500	6,500

National Interests:

Climate change is a serious environmental problem that requires working with other countries to develop market incentives, new technologies and other innovative approaches. To protect our national interests our policies need to be based on the best possible science. U.S. support for the UN Framework Convention on Climate Change and the Intergovernmental Panel on Climate Change facilitates the achievement of these important objectives.

Objectives & Justification:

The UN Framework Convention on Climate Change (UNFCCC) and the Intergovernmental Panel on Climate Change (IPCC) provide the institutional structure for multilateral consideration of the climate change issue. The UNFCCC, which was concluded and ratified by the United States in 1992 under former President Bush, has over 180 Parties. Its ultimate objective is to promote stabilization of concentrations of greenhouse gases (GHG) in the atmosphere at a level that would prevent dangerous human interference with the climate system. U.S. participation in the international negotiations under the UNFCCC helps ensure that international approaches are consistent with our environmental, economic and political interests. Decisions taken under the UNFCCC are likely to have implications for international energy use and industrial production, technology diffusion, and our overall bilateral relationships with many nations. We also use the UNFCCC process to increase the role of developing countries in the global effort necessary to address climate change. Furthermore, our voluntary contribution bolsters our ability to influence the UNFCCC Secretariat in its administration of the treaty.

As a Party to the UNFCCC, the United States has various legal obligations, which include improving GHG inventories for ourselves and others, facilitating the diffusion of clean energy technology, sharing information on climate change policies and measures, and exploring ways to work jointly with other countries to reduce GHG emissions.

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, brings together thousands of scientists to assess the state of climate change science. The U.S. scientific community is well represented in the IPCC, with U.S.-based scientists comprising the majority of its active membership. The Panel's assessment efforts shed important light on the scientific and technical underpinnings of domestic and international policy responses to combat the threat of global climate change. The IPCC also responds to requests for inputs from the UNFCCC on methodological questions, greenhouse gas inventories, and emissions scenarios. Funding for the IPCC would allow it to continue to provide needed scientific inputs.

The FY 2002 budget request for the UNFCCC and the IPCC reflects the current realities of the significant demands placed upon the secretariats of both organizations by international climate change cooperation supported by the Administration. The responsibilities of the UNFCCC secretariat have increased substantially over the past few years. These include work on reporting on GHG emissions, technology issues, and developing country communications, among others. The Secretariat will continue to organize workshops, synthesizing Parties' submissions and preparing original papers on issues under discussion. Funds will be used to support the UNFCCC administrative budget for the 2001-02 biennium, as well as further U.S. voluntary contributions to the projected needs of the two trust funds established by the Conference of the Parties to support participation in the Convention and meet extrabudgetary needs of the Secretariat.

Although the IPCC's Third Assessment Report will have been completed by October 2001, the IPCC secretariat is expected to produce special and technical reports on various elements upon the request of the UNFCCC's subsidiary body on scientific and technological advice (SBSTA) and other UN Convention Bodies. Through our contribution, we will seek to guide the formulation and review of these reports. In addition, 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.

International Contributions for Scientific, Educational and Cultural Activities
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
IO&P	2,200	1,750	1,750

National Interests:

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 UN Educational, Scientific, and Cultural Organization (UNESCO) related international scientific, educational, cultural, and communications activities is considered essential to U.S. interests. Such participation enables the U.S. to pursue these interests actively and to take initiatives within UNESCO multilateral programs that advance priority goals of the United States Government and key elements of the American educational, scientific, cultural and communications communities. The U.S. withdrew from UNESCO in December 1984.

Objectives & Justification:

For FY 2002, $1,750,000 is requested to support programs that seek to: support literacy, human rights and democracy education; foster understanding and protection of the global environment; improve access to education for girls; safeguard free flow of ideas and press freedom; develop international electronic networks of scientific and other information exchange, storage and retrieval; maintain U.S. influence and leadership in high-priority UNESCO activities such as the Intergovernmental Oceanographic Commission's Global Oceans Observation System; and promote the advancement of scientific knowledge and capacity building in science.

Several of the programs proposed for support were U.S. creations within UNESCO that play an important role internationally but need continued U.S. support to function effectively. Among the most important are the Intergovernmental Oceanographic Commission and the World Heritage Convention.

The ICSECA account facilitates flexible, collaborative partnerships between international governmental and non-governmental organizations concerned with the advancement of science and technology, the understanding of global environmental problems and the promotion of democratic practice and the opening of education to all.

Thus, ICSECA provides funds, through a grant to the National Academy of Sciences, to the International Council for Science (ICSU) in support of UNESCO-related programs that address global environmental change, natural hazards reduction, and scientific capacity building. This grant also provides funds for a number of small catalytic sub-grants in support of specific programs in microbiology, the chemical sciences, and the international social sciences.

The ICSECA account also provides contributions to the U.S. Commission on Libraries and Information Science to promote, through cooperation with UNESCO, international access to the Internet and techniques of electronic information storage and retrieval. FY 2002 funding to UNESCO would provide support of a free press, literacy, democracy and human rights education, scientific cooperation, international activities of the Man and the Biosphere Program, the UNESCO International Hydrological Program and the Intergovernmental Oceanographic Commission.

The World Heritage Convention (WHC) 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 under President Nixon. It is among the most effective international tools for the protection of ecosystems and, in situ, biological diversity. The United States was the first of 162 nations to ratify it and has played a leadership role throughout its thirty-year history. The FY 2002 request for WHC of $450,000 would support the following objectives and U.S. goals as a state party: to identify and list -- at the request of States Parties and following agreed protocols --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 but do not relinquish sovereignty or management control); and 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.

World Meteorological Organization
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
IO&P	2,000	2,000	2,000

National Interests:

The U.S. National Weather Service requires meteorological and hydrological data from outside its borders for forecasting severe weather and extreme climate, and for international air travel. Other parts of the U.S. national economy depend on weather and climate data from other parts of the world in their routine operations, such as shipping, power companies and agricultural interests.

Since its inception at U.S. behest in 1967, the World Meteorological Organization's (WMO) Voluntary Cooperation Program (VCP) has provided training and equipment to help developing countries participate in WMO programs, particularly the World Weather Watch. This program provides continuous, vital atmospheric and oceanic data and products to: give the United States 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;support civil aviation, marine navigation, and basic global data needs for industry and many U.S. agencies, including the Department of Defense; and monitor changes in climate in the cleanliness of the atmosphere, and on freshwater availability due to human interactions with the natural environment.

Objectives & Justification:

New opportunities for improving global weather and climate observations are developing which can dramatically improve the U.S. economy.

A new occultation technique allows for obtaining the structure of the world's entire upper atmosphere using low-earth-orbiting satellites and global positioning systems. A program in this field led by the University Corporation for Atmospheric Research (Boulder, CO), merits substantial international participation.

By establishing regional maintenance activities, automatic weather stations can increase the observational coverage and become reliable in remote locations, providing important data for improved weather and climate forecasting. Currently, a regional maintenance program is being conducted under the WMO VCP in the Caribbean area. This program helps to provide sustainability to other U.S.-sponsored activities in the region.

Improvements in connecting Meteorological Services to the Internet provide a low-cost, reliable and quick way to get global data back to the United States, especially radar data needed for hurricane forecasting. A program focused on switching from the existing, expensive Global Telecommunications System to the Internet is being implemented. Changing the basic approach of the system requires upgrading of capabilities and training of all participants.

Voluntary Cooperation Program activities are coordinated with donor organizations such as the International Civil Aviation Organization, International Maritime Organization, Food and Agriculture Organization, World Bank, the European Union, Inter-American Development Bank and the U.S. Agency for International Development, as well as regional and bilateral partners, to avoid duplication and to take advantage of synergistic opportunities.

UN Population Fund
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
IO&P	25,000	25,000	25,000

National Interests:

Achieving a healthy and sustainable world population is one of the16 International Affairs strategic goals and a critical element of the U.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. Sustainable 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 United States implements its international population policy through both bilateral and multilateral programs. The UN Population Fund (UNFPA) is the largest multilateral provider of population assistance and has primary responsibility among the UN system for population issues. It operates in over 160 developing countries to meet internationally-agreed quantitative goals on access to reproductive health care and voluntary family planning services, safe motherhood, HIV/AIDS education and prevention, and education for women and girls.

Objectives & Justification:

The overarching U.S. international population policy objective is to implement the Program of Action agreed upon at the 1994 International Conference on Population and Development (ICPD). This includes monitoring national population policies and programs, the conversion of family planning programs into comprehensive reproductive health care programs and the attainment of program self-sufficiency by recipient countries to meet the 20-year ICPD goals and objectives related to reducing maternal and infant mortality, girls' education, and universal access to reproductive health care and voluntary family planning services. At the five-year review of the ICPD in 1999, governments agreed to broaden this commitment to address the HIV/AIDS pandemic.

UNFPA funds programs in the key ICPD Program of Action areas. 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. UNFPA does not fund abortions nor does it advocate abortion as a means of family planning.

UNFPA's programmatic emphasis is on reproductive health and voluntary family planning services, national population policies and strategies, and advocacy. This emphasis is fully consistent with our international population policy's focus 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 male involvement in reproductive health and child-rearing, and discouraging wasteful resource consumption.

A new Executive Director, Dr. Thoraya Obaid, was appointed to head the agency beginning January 1, 2001. The first Saudi national to head a UN agency, the U.S. supported Dr. Obaid's appointment.

For FY 2002, $25 million is being requested to support UNFPA's activities. In addition to ongoing programs, the agency will continue to respond to emergency situations by providing reproductive health and voluntary family planning services as it did for natural disaster victims in Venezuela and Turkey in late 1999 and to help rehabilitate maternal health care clinics in Eritrea in 2000. UNFPA is also playing a leading role in a larger global initiative currently underway to meet contraceptive shortfalls throughout the developing world.

The HIV/AIDS pandemic is affecting nearly every country in the world. UNFPA will continue to address the pandemic on several levels by supporting HIV/AIDS prevention programs in approximately 130 countries as an integral part of its broader reproductive health care voluntary family planning work. UNFPA is also one of the seven co-sponsors of the Joint United Nations Program on HIV/AIDS (UNAIDS) and is part of the UNICEF/WHO/UNAIDS initiative on preventing mother-to-child transmission of HIV.

International Organizations and Programs

($ in thousands)

	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
UN Voluntary Fund for Technical Cooperation in the Field of Human Rights	1,500	1,500	1,500
UN Voluntary Fund for Victims of Torture	5,000	5,000	5,000
OAS Fund for Strengthening Democracy	2,500	2,500	2,500
World Food Program	5,000	5,000	5,400
Afghanistan Emergency Trust Fund /1	500	-	-
UN Development Program (UNDP)	80,000	87,091	87,100
UN Dev. Fund for Women (UNIFEM)	1,000	1,000	1,000
OAS Development Assistance Programs	5,150	5,500	5,500
International Fund for Agricultural Development (IFAD) /2	2,500	-	-
World Trade Organization	-	1,000	1,000
ICAO Aviation Programs	300	300	300
UNEP Environment Program (UNEP Fund/UNEP-related)	10,000	10,000	10,750
Montreal Protocol Multilateral Fund	28,000	26,000	25,000
International Conservation Programs (CITES/ITTO/IUCN/Ramsar/CCD)	5,150	5,450	5,700
IPCC/UNFCCC	6,500	6,500	6,500
International Contributions for Scientific, Educational & Cultural Activities	2,200	1,750	1,750

International Organizations and Programs

($ in thousands)

	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
World Meteorological Organization Voluntary Cooperation Program	2,000	2,000	2,000
UN Population Fund (UNFPA)	25,000	25,000	25,000
Transfer in from PKO/FMF (KEDO)	6,000	-	-
TOTAL /3	**188,300**	**185,591**	**186,000**

Notes:

1/ Afghan Emergency Trust Fund for FY 2001 was funded, and in FY 2002 is requested, under Migration and Refugee Assistance (MRA).

2/ IFAD funding for FY 2001 was appropriated, and in FY 2002 is requested, under International Financial Institutions.

3/ UNICEF funding included in the USAID Child Survival and Diseases account.

II. REQUEST BY REGION

Africa
East Asia and the Pacific
Europe
Near East
New Independent States
South Asia
Western Hemisphere
Global Programs

AFRICA

Angola
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
CSD	4,900	7,287	6,160
DA	5,096	2,554	3,403
ESF	0	3,986	2,000
IMET	0	50	100
NADR-HD	3,096	2,844	2,800

National Interests:

Th primary U.S. national interests in Angola are American citizens, democracy, economic prosperity, and humanitarian response. Ensuring the safety of American citizens, U.S. businesses, and U.S.-funded NGOs is our highest priority due to the ongoing war. Achieving an end to Africa's longest civil war is a fundamental step in promoting democratic governance, improved human rights, and economic reform. We seek to ensure U.S. private-sector access to a source of 4-5 percent of U.S. petroleum imports, a figure likely to rise in the coming years, and to the second largest site of U.S. investment in sub-Saharan Africa. Humanitarian assistance will continue to be a critical need, as Angola endures its civil war and the legacy of up to eight million landmines in its soil.

Objectives & Justification:

The United States is actively engaged in bilateral and multilateral efforts to address the humanitarian repercussions of the conflict in Angola and seeks to support the creation of the political, economic, and social foundations for an eventual peace to take hold. U.S. assistance is designed to help Angola establish the basis for peaceful development after enduring decades of devastating conflict, including by expanding political discussion and preparing for eventual elections, possibly in 2002.

In FY 2002, Development Assistance (DA) in Angola will support recovery of small holder agricultural production, assist victims of landmines, and support economic reform. FY2002 Child Survival and Disease (CSD) funds will be used to continue an HIV/AIDS awareness program. CSD funds will also be used to address Angola's chronic health care problems, specifically in the areas of maternal and child care, immunizations, training of health workers, and potable water for rural communities.

FY 2002 DA funded democracy and governance programs are intended to strengthen elements of civil society including NGOs, the independent media, and political parties, as well as the multiparty National Assembly. These will be supplemented by small grants from the regional Democracy and Human Rights Fund.

The United States will use FY 2002 Economic Support Funds (ESF) to strengthen bilateral relations with the Government of Angola. It will support initiatives undertaken by bilateral forums to advance our political, economic and humanitarian goals. FY 2002 ESF will

assist in the preparation of planned elections and economic reform efforts. Modest International Military Education and Training (IMET) programs in FY 2002 will advance initiatives to promote greater awareness in the Angolan military of democracy, human rights, the rule of law, effective civil-military relations, and English language courses to improve the Angolan military's ability to interact with U.S. officials.

Other assistance programs will address the repercussions of the Angolan conflict. International Disaster Assistance (IDA) and Migration and Refugee Assistance (MRA) funds will be used to address emergency needs of internally displaced persons (IDPs) and refugees. A landmine awareness and clearance program will continue to use FY 2002 Non-Proliferation, Anti-Terrorism, Demining and Related Programs (NADR) funds to focus on reducing landmine casualties and safely resettling IDPs on agricultural land, enabling them to achieve food self-sufficiency. Angola may be eligible to receive grant Excess Defense Articles (EDA) in FY 2002 under Section 516 of the Foreign Assistance Act.

Benin
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
CSD	10,058	10,158	11,229
DA	3,826	3,723	3,094
IMET	356	390	400
Peace Corps	1,972	2,053	2,167

National Interests:

The primary U.S. national interest in Benin is democracy. Humanitarian response is a secondary U.S. national interest in Benin. The United States seeks to help Benin strengthen its ten-year-old tradition of democratic government and is supporting economic development and consolidation of economic liberalization. The U.S. is also working to improve health conditions and support the Government of Benin's high priority on preventing the spread of HIV/AIDS. In pursuit of our strategic goal of regional stability, we are helping develop Benin's capacity to participate in regional peacekeeping operations.

Objectives & Justification:

Since the transition to democracy in 1990, Benin has served as a model of democratic evolution within West Africa, with peaceful elections and democratic transfers of power. Nonetheless, there remains much to be done to consolidate that democracy, as shortcomings of the March 2001 Presidential elections highlighted. The country still faces enormous problems in the areas of health and economic development. With the strong focus on humanitarian interests, the FY 2002 Child Survival and Diseases account (CSD) for Benin will continue to fund basic education, child survival, HIV/AIDS, infectious disease, polio and other health programs. These programs will provide the basic social infrastructure for development. Basic education, HIV/AIDS and child survival make up the bulk of these funds.

The FY 2002 Development Assistance account (DA) will continue to fund programs for population, in addition to democracy and governance. The population funds will complement the Government of Benin's high priority on population programs and increased access to family planning and maternal/child health services. The democracy and governance programs will strengthen Benin's nascent democratic institutions and civil society, along with small grants from the regional Democracy and Human Rights Fund. State Department International Visitor Program (IV) grants and outreach programs strengthen democracy and constituencies that favor economic liberalization. Peace Corps programs will help to reduce the spread of HIV/AIDS as well as assist in other areas.

Benin was declared by the President in September 2000 to be eligible to receive trade benefits under the African Growth and Opportunity Act and has been declared by the International Monetary Fund (IMF) and World Bank to be eligible to receive debt relief under the enhanced Highly Indebted Poor Countries (HIPC) initiative.

The FY 2002 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 and regional peacekeeping. IMET courses will continue to focus on command and staff college programs, civil-military relations, English language training, and various technical training. Benin's armed forces will be eligible to receive grant Excess Defense Articles (EDA) in FY 2002 under Section 516 of the Foreign Assistance Act. EDA would support Benin's participation in regional peacekeeping activities.

Botswana
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
IMET	479	580	580

National Interests:

The primary U.S. interests in Botswana are the promotion of democracy and responding to a global or transnational threat, most significantly preventing the spread of HIV/AIDS. Because it is a strong and stable democracy with a sound economy, Botswana plays an important role in supporting U.S. goals more broadly in southern Africa.

Objectives & Justification:

U.S. efforts focus on supporting Botswana's stable democracy, expanding U.S. business opportunities, and encouraging an active leadership role in the region, particularly on regional security and conflict resolution matters.

Botswana enjoys relative economic prosperity and is not a recipient of bilateral Development Assistance (DA). It did, however, receive $3.8 million in CY 2000 to combat HIV/AIDS under CDC's Leadership and Investment in Fighting an Epidemic (LIFE) initiative. Botswana also received $2.3 million under the Education, Democracy and Development Initiative (EDDI). U.S. goals in the areas of democracy, economic development, and global issues such as HIV/AIDS and the environment are generally supported by a variety of regional funding programs. Botswana was declared by the President in September 2000 to be eligible to receive trade benefits under the African Growth and Opportunity Act.

Botswana has the highest reported HIV prevalence rate in the world at 35.8 percent. Life expectancy has been reduced from 69 to 44 years, and today's 15-year-olds have a better than fifty percent chance of dying of HIV-related causes. The epidemic threatens to shave 1.5 percent per year off Botswana's GDP growth rate.

Botswana has one of the region's most professional and responsible military establishments and offers a model for civilian-military relations for the rest of the continent. Botswana has provided a venue for regional military exchanges that have fostered a spirit of regional cooperation. Through the International Military Education and Training (IMET) program and the Enhanced International Peacekeeping Capabilities (EIPC) initiative, we seek to expand our connections with Botswana's military leaders and support their interest in strengthening both regional civil-military and military-military relations, as well as improve their capacity to participate meaningfully in peacekeeping operations. The FY 2002 IMET program will train approximately 59 Botswana Defense Force (BDF) officers. Botswana will be eligible in FY 2002 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 primarily support Botswana's peacekeeping activities.

Burkina Faso
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
IMET	0	0	50
Peace Corps	1,937	1,898	1,817

National Interests:

The primary U.S. national interest in Burkina Faso is democracy. A secondary national interest is humanitarian response, especially the alleviation of poverty and containment of hunger and disease, including HIV-AIDS. Accordingly, the United States encourages policies that promote economic growth and capacity-building in the health and education sectors.

Objectives & Justification:

The United States promotes democracy in Burkina Faso through diplomacy and small grants from the Democracy and Human Rights Fund. State Department International Visitor Program (IV) grants and outreach programs strengthen constituencies that favor democratic and economic reform. Burkina Faso has been declared by the IMF and World Bank to be eligible to receive debt relief under the enhanced Highly Indebted Poor Countries (enhanced HIPC) initiative. Although USAID Burkina Faso was closed in 1995, PL 480 Title II programs continue to assist with micro-enterprise development at the community level and fund a broad range of Peace Corps projects in the areas of education and health. Expansion of Burkina Faso's internal economy and increased export trade will improve the self-sufficiency of the population of one of the world's poorest countries. It would also increase Burkina Faso's capacity to absorb external shocks, such as natural disasters, which otherwise might require emergency assistance from the international community.

Burkina Faso faces critical health threats from malaria, HIV/AIDS, and other infectious diseases. Regional Child Survival and Disease Fund (CSD) programs will address these issues. Peace Corps programs at the grassroots level promote health awareness and sound community health practices.

The military is an important element of Burkinabe political culture. The FY 2002 International Military Education and Training (IMET) program will help instill basic democratic values into the military leadership.

Burundi
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
DA	0	3,000	1,500
IMET	0	0	50

National Interests:

Humanitarian response is the priority U.S. interest in Burundi, followed by the promotion of democracy, health, especially regarding HIV/AIDS, and the protection of U.S. citizens. Although the Burundi peace accord was signed in August 2000, the country continues to be wracked by a violent conflict between rebels and the government that generates humanitarian crises and human rights abuses, threatens regional stability, stifles democratic potential and economic prosperity, and endangers U.S. citizens. Once the peace accord is functioning and cease-fire negotiations are complete, Burundi will be better placed to advance toward a democratic government and the development of its economy, contributing to the stability of the Great Lakes region.

Objectives & Justification:

The United States has supported the Burundi peace process diplomatically and financially and has worked closely with the international community and donors to bring an end to the eight-year civil conflict. The signing of the Burundi peace accord in August 2000 was a significant step forward. Although the agreement presents a framework for power sharing among the Burundians, there is no cease-fire agreement between the two major rebel groups and the government nor agreement on a transitional government and leader. The U.S. remains concerned about the potential for mass killings in Burundi.

To assist the implementation of the peace accord, Economic Support Funds (ESF) from the Great Lakes Justice Initiative and Countries in Transition funds will be used to support the peace process and continuing cease-fire negotiations in South Africa. These funds also support the work of the Implementation Monitoring Commission (IMC) called for in the Burundi peace accord. Great Lakes Justice Initiative funds are also used to support and foster greater justice at the community level, reconciliation, and economic empowerment and inclusion through non-governmental and grass-roots organizations. If progress continues on the Burundi peace talks, GLJI funds would be used for more inclusive justice activities at all levels of government, and for the promotion of a more transparent and accountable government.

Reforming the military is also important. Once political and security events in the country have evolved satisfactorily, the United States should be prepared to begin a small program to assist the military in its reform efforts. The FY 2002 International Military Education and Training (IMET) program could include an orientation tour for high-level military, including civil-military relations, human rights and military justice training.

Cameroon
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
IMET	189	180	190
Peace Corps	2,945	2,734	2,774

National Interests:

The primary U.S. national interest in Cameroon is promoting democracy and respect for human rights. Other U.S. interests include economic prosperity and global issues. Cameroon has yet to make a transition through transparent and credible elections into a democratic, law-based, pluralistic community, functioning on market principles.

Objectives & Justification:

The United States promotes a democratic transition and respect for human rights, areas in which Cameroon has experienced significant problems, through a mix of diplomacy and small grants from the regional Democracy and Human Rights Fund. Cameroon was declared by the President in September 2000 to be eligible to receive trade benefits under the African Growth and Opportunity Act and has been declared by the IMF and World Bank to be eligible to receive debt relief under the enhanced Highly Indebted Poor Countries (enhanced HIPC) initiative. Cameroon's military can play an important role in supporting regional peacekeeping initiatives.

A neutral Cameroonian military, subordinate to civilian rule, is also essential to additional political, economic and human rights reforms. The Cameroon military has been involved in serious violations of human rights. In addition to IMET funds, used to encourage the professionalization of the military, Economic Support Funds (ESF) funds are also being disbursed to train members of non-governmental organizations and independent media who work on monitoring and tracking human rights issues. Cameroon was declared by the President in September 2000 to be eligible to receive trade benefits under the Africa Growth and Opportunity Act and has been declared by the IMF and World Bank to be eligible to receive debt relief under the enhanced Highly Indebted Poor Countries (enhanced HIPC) initiative

Cameroon's political stability, strategic location and excellent airport facilities make it ideal as a staging area for humanitarian interventions in the region, and IMET funds help assure good access to Cameroonian air and port facilities. International Military Education and Training (IMET) funds provide continued support to the Cameroonian military, encouraging a good military to military relationship and increased understanding of the constructive role the military can play in promoting civilian programs.

IMET funds also provide the U.S. leverage in encouraging the Cameroonians to appropriately handle cases involving refugees, war criminals and human rights violations. FY 2002 IMET funds will be used for professional military development classes, focussing on

appropriate resource management and civilian military relations and fostering closer military ties through the English language and U.S. cultural aspects of the IMET programs.

Cameroon will also be eligible in FY 2002 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.

Cape Verde
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
IMET	123	120	120
Peace Corps	1,181	1,184	1,163

National Interests:

Cape Verde is an island nation of stability and democracy in a region of instability. Democracy continues to be the principal U.S. national interest. Assisting Cape Verde to better monitor its territorial waters and improve its criminal justice system serves the U.S. national interest of law enforcement through improved drug shipment interdictions. Humanitarian response is a third U.S. national interest in Cape Verde.

Objectives & Justification:

Criminal deportees from the United States are destabilizing civil society in Cape Verde and contributing to the burgeoning illicit drug trade there. We intend to support a program with regional ESF to help integrate criminal deportees from the United States, who frequently lack a foundation in the Portuguese language as well as vocational or other usable skills, into the Cape Verdean economy. Such a program will lessen the negative impact of the returnees on Cape Verde and reverse the growing use of Cape Verde as a drug transit point for shipments to the United States.

Peace Corps programs support education, community development and information technology projects.

Over three million dollars in PL 480 food aid is crucial to maintaining stability and support for democracy in this island nation that produces less than thirty percent of its annual food requirements. Cape Verde was declared by the President in September 2000 to be eligible to receive trade benefits under the African Growth and Opportunity Act.

In its twenty-six years of independence, Cape Verde has been free of internal and external conflict and its military has consistently played a constructive role in civil society. To continue this democratic trend, FY 2002 International Military Education and Training (IMET) funds will support officer training programs. In addition, IMET funded training will enhance English language capabilities for the Cape Verdean military, necessary for effective international cooperation on matters such as maritime patrols. Cape Verde is eligible to receive Excess Defense Articles (EDA) in FY 2002. In particular, EDA would help enhance Cape Verde's ability to conduct coastal patrols, to engage in search-and-rescue missions, and to protect its fisheries.

Central African Republic
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
IMET	103	110	110

National Interests:

Key U.S. interests in the Central African Republic (CAR) are democracy and humanitarian assistance. The United States supports implementation of economic, political and military reforms to prevent a recurrence of the military mutinies and civil strife of 1996 and 1997. Other U.S. interests are promotion of respect for human rights and attention to environmental concerns.

Objectives & Justification:

The CAR is still recovering from 1996 and 1997 mutinies which resulted in disruption of the economy, destruction of property, and international peacekeeping forces' presence in the country until February 2000. Largely free and fair presidential elections in 1999 contributed to political stability, but labor unrest, some government mismanagement and economic disruption from conflict in neighboring Democratic Republic of Congo (DRC) have resulted in a nearly stagnant economy. The government has occasionally responded to its budgetary woes and labor unrest with security force crackdowns on the country's free press, labor unions and opposition party leaders.

The CAR was declared by the President in September 2000 to be eligible to receive trade benefits under the Africa Growth and Opportunity Act. The United States supports CAR's democratic development and promotes consensual and collaborative governance through grants from the Democracy and Human Rights Fund and through Regional Democracy Economic Support Funds. FY 2002 International Military Education and Training (IMET) funds will be used to promote basic democratic values and respect for human rights in the CAR armed forces. Specifically, IMET funds will be used for English language training, professional military education and training on appropriate civil/military relations. An added benefit of IMET training will be the opportunity for U.S. officials to encourage the CAR military to promote regional stability. CAR will be eligible in FY 2002 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 help to strengthen professionalism within the CAR military and thereby contribute to improved civilian/military relations.

Chad
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
IMET	100	130	130
NADR-HD	622	400	300

National Interests:

The primary U.S. interests in Chad are economic development and promotion of democracy and respect for human rights. Significant U.S. investment in the petroleum sector is being leveraged to promote economic prosperity and appropriate governance strategies. The U.S. also pursues national security interests by combating anti-U.S. influences in the region.

Objectives & Justification:

Occupying a strategic position at a historic crossroads, Chad is particularly vulnerable to neighbors Libya and Sudan. U.S. assistance provides a counter-balance by promoting a stable and democratic society. A majority U.S.-owned consortium's investment in the $4 billion oil development and pipeline project in southern Chad is reportedly the largest infrastructure project in Sub-Saharan Africa. Additional U.S. interest arises from EXIM support for the project and international interest in assuring that oil revenues benefit local communities through poverty alleviation programs.

Chad was declared by the President in September 2000 to be eligible to receive trade benefits under the Africa Growth and Opportunity Act. The United States supports Chad's democratic development through grants from the Democracy and Human Rights Fund. Respect for human rights and appropriate civil/military relations are also furthered by use of FY 2002 International Military Education and Training (IMET) funds for training on rule of law and human rights issues. The IMET program enables U.S. trainers to build important military to military contacts that help combat anti-U.S. influence in Chad and serve as a basis for future regional peacekeeping efforts. The Chadian armed forces have a key role to play in resolving armed conflicts within Chad as well as in the region, where they have previously participated in several peacekeeping operations.

Chad will be eligible in FY 2002 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 humanitarian demining efforts and assist in countering the small-scale insurgency in the north. FY 2002 Non-Proliferation, Anti-Terrorism, Demining and Related Programs (NADR) demining funds enable Chad to continue demining operations that eliminate loss of life, injuries to humans and livestock, and permit improvement of regional infrastructure and travel within the country, thereby advancing opportunities for economic development.

Comoros
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
IMET	0	0	50

National Interests:

U.S. national interest in Comoros is support for Democracy and Human Rights. There have been 19 coups or coup attempts in Comoros since independence. In the wake of an April 1999 coup and a secessionist movement on Anjouan island, the factions in Comoros have recently succeeded in crafting a roadmap leading to national elections. Folowing these elections, IMET training for Comoran officers will help build a professional military, increasingly committed to civilian rule. U.S. national security is enhanced through the creation of a stable and secure Indian Ocean region and through cooperation on law enforcement matters, such as money laundering and terrorism.

Objectives & Justification:

Elections to restore democratic government in Comoros are planned for December 2001. Once this occurs, the greatest threat to Comoros' fragile democracy may be – based on a history of 19 coups since independence – a military grown accustomed to taking matters into its own hands. FY 2002 International Military Education and Training (IMET, $50,000 requested) programs in Comoros will contribute to development of a professional military that respects civilian rule.

Cote D'Ivoire
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
IMET	22	0	50
Peace Corps	2,853	3,090	2,803

National Interests:

The primary U.S. national interests in Cote d'Ivoire are democracy and global issues (combating the spread of HIV/AIDS). The strategic goal of regional stability would be greatly enhanced by a return to political stability and development of democratic institutions in Cote d'Ivoire. A return to economic growth and development in Africa's third largest economy will lessen the potential need for humanitarian assistance and improve U.S. export opportunities.

Objectives & Justification:

USAID has never had a bilateral presence in Cote d'Ivoire, although several regional programs (including population and HIV/AIDS) were active and will continue through NGOs in FY 2002. With the third largest economy in sub-Saharan Africa and a history of political stability, Cote d'Ivoire has played a key role in regional stability. Following the December 24, 1999 coup, the country was placed under Section 508 sanctions and all bilateral and regional programs conductedthrough the government of Cote d'Ivoire were terminated. This includes the International Military Education and Training (IMET) program. If there is a return to democratic government in FY 2002, the proposed FY 2002 IMET funds will support the professionalization and increased awareness of human rights and democracy in the Ivorian military.

Democratic Republic of Congo
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
CSD	8,980	14,657	15,809
DA	830	1,288	2,762
IMET	0	0	50

National Interests:

Humanitarian response is the most significant U.S. interests in the Democratic Republic of Congo (DRC), followed by concern for democratic reform, protection of American citizens, global issues including promoting health, and economic development. The war in the DRC threatens regional stability, exacerbates the country's humanitarian crises, retards progress on political and economic reform, and increases risks to U.S. citizens. Once economic development recommences and there is effective government control over DRC territory, U.S. businesses will seek to increase U.S. investments in, and exports to, the region.

Objectives & Justification:

The United States has worked with the international community to pursue a negotiated end to the war and a transition to democratic rule in the Democratic Republic of Congo (DRC). In July and August 1999, the belligerents signed the Lusaka Agreement. Implementation of the Agreement has been slow, but following the assassination of President Laurent Kabila, there has been progress on disengagement of forces and deployment of a UN peacekeeping mission in Congo. President Joseph Kabila has also engaged in discussions on the Inter-Congolese Dialogue called for in the Lusaka Agreement.

In support of efforts to ensure national and regional reconciliation, FY 2002 Contributions for International Peacekeeping Activities (CIPA) funds will be used to pay the U.S. share of the UN observer mission inCongo, which provides advice and assistance as the UN works with the parties to the Lusaka Agreement in peacekeeping-related activities. CIPA levels for FY 2002 will be $83.55 million. The budget proposal for FY 2002 provides for the deployment of troops and military observers. The DRC may be eligible in FY 2002 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 current conflict, grant EDA would support efforts to rebuild and professionalize the military following years of internal strife, and assist with maintaining internal security.

Funds allocated to DRC from the Development Assistance (DA) account initially focussed on democracy and governance and economic growthin FY 2001. FY 2002 DA funds will be programmed in consultation with Congress, depending on Congo's progress toward democratic rule. FY 2002 Child Survival and Diseases (CSD) funds will continue to be programmed through non-governmental channels to promote child survival, provide basic health programs, and to decrease polio, HIV/AIDS, and other infectious diseases.

Djibouti
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
IMET	163	150	160
NADR-HD	746	400	300

National Interests:

The primary U.S. interest in Djibouti is humanitarian assistance. When war, famine, or terrorism has struck in the Middle East and in the Horn of Africa, Djibouti's logistical facilities have acquired considerable importance. Prolonged drought has caused severe food shortages throughout the Horn of Africa. Conflict in Ethiopia exacerbated this crisis, and the U.S. responded with generous shipments of humanitarian assistance – the vast majority of which passed through the port of Djibouti. In addition, following the attack on the USS Cole, U.S. Central Command expressed an interest in increased use of Djibouti port and airport as an alternative landing and refueling stop. The role of the U.S. Embassy is to facilitate access to the port and airport and to promote democracy and economic development in this enclave of relative stability in what has proven in recent years to be a turbulent neighborhood.

Objectives & Justification:

Using small grants from the Democracy and Human Rights Fund, the United States is promoting the development of democratic institutions in Djibouti.

Another important goal is to improve U.S. military access to Djibouti's port and airport facilities. CENTCOM uses Djibouti facilities as alternative logistic sites to increase U.S. military planners' options during crises in the Gulf, Horn of Africa and the Indian Ocean. To maintain already excellent bilateral military relations, the U.S. will continue the International Military Education and Training (IMET) program in FY 2002 ($160, 000 requested) in order to promote professionalism and respect for civilian rule. Djibouti is eligible to receive grant Excess Defense Articles (EDA) 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.

Djibouti was declared by the President in September 2000 to be eligible to receive trade benefits under the African Growth and Opportunity Act. Training for 30 Djiboutian humanitarian deminers will be completed May 10, 2001, and level one surveys will start shortly after that time. Support from FY 2002 Non-Proliferation, Antiterrorism, Demining, and Related Programs (NADR) is expected to continue supporting the demining program.

Equatorial Guinea
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
IMET	0	0	50

National Interests:

The U.S. national interest in Equatorial Guinea is support for democracy and human rights.

Objectives & Justification:

If conditions in Equatorial Guinea allow, FY 2002 International Military and Education Training (IMET) funds will be used to begin a program to contribute to the development of a professional military that respects civilian rule. IMET programs will bolster contact between U.S. and Equatorial Guinea military forces and lead to increased understanding and cooperation.

Eritrea
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
CSD	4,133	4,516	5,197
DA	4,694	5,703	5,643
IMET	27	155	375
NADR-HD	500	800	950

National Interests:

We have a strong humanitarian interest in Eritrea; peace is crucial to enable us to deliver assistance to those in need. The United States further seeks to promote Eritrea's development as a stable, democratic, market-oriented nation. Our goals will be bolstered by the full implementation of the Cessation of Hostilities and the December 12 Peace Agreements between Eritrea and Ethiopia. The U.S. Government, together with the Algerian Government and the Organization of African Unity (OAU), brokered the Cessation of Hostilities and December 12 Agreements. We strongly support the United Nations Mission in Ethiopia and Eritrea (UNMEE), which has deployed military observers to monitor the withdrawal and redeployment of troops from a Temporary Security Zone (TSZ).

Objectives & Justification:

Our main objective is the full implementation of the Cessation of Hostilities and December 12 Peace Agreements between Eritrea and Ethiopia since this will foster regional stability, our major priority in the Horn of Africa. The $2.5 million allocation for Eritrea and Ethiopia from the FY 2002 Economic Support Fund (ESF) will finance a Border Development Fund for projects to foster trade and renewed communication between Eritreans and Ethiopians living along the border, the people most directly affected by the conflict. Renewal of economic activity across the border area will be a first step in normalization of relations between the people of Eritrea and Ethiopia.

We strongly support the United Nations Mission in Ethiopia and Eritrea (UNMEE), which has deployed military observers to monitor the withdrawal and redeployment of troops from a Temporary Security Zone. In FY 2002, the U.S. will provide $57.269 million in support of UNMEE through UN Contributions for International Peacekeeping Activities (CIPA). The Organization of African Unity (OAU), together with the Algerian Government and the U.S., brokered the peace agreement between Eritrea and Ethiopia. The OAU's Liaison Mission to UNMEE (OLMEE) is an important confidence-building presence on the ground and adds an African component to UNMEE. FY 2002 Peacekeeping Operations (PKO) funds will be used to help defray OLMEE's administrative expenses, such as vehicle maintenance, office supplies and communication services. U.S. support for OLMEE furthers our interests in strengthening African conflict resolution capabilities.

Now that the border conflict with Ethiopia is largely in the past, the Government of Eritrea has again turned its attention to democratization. Parliamentary elections are scheduled for

December 2001 and draft laws regarding elections and formation of political parties have been released. A $1,358,000 Development Assistance (DA) allotment will finance human capacity building projects to strengthen accountable governance at the national and local level. The results will be increased popular participation in governance and improved public administration. Eritrea plans to demobilize part of its military. The $375,000 FY 2002 International Military Education and Training (IMET) allocation will fund programs to assist the Eritrean Government to transform its military from the active fighting force needed during the border conflict to one that will help guarantee stability in the Horn of Africa. As Eritrea turns its attention to setting up its democratic institutions, IMET training will be critical to building a military committed to and supportive of democracy.

Eritrea has a serious mine problem. It is a two-pronged problem with mines dating from the thirty-year war of independence as well as mines laid during the recent border conflict. Between 500,000 and 1 million mines and 3 million pieces of unexploded ordnance remain from the independence struggle. In addition, it is estimated that both sides laid approximately 1.5 million mines during the recent border conflict, most within the proposed temporary security zone. A dog demining program with six dogs and humanitarian demining training has started in Eritrea and is progressing well. Plans have been developed to train additional deminers and equip them with the latest demining technologies with $950,000 in FY 2002 Non-Proliferation, Antiterrorism, Demining and Related Programs (NADR) funds.

The peace will also allow the Eritrean Government to focus on much-needed economic development. Eritrea was declared by the President in September 2000 to be eligible to receive trade benefits under the Africa Growth and Opportunity Act. Eritrea is currently one of the world's ten poorest nations. The war displaced more than one million Eritreans, approximately one-third of the country's population. In 2000, much of Eritrea faced a third year of drought, severely disrupting the country's agricultural production. Economic growth is essential to democratization and strengthening of civil society. The Eritrean Government is interested in preventing the spread of HIV/AIDS, especially by demobilized soldiers. Rural enterprise projects will be aimed at providing loans, especially to demobilized soldiers, which will increase employment and rural wages.

Ongoing efforts to continue to implement the peace agreement between Eritrea and Ethiopia permit our political-military relationship with Eritrea to be reinvigorated. In this context, 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.

Ethiopia
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
CSD	27,299	26,086	27,858
DA	12,439	14,061	12,550
IMET	152	175	475
NADR-HD	250	420	950

National Interests:

Primary USG national interests in Ethiopia are fostering democracy and humanitarian response. Ethiopia has suffered from drought for several years, leaving 10 million people at risk in 2000 and an estimated 6 million at risk in 2001. Ethiopia became a democracy for the first time in its history after overthrowing the communist Mengistu regime in 1991; its democratic institutions are fragile and need U.S. support to grow and mature. Another USG national interest is in assisting the Government of Ethiopia to curb the devastating effects of the AIDS epidemic; approximately 10 percent of Ethiopian adults are HIV positive. The Government of Ethiopia has just come out of a two-year war with Eritrea, and is beginning to turn its attention back to poverty alleviation and economic development.

Objectives & Justification:

The Horn of Africa is a turbulent region characterized by civil war in Sudan, chaos in Somalia, and a deteriorating political and economic situation in Kenya. Ethiopia is just coming out of a two-year war with its neighbor Eritrea, and has suffered successive years of drought, threatening widespread famine. As we did last year, we intend to donate generously food assistance to help feed an estimated six million people at risk; this humanitarian assistance is in the USG's national interest.

Our main short-term goal is the full implementation of the Cessation of Hostilities and December 12 Peace Agreements between Eritrea and Ethiopia since this will foster regional stability, which itself affects the humanitarian situation. The fighting also diverted resources badly needed to develop fragile democratic institutions, such as the judiciary. The border conflict left a residue of bitterness and division among the people of these neighboring nations. State and USAID will collaborate closely to identify an appropriate programmatic response to this problem in FY 2002. The $2.5 million allocation for Eritrea and Ethiopia from the Economic Support Fund (ESF) will finance a fund for projects to foster trade and renewed communication between Eritreans and Ethiopians living along the border, the people most directly affected by the conflict. Renewal of economic activity across the border area, and the consequent confidence building, will be a first step in normalization of relations between these two important regional states.

We strongly support the United Nations Mission in Ethiopia and Eritrea (UNMEE), which has deployed military observers to monitor the withdrawal and redeployment of troops from a Temporary Security Zone. In FY 2002, the U.S. will provide $57.269 million in support of UNMEE through UN Contributions for International Peacekeeping Activities (CIPA). The

Organization of African Unity (OAU), together with the Algerian Government and the U.S., brokered the peace agreement between Eritrea and Ethiopia. The OAU's Liaison Mission to UNMEE (OLMEE) is an important confidence-building presence on the ground and adds an African component to UNMEE. FY 2002 Africa Regional Peacekeeping (PKO) funds will be used to help cover OLMEE's administrative expenses, such as vehicle maintenance, office supplies and communication services. U.S. support for OLMEE furthers our interests in strengthening African conflict resolution capabilities.

Ethiopia 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 headquarters of the Organization of African Unity (OAU). Continuing U.S. support for these organizations and activities will improve prospects for stability throughout the greater Horn, and promote regional and Ethiopian economic development and democratization.

We are especially interested in renewing our military-to-military ties to Ethiopia, which were interrupted when the country was at war with Eritrea. Within East Africa, Ethiopia has the potential to emerge as a major peacekeeping contributor. The USG will encourage Ethiopia to participate in regional peacekeeping initiatives and in the African Crisis Response Initiative. In FY 2002, we hope to resume International Military Education and Training (IMET), which was halted as a result of Brooke sanctions and a United Nations Security Council arms embargo during the conflict. IMET will assist in increasing the professionalism of the Ethiopian military and its subservience to elected civilian authorities.

Ethiopia was declared by the President in September 2000 to be eligible to receive trade benefits under the Africa Growth and Opportunity Act. FY 2002 Development Assistance (DA) will support sustained economic growth through agricultural programs and reforms to enable private sector growth. PL-480 programs will assist micro-enterprise development at the community level, and Food for Education will encourage families to keep primary school-age children in school. DA funds will also be used to improve family health and maternal nutrition. The Democracy and Governance program will continue to train judges, an excellent long-term investment in Ethiopia's democratic institutions. DA will also be used to improve livelihoods for pastoralists and agro-pastoralists in southern Ethiopia, and to mitigate the effects of disaster; this again relates back to our interest in humanitarian response.

Support from FY 2002 Non-Proliferation, Antiterrorism, Demining, and Related (NADR) will help train at least 150 deminers eliminate the scourge of landmines which are strewn throughout the country.

Nile water conservation and distribution, a global interest of the U.S., and other aspects of U.S. environmental policy depend on continued engagement and support for institutional strengthening within ministries and agencies on the part of the Embassy, USAID and the Regional Environment Office for East Africa, based at Embassy Addis Ababa. FY 2002 DA population programs will continue to assist family planning to slow Ethiopia's population growth, which at present outstrips the growth of agricultural production. FY 2002 child survival and diseases (CSD) programs and Embassy efforts will support child survival and combat infectious diseases, with

special emphasis on HIV/AIDS (the adult infection rate in Ethiopia is estimated by the UN to be over 10 percent). CSD basic education programs will enhance the quality of teachers, will focus on getting and keeping more girls in primary school, and will provide educational material on HIV/AIDS. Finally, CSD will be used to help increase access to basic education for pastoralists, and to help fund support activities (health, water, and sanitation) of displaced families.

Gabon
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
IMET	47	150	160
Peace Corps	2,482	2,043	1,870

National Interests:

The key U.S. national interests in Gabon are democracy, the protection of American citizens, and economic prosperity, based on substantial U.S. oil interests. Gabon has yet to hold a national democratic election without significant organizational difficulties and other irregularities. There is important cooperation in combined military exercises and training between the Gabon and the U.S. Also, Gabon has been influential in promoting regional stability by mediating in conflicts in Congo-Brazzaville, Burundi, and the Democratic Republic of the Congo (DRC).

Objectives & Justification:

The United States seeks to strengthen Gabon's democratic institutions through diplomacy and grants to civil society from the Democracy and Human Rights Fund. We also aim to promote Gabon's involvement in mediation efforts that support regional stability. These include involvement in the peace process and political transition currently underway in the Republic of Congo (ROC), the Burundi peace process, and the furtherance of the Lusaka accords and peace in the Democratic Republic of the Congo (DRC). President Bongo was designated by the 1999 peace accords in the ROC as the presiding officer over the national dialogue and constitutional reform process in that country and his mediation there helped bring about an end to civil war. Libreville has been the site of meetings between Burundi President Buyoya and rebel leader Jean Bosco Ndayikengurukiye. President Bongo has also met with President Kabila and opposition groups from the DRC. We seek to perpetuate the willingness of Gabon to serve as a base for evacuating American citizens from dangerous situations in the region, as it has done in the past. The United States is also encouraging Gabon to reform and diversify its economy in order to benefit sectors of society currently on the margins, as well as opening doors to U.S. investment and exports. Peace Corps activities help to promote economic development and improved health.

Close military cooperation fosters our reliance on Gabon as a refuge and a staging area for regional evacuations. A strong U.S.-Gabonese relationship also enhances Gabon's peacekeeping capacity and strengthens civilian control of the military, which could be strained by a downturn in the economy or an increase in political uncertainty. The FY 2002 International Military Education and Training (IMET) program will, through its English language programs (including refurbishing an English language lab) and opportunities for greater contact with the U.S. military, increase understanding and defense cooperation between the U.S. and Gabon. The IMET program will build on joint/combined exercises held in FY 2001 such as the Joint Combined Exchange Training exercise held in May 2001 and will continue progress made with Gabon during the Africa Center for Strategic Studies (ACSS) senior leader seminar in January 2001. IMET programs in areas such as military justice, advanced staff training, officer professionalization, defense resources

management, medical, and other courses help shape a more positive role and future for Gabon's ministry of defense and armed forces.

Gabon will be eligible in FY 2002 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 modernization of Gabon's apolitical military and will reinforce the U.S.-Gabon political/military relationship, thereby also reinforcing appropriate civil-military relations. They FY2002

Gambia
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
IMET	0	0	50
Peace Corps	1,531	1,560	1,591

National Interests:

The United State's national interest in The Gambia is democracy. The Gambia has been under Section 508 sanctions since Yaya Jammeh took power by force of arms in 1994. The elections he sponsored in 1996 were viewed as flawed, and the country remains under the thumb of an authoritarian and closed government. It is in the interest of the United States to remain engaged withThe Gambia to promote democratic reforms and contribute to regional stability.

Objectives & Justification:

The United States will continue to promote democratic stability in The Gambia through our diplomatic presence and our Peace Corps program. The Gambia did not receive any International Military Education and Training (IMET) funding in FY 2001 but we propose to use $50,000 in IMET funding during FY 2002, should a democratically elected government be put in place. The IMET program would be used to encourage the military leadership to return the military to its traditionally constructive role undertaking civic action and humanitarian projects. In addition, IMET training would build capacity for military cooperation between The Gambia and neighboring countries in order to reduce border tensions and enhance regional stability.

Ghana
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
CSD	15,220	15,419	15,878
DA	22,381	18,558	19,378
IMET	450	450	470
Peace Corps	2,750	2,807	2,851

National Interests:

The primary national interests in Ghana are democracy, economic prosperity, and global issues, including health. Ghana is the fourth largest market for U.S. exports in sub-Saharan Africa. It also offers a favorable climate for new U.S. investment. Its professional military and a series of multi-party elections over the last decade make Ghana a model for regional stability, with longstanding commitments to peacekeeping in West Africa and beyond. Ghana has a national HIV/AIDS awareness program designed to reduce the country's 4.6 percent rate of infection, and is eager to do more to combat the disease provided resources are available.

Objectives & Justification:

Development Assistance (DA) funding supports technical assistance for the West African Gas Pipeline, which will transport natural gas, currently flared off in Nigeria, to Ghana where it will be used to produce lower cost electricity and help stimulate economic growth. Projects to help diversify Ghana's economy through increased production and marketing of non-traditional exports will help the country's economy become a more stable and growing market for U.S. exports. Projects aimed at modernizing and improving food production will help increase family incomes for the majority of the population employed in agriculture. Efforts to strengthen Ghana's legislative and judicial branches, as well as local government structures, will bolster the country's democratic institutions. In FY2002, DA funding will continue to support these efforts aimed at consolidating democracy and promoting sustainable economic growth and greater participation in global trade.

Through programs supported by Child Survival and Disease (CSD) funding, the United States supports activities to reduce the rate of HIV/AIDS transmission through training of health workers, strengthening laboratory support and surveillance, and active promotion of condom use. CSD funds also support improved immunization coverage and availability and use of oral rehydration therapy. In FY 2002, CSD funding will also be used to improve the quality of education in their primary schools. In addition this program supports democratic reform by promoting decentralization through district-level policy discussion.

Peace Corps programs in Ghana target education, business development and environmental projects including forestry.

Ghana was declared by the President in September 2000 to be eligible to receive trade benefits under the Africa Growth and Opportunity Act, AGOA. In March 2001, Ghana announced

it would seek Highly Indebted Poor Countries (HIPC) debt relief. It is expected to qualify when it reaches its decision point, likely in late 2001. Together with economic policies aimed at increasing foreign investment, debt relief will enable Ghana to reduce poverty and increase access to education and health care.

Military assistance programs reflect Ghana's longstanding contributions to peacekeeping efforts world-wide. Ghana will be eligible in FY 2002 to receive grant Excess Defense Articles (EDA) under Section 516 of the Foreign Assistance Act. Ghana would use EDA to increase the availability of its armed forces for peacekeeping operations. International Military Education and Training (IMET) funding will reinforce the Ghanaian Armed Forces' contributions to peacekeeping and its playing a constructive role in the development of Ghana as a democratic society. IMET also guides the Ghanaian military to play a key role in the country's development through civic action and humanitarian assistance projects. In FY 2002, IMET programs will enhance Ghana's capabilities as an effective participant in peacekeeping operations, and will build on training conducted under Operation Focus Relief and the African Crisis Response Initiative (ACRI). FY 2002 FMF will be used to acquire two refurbished U.S. 65-foot patrol boats and further to develop the Kofi Annan International Peacekeeping Training Center, a cost-effective sustainable platform to improve peacekeeping capabilities in West Africa.

Guinea
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
CSD	9,930	9,354	10,216
DA	8,634	9,055	9,725
IMET	179	230	250
Peace Corps	2,670	2,941	2,616

National Interests:

The primary U.S. national interests in Guinea are humanitarian response and democracy. With the Revolutionary United Front (RUF) and other allies of Liberian President Charles Taylor attacking Guinea's southern border, Guinea is hosting over 500,000 victims of instability from around the region in a situation that UNHCR is calling "the worst refugee crisis in the world today." Humane treatment of refugees in accordance with internationally recognized principles is a key U.S. policy objective in which Guinea has for some ten years been a stalwart partner. U.S. goals in this destabilized milieu include progress on democracy, economic growth, and stemming the transmission of HIV/AIDS. By defending its own borders, Guinea helps put pressure on the RUF to end the war in Sierra Leone, thus supporting U.S. efforts to ensure regional stability. Security within Guinea is also critical to the international community's ability to deliver humanitarian aid to Guinea's refugee population.

Objectives & Justification:

Guinea provides first asylum to more than one-half million refugees fleeing violence in the neighboring countries of Liberia, Sierra Leone and Guinea-Bissau. Caring for them, and for the basic needs of Guineans as the economic toll of the border fighting mounts, demands a multi-faceted approach. United States' emergency assistance and support for ongoing refugee programs is administered by the State Department's Bureau of Population, Refugees and Migration, largely through the Office of the United Nations High Commission for Refugees, the World Food Program, and non-governmental organizations. The FY 2002 Migration and Refugee Assistance (MRA) appropriation will fund U.S. assistance for refugees in Guinea. Peace Corps volunteers will assist internally displaced Guineans and refugees readjustment in safer areas away from the border fighting.

Through USAID, FY 2002 Development Assistance (DA) will promote economic growth, agriculture, restoration of environmentally damaged areas and democracy and good governance. Guinea was declared by the President in September 2000 to be eligible to receive trade benefits under the African Growth and Opportunity Act and has been declared by the International Monetary Fund (IMF) and the World Bank to be eligible to receive debt relief under the enhanced Highly Indebted Poor Countries (HIPC) initiative.

With low levels of child survival and basic education, Guinea also faces health care threats from malaria and HIV/AIDS. FY 2002 Child Survival and Disease Programs Fund (CSD) programs will continue to address these issues.

We will use FY 2002 Peacekeeping (PKO) funds to provide training to enhance the Guinean military's ability to defend against RUF attacks and afford security for international humanitarian assistance efforts. FY 2002 International Military Education and Training (IMET) seminars will help reinforce the military's role as an institution subordinate to the civilian government and enhance military and civilian leaders' knowledge of their part in protecting democratic values and internationally recognized human rights. Guinea will be eligible in FY 2002 to receive grant EDA under Section 516 of the Foreign Assistance Act. EDA geared to medical support for troops at the front; support of the navy, in spare parts and communications equipment for patrol boats previously supplied by the U.S.; and non-lethal equipment for Guinea's small army will help sustain the Guinean military against the RUF.

Guinea-Bissau
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
IMET	22	50	50
NADR-HD	99	500	0
Peace Corps	173	0	0

National Interests:

The U.S. national interests in Guinea-Bissau are democracy and humanitarian response. Re-emerging as a democratic society following two years of internal conflict, the country faces the challenge of reconstruction, including the need for significant demining efforts, and economic growth with severely limited government resources.

Objectives & Justification:

Guinea-Bissau is among the most indebted nations in the world, and has one of the highest ratios of soldiers per citizen. With the termination of internal conflict and an elected government in place, we will support demobilization, demining, and post conflict recovery of in Guinea-Bissau in order to improve stability in the region. FY 2000 and FY 2001 Non Proliferation, Antiterrorism, Demining and Related Programs (NADR) funds are supporting the operation of a non governmental organization (NGO) that specializes in removing and neutralizing mines and unexploded ordinance. Demining will enhance agricultural opportunities, including the production of cashew nuts, the nation's foremost cash crop.

Institutions critical for democracy such as the judiciary and the legislative branch will continue to receive financial support from the Africa Regional Democracy Fund (ARDF). Guinea-Bissau was declared by the President in September 2000 to be eligible to receive trade benefits under the African Growth and Opportunity Act and has been declared by the IMF and World Bank to be eligible to receive debt relief under the enhanced Highly Indebted Poor Countries (enhanced HIPC) initiative.

The FY 2002 International Military Education and Training (IMET) program will support those seeking to trim the size of the military and to return the military to its traditionally constructive role through civic action and humanitarian projects. IMET can also provide technical training complementary to demining activities funded from the NADR program. In addition, IMET training will reinforce efforts at military cooperation between Guinea-Bissau and neighboring countries in order to reduce border tensions and enhance regional stability. Guinea-Bissau will also be eligible to receive grant Excess Defense Articles (EDA) in FY 2002 under Section 516 of the Foreign Assistance Act. Such support will enhance the ability of the Guinea-Bissau military to locate and remove landmines, and help the Government of Guinea-Bissau to restructure its military.

Kenya
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
CSD	9,870	13,272	14,406
DA	21,503	17,997	18,941
IMET	422	450	460
Peace Corps	3,542	3,483	3,490

National Interests:

The primary U.S. interest in Kenya is democracy, with humanitarian interests playing a key role. Kenya is the principal point of access for U.S. military and relief operations in the Horn of Africa, including Sudan and the Great Lakes region. The United States works closely with the Kenya government in mediating conflicts. Bilateral military relations are also close, and the US is working to build Kenyan peacekeeping capacity. The traditionally apolitical Kenyan military is currently participating in three international peacekeeping operations. The approach of the 2002 elections, which signal the transition to the post-Moi era, is crucial. Kenya's continued stability depends on a smooth democratic transition and further expansion of Kenya's democratic space, strong, sustainable broad-based economic growth, and respect for human rights.

Objectives & Justification:

The United States promotes democracy in Kenya through diplomatic efforts, public diplomacy programs and various assistance programs. FY 2002 USAID funding requested through both Development Assistance (DA) and the Economic Support Fund (ESF) continue ongoing programs to improve the Parliament's operational effectiveness and strengthen its ties with Civil Society. As the 2002 elections approach, assistance programs will focus on improving electoral administration and elections monitoring, with the goal of promoting greater transparency and participation in the elections.

Further economic development will prove key to the success of democracy as well as to the increased prosperity of Kenyans. Kenya was declared by the President in September 2000 to be eligible to receive trade benefits under the Africa Growth and Opportunity Act. FY 2002 DA programs will encourage continued economic reforms and better governance. Other DA programs seek to raise rural incomes by assisting in the growth of small and medium-sized enterprises, and assist small holder agriculture. Some programs build on Kenya traditional leadership of regional efforts to preserve bio-diversity by improving community-based natural resource management and raising awareness of wildlife as an economic asset. FY 2002 Health care programs complement economic development programs. DA programs will support family planning efforts. FY 2002 Child Survival and Diseases (CSD) programs will assist with HIV/AIDS prevention and basic health services. The Peace Corps is coordinating its environmental and health programs with USAID mission activities.

FY 2002 International Military Education and Training (IMET) programs will strengthen U.S. –Kenyan military cooperation and assist in maintaining the professionalism of Kenya's

military and its commitment to civilian rule, essential to Kenya's role as a stabilizing force in the Horn of Africa. 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 Kenya's ability to participate in international peacekeeping operations.

Kenya will be eligible to receive grant Excess Defense Articles (EDA) in FY 2002 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 and regional peacekeeping operations. Kenya is leading the United Nations peacekeeping operation in Sierra Leone, and Kenyan soldiers are supporting United Nations operations in East Timor and on the Ethiopia-Eritrea border. A Kenyan battalion is currently undergoing training through the African Crisis Response (ACRI) initiative to enhance Kenyan capacities to engage in peacekeeping and related humanitarian operations. ACRI also is providing training and equipment to a Kenyan brigade staff, which will respond to command and control requirements for managing regional peacekeeping and humanitarian relief operations.

Lesotho
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
IMET	86	85	100
Peace Corps	1,979	2,160	2,156

National Interests:

The priority U.S. interests in Lesotho continue to be democracy and humanitarian assistance. Our national interests are best served by helping Lesotho strengthen its democratic foundations, in particular its electoral institutions and the concept of military subordination to civilian rule.

Objectives & Justification:

Our primary objective is to support the consolidation of democracy in Lesotho. The United States provides small grants from the regional Democracy and Human Rights Fund (DHRF) and the Regional Democracy Economic Support Funds (ESF) to advance the strategic objective of democracy by supporting civil society initiatives related to voter education and democratic practices. For example, requested FY 2002 ESF regional funds will assist non-governmental organizations (NGOs) to improve their election monitoring and reporting skills, and encourage political parties to agree upon a code of conduct for campaign and election seasons. Peace Corps programs focus on agriculture and crop production. Lesotho was declared by the President in September 2000 to be eligible to receive trade benefits under the African Growth and Opportunity Act. Lesotho will also benefit from regional FY 2002 Child Survival and Disease (CSD) funds, which will support efforts to combat HIV/AIDS at the local level.

A stable military is an important element in Lesotho's democratic development. FY 2002 International Military Education and Training (IMET) funds will support education programs for security personnel emphasizing leadership training, managerial skills, civil/military relations, and respect for human rights.

Liberia
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
CSD	2,552	1,350	1,500
DA	4,140	4,720	3,765

National Interests:

Our primary national interests are democracy and humanitarian response. Our primary strategic goal is to reverse Liberia's negative role in regional security. Liberian President Charles Taylor has fomented conflict in Sierra Leone and Guinea by supporting the Revolutionary United Front (RUF) through illicit diamond and arms trafficking. The Taylor government's monopolization of Liberia's natural resources for personal gain and to support irregular security forces has left the country saddled with debt and a dearth of social services, lack of economic development, and an infrastructure severely damaged by the 1989-1996 civil war.

Objectives & Justification:

Liberia is making little progress in recovering from its devastating seven-year civil war that ended in 1996, thanks to the selfish governance of President Charles Taylor. Taylor's support for the Revolutionary United Front (RUF) rebels in Sierra Leone and more recently Guinea, his government's poor human rights record, and his monopoly on the country's resources have hamstrung the environment for development. To bring an end to Taylor's support for the RUF, the U.S. imposed unilateral visa restrictions on Liberian government officials and family members in October 2000, and the UN approved sanctions on Liberia in March 2001. U.S. assistance has been provided only through non-governmental organizations (NGOs), not the Liberian government. Assistance levels have been reduced and programs have focused narrowly on health and food security needs in rural communities, along with a modest effort to assist civil society in leveling the playing field for the 2003 elections.

Liberia has low child survival rates and faces critical health care threats from malaria, diarrheal diseases and HIV/AIDS. FY 2002 Child Survival and Disease (CSD) programs are planned to address these issues. USAID programs through international NGOs are aimed at strengthening the capacity of Liberian non-governmental organizations to provide immunizations, nutrition and growth monitoring, maternal and child health care, curative care, and health education focused on malaria, diarrheal disease control and HIV/AIDS education.

Development Assistance (DA) programs in FY 2002 are planned to help improve food security in rural areas. Replenishment of seeds, tools, poultry, and livestock supplies, introduction of more productive farming practices, and rehabilitation of farm-to-market transportation infrastructure are areas where DA programs have measurable impact. Through this engagement with rural populations, as well as small-scale activities to support the efforts of civil society to confront the government on human rights abuses and restrictions on press freedoms, DA programs can help the development of democratic institutions and practices that might promote a change of Liberian government policies.

Madagascar
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
CSD	4,050	4,185	4,510
DA	12,916	15,158	13,995
IMET	160	160	170
Peace Corps	1,936	2,411	2,344

National Interests:

The primary U.S. interest in Madagascar is democracy, followed by humanitarian interests and global issues, including environment and health. 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.

Objectives & Justification:

Madagascar has proven relatively stable both politically and economically. Commercial law reform has moved ahead and private investment continues to grow. Madagascar was declared by the President in September 2000 to be eligible to receive trade benefits under the African Growth and Opportunity Act and has been declared by the IMF and World Bank to be eligible to receive debt relief under the enhanced Highly Indebted Poor Countries (enhanced HIPC) initiative. FY 2002 USAID Development Assistance (DA) will foster economic policy reforms and agricultural development. Peace Corps programs will also contribute to sustainable economic development in rural communities. DA funding will be available for promoting democracy. U.S. public diplomacy programs, along with grants from the regional Democracy and Human Rights Fund, will complement USAID in programming resources for the consolidation of democratic institutions.

A portion of Madagascar's DA funding will be programmed to protect the environment. USAID and Peace Corps environmental programs will assist Madagascar to guard its precious and rare biodiversity, and to implement sustainable and responsible natural resource management, particularly forest management. With USAID's assistance, Madagascar's government has increased protection of endangered species and forested areas.

DA funded population programs in Madagascar will raise awareness of and provide assistance for family planning. Peace Corps programs will be coordinated with USAID programs in combating HIV/AIDS and promoting child survival through community and national programs.

Our strategy for consolidating democracy includes enhancing the professionalism of the Malagasy military force through International Military Education and Training (IMET) programs. FY2002 IMET courses ($170,000 requested) will 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 2001 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.

Malawi
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
CSD	11,356	14,862	14,755
DA	19,048	13,150	10,006
IMET	345	350	360
Peace Corps	1,738	1,832	1,889

National Interests:

The primary U.S. interests in Malawi are democracy and humanitarian response. After Malawi's second national elections in 1999 and first-ever local elections in 2000, we seek to continue the consolidation of the country's multi-party democratic political system. Inextricably tied to this effort is U.S. assistance to promote economic development and address significant health problems, especially HIV/AIDS. A democratic Malawi achieving sustainable economic growth would contribute to the economic and political development of southern Africa.

Objectives & Justification:

By holding its second multiparty national elections in 1999 and first-ever local government elections in 2000, Malawi has taken important steps in consolidating its transition to democracy. U.S. efforts in Malawi focus on supporting institutions essential to perpetuating a free and open society and increasing civic involvement of citizens. FY 2002 Development Assistance (DA) funds will be used to help increase the capacity of accountability institutions, such as the Malawi parliament, the National Audit Office, and the judiciary. Support will be provided to activities that help indigenous organizations to promote human rights and civic education, and provide social services.

To help develop an environment supportive of democracy, our assistance also promotes economic growth and addresses important health and social problems. Malawi was declared by the President in September 2000 to be eligible to receive trade benefits under the African Growth and Opportunity Act and has been declared by the IMF and World Bank to be eligible to receive debt relief under the enhanced Highly Indebted Poor Countries (enhanced HIPC) initiative. FY 2002 DA funds will assist activities that boost agricultural productivity and crop diversity, promote sustainable land use management, and expand rural employment opportunities. Support will also help promote community-based natural resource management practices. To boost the quality and efficiency of basic education, Child Survival and Disease (CSD) funds will support activities that improve teachers' professional skills, encourage community involvement, and promote sector-wide policy reforms, including better management, planning, and resource allocation. Peace Corps programs assist with economic development.

Health indicators in Malawi are some of the worst in the world. An estimated 16% of the adult population is HIV positive. Child and infant mortality rates are among the highest anywhere. In addition, Malawi has one of the highest fertility rates in the world. U.S. assistance will support activities to increase the quality of and access to essential health services, focusing on maternal

and child health and infectious diseases. FY 2002 CSD funds will help efforts to reduce the transmission of HIV infections, reduce infant and child mortality, and increase the rate of contraceptive use. Programs to improve detection, treatment and prevention of tuberculosis and polio will also receive support, as will activities focusing on training, service provision, logistics and management systems for family planning and reproductive health.

By focusing on democratic values and mutually beneficial military-to-military relations, FY 2002 International Military Education and Training (IMET) programs will build on the Malawi military's tradition of apolitical professionalism and enhance regional stability. Malawi military personnel will receive training in finance, medical care, engineering, transportation, and resource management. In addition, they will take courses provided by the Defense Institute for International Legal Studies (DIILS). Malawi will be eligible in FY 2002 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.

Mali
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
CSD	12,878	12,433	12,717
DA	22,370	21,246	20,292
IMET	270	320	325
Peace Corps	2,598	2,693	2,595

National Interests:

The primary U.S. national interest in Mali are democracy and global issues (combating the spread of HIV/AIDS). A progressive, emerging democracy, Mali has become a significant force for regional conflict prevention. By working with Mali to professionalize its military, stimulate private sector growth and strengthen democracy, the U.S. will contribute to the stability of the sub-region. The United States also has an interest in preventing the spread of AIDS and enhancing health delivery capacity in Mali. Another national interest is diplomacy. Mali plays a regional leadership role as president of the Economic Community of West African States (ECOWAS)and has a seat on the United Nations Security Council. In both these fora Mali plays a central role in diplomatic efforts to end the war in Sierra Leone and restore peace and stability to West Africa.

Objectives & Justification:

Over the last ten years of democratic transition, Malians have worked to reverse the effects of repressive political regimes, statist economics and desertification. In FY 1999-2001, Mali received Development Assistance (DA) to address: economic growth, agricultural development, human capacity development, environment, democracy & governance, and population. FY 2002 DA programs will address the same broad spectrum of needs. Mali was declared by the President in September 2000 to be eligible to receive trade benefits under the African Growth and Opportunity Act and has been declared by the IMF and World Bank to be eligible to receive debt relief under the enhanced Highly Indebted Poor Countries (enhanced HIPC) initiative.

FY 2002 Child Survival and Diseases Fund (CSD) programs will continue to addressthreats from malaria and HIV/AIDS. The U.S. National Institute of Health, supported by USAID, is developing and testing malarial vaccines in Mali and developing health education and training programs. USAID's programs to improve access to health facilities also advance the fight against malaria and HIV/AIDS. Peace Corps Volunteers are involved in HIV-prevention education in secondary schools and via live radio broadcasts.USAID and Peace Corps work to improve access to basic education facilities and materials.

International Military Education and Training (IMET) training on civil-military relations will reinforce the military's role as an institution subordinate to, and supportive of, the democratic civilian government. Mali is eligible to receive FY 2002 Excess Defense Articles (EDA) under Section 516 of the Foreign Assistance Act. EDA such as vehicles, radios, and individual equipment will increase Mali's capabilities to participate effectively in international and regional peacekeeping operations. Mali is a participant in the African Crisis Response Initiative (ACRI).

Mauritania
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
IMET	0	100	100
NADR-HD	461	400	230
Peace Corps	1,561	1,565	1,541

National Interests:

The primary U.S. national interests in Mauritania is democracy. Mauritania's emerging democracy requires support in its pursuit of economic reform, development of democratic institutions and increased respect for human rights. Internal stability is essential for Mauritania's continued support for the Middle East Peace Process (MEPP).

Objectives & Justification:

The Mauritanian government is increasingly supportive of U.S. foreign policy goals, including counter-terrorism efforts, the MEPP, respect for human rights and pursuit of sound, market-based economic policies. The United States supports democratization through both diplomacy and small grants from the African Regional Democracy and Human Rights funds. Assistance from regional FY 2002 Non-Proliferation, Antiterrorism, De-mining, and Related Programs (NADR) will enable the Mauritanian government to continue effective de-mining operations that will allow for development of an area in the northern part of the country with potential for mineral extraction. Peace Corps programs assist with health projects, including efforts to reduce HIV/AIDS infections.

A modest Expanded International Military Education and Training (E-IMET) program for Mauritania in FY 2002 will serve U.S. interests by encouraging military support for democratically elected civilian government and respect for human rights. The Mauritanian government recognizes the value of such training and actively seeks it.

Mauritania was declared by the President in September 2000 to be eligible to receive trade benefits under the Africa Growth and Opportunity Act and has been declared by the IMF and World Bank to be eligible to receive debt relief under the enhanced Highly Indebted Poor Countries (enhanced HIPC) initiative. It is pursuing credible economic reforms that encourage investment and development of a market economy, and enable it to use debt relief to reduce poverty and stimulate economic growth.

Mauritius
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
IMET	79	80	100

National Interests:

U.S. national interests in Mauritius include economic development, democracy, law enforcement.and global issues. Mauritius is poised to take advantage of benefits offered under the Africa Growth and Opportunity Act, and the participation of Mauritius in international trade bodies helps to promote U.S. trade policies globally. U.S. national security is enhanced through the creation of a stable and secure Indian Ocean region and through cooperation on law enforcement matters, such as money laundering and terrorism.

Objectives & Justification:

FY 2002 International Military Education and Training (IMET, $100,000 requested) programs in Mauritius will contribute to development of a professional military that respect civilian rule. Other U.S. goals include helping Mauritius, a continuous democracy since independence, promote ethnic conflict resolution and prevent criminal activity, including terrorism, money laundering and other crime. We will pursue this goal through diplomacy with support from the Democracy and Human Rights Fund, and possibly Regional Democracy Economic Support Funds. Mauritius was declared by the President in September 2000 to be eligible to receive trade benefits under the African Growth and Opportunity Act. Mauritius will be eligible in FY 2002 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 Mauritius' counter-narcotics maritime activities

Mozambique
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
CSD	11,450	12,653	11,936
DA	37,569	29,469	29,224
IMET	178	200	215
NADR-HD	3,840	2,180	2,210
Peace Corps	1,234	1,245	1,223

National Interests:

The United States' long-term interest in Mozambique is principally humanitarian: to maintain the peace which we helped to achieve in 1992 after an inconclusive and highly destructive 16-year civil war and to assist the country to stem the devastating impact of HIV/AIDS and periodic flooding or drought. Helping Mozambique become a stable democracy is another important U.S. interest, which also contributes to our humanitarian interest by creating the mechanisms for peaceful resolution of disputes and improved human rights, and by providing a fertile environment to foster a thriving economy, trade, and investment opportunities. Strengthening democracy also better enables Mozambique to play a constructive role in southern Africa, a region important to U.S. global interests. The protection of American citizens residing and traveling in Mozambique and the control of international crime and narcotics trafficking are also priority national interests.

Objectives & Justification:

Consolidation of democracy is the linchpin for all our other goals in Mozambique. In order to further the transition to a stable democracy, FY 2002 Development Assistance (DA) will be used to build the capacity of non-governmental organizations (NGOs) and civic movements to engage government in substantive dialogue on key issue such as constitutional reform, political issues, judicial reform, and economic policies; it will also be used to increase the capability and accountability of government institutions in all branches of government. Africa Regional Democracy Fund (ARDF) will be used to support citizen-led research and national dialogue on judicial, electoral, and constitutional reform, including two national conferences. Democracy and Human Rights Fund (DHRF) grants will work to strengthen the effectiveness of civil society organizations. Mozambique was declared by the President in September 2000 to be eligible to receive trade benefits under the African Growth and Opportunity Act and has been declared by the IMF and World Bank to be eligible to receive debt relief under the enhanced Highly Indebted Poor Countries (enhanced HIPC) initiative.

Mozambique suffered from severe flooding in 2000. U.S. assistance to the country drew on funding provided by an FY 2000 supplemental appropriation. In response to further flooding in 2001, the Office of Foreign Disaster Assistance provided smaller amounts of assistance.

The FY 2002 International Military Education and Training (IMET) program will provide civil-military education and training to facilitate the appropriate use of Mozambique's military in

peacetime by emphasizing the necessity of an apolitical, professional, civilian-controlled military. Non-Proliferation, Antiterrorism, Demining and Related Programs (NADR) has been used to fund demining of critical roads, rail lines, and high voltage power lines, as well as emergency demining resulting from the heavy flooding of 20002. In FY 2002 NADR will fund demining work prioritized by the National Demining Institute (IND), as well as the institutional development of IND as that organization assumes the demining coordinating role from the UN Development Program (UNDP). Mozambique will be eligible in FY 2002 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 continue to support Mozambican demining capabilities.

Economic development is essential to the post-civil war success of Mozambique—one of Africa's poorest countries. The U.S. can best contribute to this success by helping Mozambique create viable mechanisms to respond to basic humanitarian needs, thereby increasing popular support for the fledgling democracy. In FY 2002, DA and P.L. 480 Title II will be used for income growth in rural areas, stimulating on-farm investment and expanding rural enterprises. This will include rehabilitation of farm-to-market roads, expanding farmer business associations, increasing the capacity of the Ministry of Agriculture to provide core public services in support of private sector-led agriculture development, and a new program to expand commercial financial services to more rural areas. DA will also be used to build the capacity of business associations to work with the government and legislature to develop trade- and investment-friendly regulations, including tax, tariff, and trade reform. DA will be used as well to support establishment of a non-governmental alternative dispute resolution system for contract disputes and promotion of improved communications and access to information. Peace Corps projects provide assistance to education, including education aimed at reducing the level of HIV infection.

FY 2002 DA will help strengthen Mozambique's capacity to develop and implement environmental policies. In the health sector, DA and Child Survival and Disease (CSD) funds will build local capacity of public and non-governmental institutions to provide sustainable access to basic services, especially those related to child survival, malaria, polio, HIV/AIDS, and family planning. This effort will include support to the second national demographic and health survey. The HIV/AIDS program, implemented in alliance with a Mozambican NGO and a U.S. foundation, will maintain a focus on the Maputo corridor while expanding some operations outside this area.

The U.S. will provide regional International Narcotics, Crime and Law Enforcement (INCLE) funds for the training of Mozambican law enforcement and judicial assistance personnel in anti-crime and counter-narcotics skills. A new focus will be added on civil disorder management.

Namibia
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
CSD	4,002	3,483	4,494
DA	7,237	7,198	4,432
IMET	175	195	200
NADR-HD	485	335	65
Peace Corps	2,307	2,087	1,886

National Interests:

The primary U.S. national interests in Namibia are democracy and humanitarian assistance. Independent since 1989, Namibia has made significant strides in developing a stable democratic political system and free-market economy. Helping Namibia overcome the legacy of apartheid provides a basis for enhanced regional stability, economic development, trade and investment opportunities and advancement of U.S. global interests.

Objectives & Justification:

Wide disparities in wealth and income are legacies of Namibia's apartheid past. Democracy and economic growth are the keys to overcoming these problems. FY 2002 Development Assistance (DA) will provide support for small business development, job creation, and private-sector enhancement. DA and Child Survival and Disease (CSD) funds will also be used to improve secondary and tertiary education for the previously disadvantaged majority. Through FY 2002 DA funding, community-based conservation programs will continue to aid rural Namibians in effectively managing their natural resources. FY 2002 CSD funds will also focus on implementing a new initiative supporting local non-governmental organizations (NGOs) in the battle against HIV/AIDS, as well as basic health education activities in rural areas and among women. Peace Corps programs target education and teacher training. Namibia was declared by the President in September 2000 to be eligible to receive trade benefits under the African Growth and Opportunity Act.

International Military Education and Training (IMET) funds support the training of Namibia Defense Force (NDF) personnel in democratic values and respect for civilian institutions. Namibia's program focuses on training for all strata of the NDF from senior level Ministry of Defense officials down to non-commissioned officers (NCO's). In FY 2002, courses will continue in defense resources management, military medical operations, and civil-military relations to strengthen the NDF's capacity to conduct peacekeeping and humanitarian operations. Funds will also be used to deepen the NDF's understanding of the impact of HIV/AIDS upon the military. Namibia will be eligible in FY 2002 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 peacekeeping and demining activities.

Non Proliferation, Antiterrorism, Demining and Related Programs (NADR) have been used to support demining in Namibia since FY 1997. As a result, nine minefields in the northern

part of the country have been cleared, and the project to demine 410 power pylons from Ruacana to Etosia was completed in February 2001. FY 2002 NADR funds will allow the continuation of a mine awareness campaign focusing on community outreach projects. The outreach program will especially target children, as they comprise the majority of landmine victims.

Niger
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
IMET	0	100	110
Peace Corps	2,195	2,168	2,077

National Interests:

U.S. national interests in Niger are democracy and humanitarian response. We are advancing these interests through support for Niger's fledgling democratically-elected civilian government and modest assistance to maintain food security and to support broad-based economic growth. Niger will be included in our regional effort to combat HIV/AIDS. 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 is another key objective.

Objectives & Justification:

With the return of elected government in December, 1999, Niger is at a critical juncture in its quest to consolidate democracy. Our assistance channeled through the West Africa Regional Program is focused on food security, health, HIV/AIDS and child survival. We propose to draw on the Countries in Transition FY 2002 Economic Support Funds (ESF) to support grass roots economic growth and democratic institution building. The United States will continue to support civil society and democratic institutions through the regional Democracy and Human Rights Fund and the Africa Regional Democracy Fund.

The provision of a modest FY 2002 International Military Education and Training (IMET) and Expanded-IMET (E-IMET) program will include seminars on civil-military relations and on the role of the military in a democracy. This program will help reinforce the military's role as a professional institution, subordinate to, and supportive of, the democratic civilian government.

Nigeria
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
CSD	17,000	23,363	23,695
DA	20,500	31,541	30,305
ESF	20,000	24,914	25,000
FMF	10,000	0	10,000
IMET	525	650	750

National Interests:

The primary U.S. interests in Nigeria are democracy, economic prosperity, law enforcement and global issues, especially combating the spread of HIV/AIDS. With a population of 120 million, Nigeria is the most populous country in sub-Saharan Africa and its political and economic influence make it a key African country. The elected, civilian government of President Obasanjo was inaugurated in 1999 after fifteen years of ruinous military rule. A democratic and prosperous Nigeria will exert an enormously positive influence on West Africa and the continent. Failure of economic progress and democratic consolidation will jeopardize U.S. national interests. U.S. private investment in Nigeria is approximately $8 billion, mostly in the petroleum sector, and Nigeria produces ten per cent of all oil imported into the United States. Nigerian drug trafficking organizations control courier networks that move large quantities of heroin from Asia to the United States.

Objectives & Justification:

U.S. strategy in Nigeria seeks to build support for key U.S. policies designed to promote domestic and regional stability, foster increased trade/investment and economic growth, and combat Nigerian-linked crime and narcotics trafficking efforts.

Nigeria is one of two key countries in sub-Saharan Africa with which we are building a strategic relationship. FY 2002 Development Assistance (DA) programs in the areas of education, agriculture, and health infrastructure will be focused on poverty alleviation and economic growth. Democracy and Governance Programs will aim to strengthen the National Assembly, state and local government structures and civil society. They will also stimulate development of the judicial system and a free, independent and responsible media. The Democracy and Human Rights Fund and State Department education and cultural exchange and information programs will provide training to support development of civil society.

Nigeria needs to diversify its economy and reduce its disproportionate and unhealthy reliance on petroleum exports. A priority target for FY 2002 Development Assistance (DA) and Economic Support Funds (ESF) will be supporting the privatization of parastatals, diminishing the role of the Nigerian Government in economic decision-making and paving the way for a private-sector driven economy. FY 2002 DA programs will also contribute to economic recovery by strengthening the agricultural sector, building human capacity, and by increasing the demand and availability of modern contraceptives through private sector and NGO outlets in order to curb

Nigeria's three per cent population growth rate. FY 2002 DA environmental programs will assist Nigerians to pursue economic recovery in an environmentally responsible manner.

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. FY 2002 CSD and ESF programs to promote the health of women and infants, and to control the spread of HIV/AIDS and other diseases will contribute to our global efforts to reduce the spread of infectious diseases. FY 2002 CSD programs to improve basic health care will support our strategic goal of economic development in Nigeria. FY 2002 Child Survival and Diseases (CSD) basic education programs, along with resources from the regional Education for Development and Democracy Initiative, will also foster broad-based growth.

Nigeria as a regional military power has played a major role in helping maintain stability in Liberia and Sierra Leone. U.S. military assistance programs will concentrate on ensuring military subordination to civilian rule and reinforcing a positive peacekeeping role in the region. Re-professionalization of the Nigerian Armed Forces will be promoted through FY 2002 International Military Education and Training (IMET) programs with emphasis on the role of the military in a civil society. Training resources will be used to help reorient the Nigerian military to its proper role under civilian authority and to enhance its regional peacekeeping capabilities. Nigeria will be eligible in FY 2002 to receive grant EDA under Section 516 of the Foreign Assistance Act. EDA such as aircraft, vehicles, radios, medical supplies and equipment, field equipment and clothing will assist continued participation in peacekeeping operations. Foreign Military Financing (FMF) in FY 2002 will help Nigeria professionalize military management and army training, refurbish its C-130 fleet used in regional peacekeeping efforts and to improve maritime security. Nigeria will continue to receive FMF in FY 2002 through the new Africa Regional Stability FMF program.

Nigerian crime syndicates, many of them linked to narcotics-trafficking, cost American victims tens of millions of dollars each year, mostly through financial fraud. The United States will continue to work with Nigerian law enforcement agencies to encourage and facilitate active investigation and prosecution of Nigerian criminals. This effort will use both State Department education and cultural exchange and information programs, ESF and regional International Narcotics Control and Law Enforcement (INCLE) resources. These programs will also permit Nigerian law enforcement and judicial system personnel to train and develop professional relationships in the United States to disrupt heroin and cocaine trafficking to America.

Republic of the Congo
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
IMET	0	110	110

National Interests:

The U.S. national interests in the Republic of the Congo (ROC) are democracy, economic development, and regional stability. Congo is a country in transition out of civil war. Civil strife has visited Congo three times in the past decade, at the height of which 800,000 were displaced and over 10,000 killed. The humanitarian crisis has passed even though many still suffer from the effects of war as the country is rebuilding. The country now is engaged in a national dialogue on a draft constitution and is preparing for national elections in late 2001 or next year. U.S. investments in the Congo are mainly in the oil sector, but also include a flour mill at Pointe Noire. Congo is also a regional influence in the neighboring conflict in the Democratic Republic of Congo (DRC). Though not directly involved in the conflict, over 100,000 DRC refugees are in the ROC. The government has contacts with the parties involved in the DRC and can be expected to support the peace initiatives to end the DRC conflict.

Objectives & Justification:

The priority objective of the United States in the Republic of the Congo (ROC) is to promote stability. Within the Congo, the United States supports the political transition and inclusive national dialogue called for by the peace accords of 1999. The desired end state is the restoration of democracy and rule of law through broad-based national reconciliation, and free, fair, and transparent elections. The United States also encourages Congo's efforts to promote regional stability in the war in the Democratic Republic of Congo (DROC). We will continue to promote and seek the protection of U.S. economic interests in the country. These are primarily in the oil industry, but also include a privatized flour mill operated by Seabord corporation at Pointe Noire.

Hostilities ended between rebel militia groups and the government with signing of peace accords in 1999. The accords called for an inclusive national dialogue which is being conducted from March-April 2001. The military leadership has also pledged to restructure the army and to establish a military justice system. Congolese armed forces require an improved understanding of civil-military relations and training in military justice and human rights, which would support the process of political transition and the rule of law in the Congo.

International Military Education and Training (IMET) funds can, through the establishment of an English language lab, prepare ROC military personnel for future training opportunities in military justice, human rights, and other functional areas as well. This will facilitate military-military contact and the establishment of beneficial relations and defense cooperation between the militaries of the Congo and the U.S. FY 2002 IMET programs for both officer and non-commissioned officers will assist in strengthening democratic institutions such as

civilian control of the military and government, and increased respect for human rights and the rule of law. It will also enhance the professional capacity of the Congolese armed forces.

The Congo was declared by the President in September 2000 to be eligible to receive trade benefits under the Africa Growth and Opportunity Act. Funds from other programs such as Democracy and Human Rights Fund (DHRF) and Africa Regional Democracy Fund (ARDF) also will support the ongoing Demobilization, Disarming, Resettlement, and Reintegration (DDRR) programs in the Congo. United Nations Development Program (UNDP) is administering the DDRR effort and continues to receive weapons from ex-militias. Vocational training initiatives are badly needed as most young men, ex-militia and others, are unemployed. To assure the success of the transition out of war, this population must be productively engaged in the civilian sector to create conditions conducive to peace and stability.

Rwanda
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
CSD	6,300	6,667	6,802
DA	9,820	6,932	7,155
IMET	164	100	100
NADR-HD	285	400	450

National Interests:

The primary U.S. interests in Rwanda are democracy building and humanitarian assistance. U.S. programs in Rwanda aim at preventing the recurrence of genocide (which claimed an estimated 800,000 lives in 1994) by helping to create the political, economic and social conditions which will lead to development of a prosperous society which embraces the principles of democratic governance and respect for human rights. These programs focus on promoting practices which combat corruption and improve transparency and accountability at all levels of government and throughout the private sector.

Objectives & Justification:

The U.S. implements a variety of political, humanitarian, economic and military assistance programs which support U.S. interests in aiding Rwanda's transition to sustainable development and securing regional peace and stability in Africa's Great Lakes region.

The United States will support peace and reconciliation within Rwanda by contributing funds from the Contributions for International Peacekeeping Activities (CIPA) account and the Contributions to International Organizations (CIO) account to support the International Criminal Tribunal for Rwanda, which seeks to bring to justice the perpetrators of the 1994 genocide. These funds support all aspects of the Tribunal's operations, including administrative and program costs. Regional Economic Support (ESF) funds from the Great Lakes Justice Initiative are being programmed to strengthen capacity for the administration of justice, to raise public awareness of the genocide laws, to promote reconciliation through local-level social and economic activities, and to encourage citizen participation through support for elections and other parliamentary processes.

Lack of a just and democratic political system and chronic poverty were contributing factors to the 1994 genocide. Rwanda was declared by the President in September 2000 to be eligible to receive trade benefits under the African Growth and Opportunity Act and has been declared by the IMF and World Bank to be eligible to receive debt relief under the enhanced Highly Indebted Poor Countries (enhanced HIPC) initiative. FY 2002 development Assistance (DA) funds will continue to finance activities to promote democracy, human rights, and economic growth. To improve food security in this country in which 90 percent of the population earn their living through farming, DA funding will focus on agriculture in rural areas. DA will also fund a second year of assistance to the Rwandan National Assembly and will begin a new activity to support fiscal decentralization. USAID helps support the Center for Conflict Management at the

National University of Rwanda, and national dialogue on sensitive but critical post-genocide issues.

High rates of HIV/AIDS infection and infant and child mortality threaten economic and political progress in Rwanda. FY 2002 Child Survival and Development (CSD) funds will continue to support child survival, polio and infectious disease treatment and eradication, HIV/AIDS prevention, and other health-related programs.

International Military Education and Training (IMET) to Rwanda has been suspended since June 2000. Rwanda may be eligible during FY 2002 for Expanded IMET (E-IMET) training in human rights and military justice. The IMET program offers training in the U.S. to Rwandan military students, allowing for daily contact and positive, long-term influence. This influence will assist the United States in pushing for peaceful resolution of conflict in the Democratic Republic of Congo, civilian control and direction of the military, and a constructive role for the military in the development of a democratic and prosperous Rwanda.

Nonproliferation, Anti-Terrorism, Demining, and Related (NADR) demining funds have supported demining efforts in Rwanda since FY 1997. As a result of a vigorous mine awareness program and of minefields cleared, the number of landmine victims has decreased from 233 in 1994 to only 2 in 2000. Approximately 400,000 refugees have been resettled, and a tea plantation cleared and returned to production. FY 2002 NADR demining funds will ensure the continued expansion of safe land for resettlement, agriculture, and cattle grazing.

Sao Tome and Principe
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
IMET	45	85	85

National Interests:

The primary U.S. interest served in Sao Tome and Principe (STP) is democracy, followed by humanitarian assistance, and economic development. U.S. efforts in STP focus on promoting political stability in order to support and safeguard our Voice of America facility and operations there. Vital underpinnings of this stability include strengthening democratic institutions and civilian rule and economic development in this exceptionally poor country. Humanitarian assistance is primarily in the area of malaria control.

Objectives & Justification:

Sao Tome and Principe (STP) is a model of democracy in Central Africa, characterized by open, free, and transparent elections, and is presently an island of calm in a troubled region. However, further economic deterioration in this island nation, that in years past has experienced unrest by its armed forces due largely to the nation's financial distress, will likely increase social tension and possible civil strife. This unrest could lead to military or autocratic rule, affecting the operation of the Voice of America's $55 million relay station, and halting the democratization of the country.

Sao Tome and Principe was declared by the President in September 2000 to be eligible to receive trade benefits under the Africa Growth and Opportunity Act and has been declared by the IMF and World Bank to be eligible to receive debt relief under the enhanced Highly Indebted Poor Countries (enhanced HIPC) initiative. The United States will continue to support democratic institutions and civil society through grants from the African Regional Democracy Fund (ARDF) and Democracy and Human Rights Fund (DHRF). Sao Tome is preparing for Presidential elections in July 2001 and has received some DHRF in aid for equipment, voter registration, and other election support. Legislative and municipal elections are planned over the next 2 years and will need support from Sao Tome's donor community to plan, prepare, and execute. The total lack of preparedness and logistical capability of the National Election Commission (NEC) for the July 2001 presidential elections, less than four months away is an indication that future assistance will still be required. In Sao Tome, however, this does not mean large amounts of funds. A very small amount will go a long way in demonstrating support for a country that is making progress and supports our national objectives and interests.

International Military and Education (IMET) programs will promote military leadership skills, English language capability, and professionalism in the Sao Tome military. IMET programs will also bolster continued civilian control through contact beween U.S. and Sao Tomean militaries, leading to increased understanding and cooperation. Sao Tome and Principe will be eligible in FY 2002 to receive Excess Defense Articles (EDA) on a grant basis under Section 516 of the Foreign Assistance Act of 1961, as amended. EDA would be used in conjunction with other

tools of engagement, such as IMET, to improve military professionalism and thereby reinforce appropriate civil-military relations.

Humanitarian assistance projects include continuation of a 4-year $1.7 million malaria control project. U.S. government commitment to this project was made in the last U.S.-Portugal summit and initial survey teams from the U.S. military have done their work. Sao Tome is expected to provide some support, but does not have the expertise or funds to manage the entire program. Sustainment over several years is key to a project of this nature to ensure that malaria, once controlled initially, does not recur to attack those who will not have built up their immune defenses.

Senegal
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
CSD	6,400	9,866	8,502
DA	17,153	13,775	15,977
IMET	764	800	850
Peace Corps	2,784	2,938	2,947

National Interests:

The U.S. national interests in Senegal are democracy and humanitarian response. Senegal is our most important Francophone partner in sub-Saharan Africa, a key 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) and is contributing one battalion to the UN peacekeeping mission in Sierra Leone and another to the UN peacekeeping mission in the Democratic Republic of the Congo. By working with Senegal to professionalize its military, strengthen its private sector growth and broaden democracy, the U.S. will contribute to the stability of a troubled region.

Objectives & Justification:

In 2001, peace accords were signed between representatives of the separatist movement in the Casamance region and the Government of Senegal. Demobilization, Disarmament, and Reintegration (DDR) will be important in cementing peace and we will look to fund such an effort from the Countries in Transition ESF account. Successful demobilization will add to the stability of the country and the region. Senegal was declared by the President in September 2000 to be eligible to receive trade benefits under the African Growth and Opportunity Act and has been declared by the IMF and World Bank to be eligible to receive debt relief under the enhanced Highly Indebted Poor Countries (enhanced HIPC) initiative.

Child Survival and Disease Fund (CSD) funds will be used to strengthen community-managed programs dealing with child survival, maternal and child health, female genital mutilation and sexually transmitted diseases, particularly HIV/AIDS. Development Assistance (DA) funds will address reform of commercial laws and facilitate access to financial services. These efforts will enhance Senegal's participation in the global economy.

International Military Education and Training (IMET) will reinforce the military's role as an institution subordinate to the democratic civilian government and improve, along with Senegal's participation in the Africa Crisis Response Initiative (ACRI) and the African Center for Strategic Studies (ACSS), its capabilities for participation in regional/international peacekeeping operations. We support the eligibility of Senegal for Excess Defense Articles (EDA) in FY 2002 to enhance Senegal's capabilities to participate in international peacekeeping activities.

Seychelles
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
IMET	72	60	75

National Interests:

U.S. national interests in the Seychelles are democracy, law enforcement, and global issues (environmental).

Objectives & Justification:

The United States promotes democracy in the Seychelles through diplomatic efforts combined with small grants from the Democracy and Human Rights Fund. The Seychelles was declared by the President in September 2000 to be eligible to receive trade benefits under the African Growth and Opportunity Act. An apolitical military is critical to maintaining democracy in the region; frequent coups have occurred in neighboring Comoros. FY 2002 International Military Education and Training (IMET, $75,000 requested) programs in the Seychelles will contribute to developing a professional military that respects civilian rule. Seychelles will be eligible in FY 2002 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.

Sierra Leone
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
CSD	500	1,884	1,884
DA	0	3,116	3,516
ESF	1,500	0	9,000
IMET	0	170	200

National Interests:

U.S. national interests in Sierra Leone are humanitarian response and democracy. Our primary focus is on ending a decade-old war perpetrated by the rebel Revolutionary United Front (RUF), which has devastated Sierra Leone, caused untold suffering to its people, and has destabilized the West African sub-region. During the last eight months, this conflict has spilled over into Guinea, creating even more instability and human suffering. Facilitating security cooperation among West African nations to deal effectively with this threat against an elected civilian government and countering the arms flows and illicit diamond trading that directly fuel the conflict are key elements of our strategy. Failure to resolve the crisis in Sierra Leone would have serious long-term effects on political stability throughout the sub-region and on its democratic and economic development.

Objectives & Justification:

The Lome Accord of July 1999, hailed as the end of eight years of civil war in Sierra Leone, collapsed because Revolutionary United Front (RUF) rebels refused to disarm and demobilize. In May 2000, RUF fighters suddenly seized hundreds of newly arrived United Nations Mission in Sierra Leone (UNAMSIL) peacekeepers and threatened the capital, Freetown. They were turned back by the timely arrival of British marines and paratroopers, assisted by pro-government militias.

Since then, the U.S. has worked with the United Nations (UN) and countries in the region to strengthen the United Nations Mission in Sierra Leone (UNAMSIL). Building on the November 2000 Abuja Agreement in which the RUF committed to observe a cease-fire and to disarm, UNAMSIL now plans to assist the Government of Sierra Leone in progressively extending state authority throughout the country. UNAMSIL's troops have the authority to use force, including deadly force. Contributions for the International Peacekeeping Activities (CIPA) account will pay the United States share of UNAMSIL. UNAMSIL currently plays a crucial role in overseeing implementation of still-active elements of the Lome Peace Agreement, including the disarmament, demobilization and reintegration (DDR) of former combatants from Sierra Leone's civil conflict.

The sustainability of peace within Sierra Leone and the region will largely rest on the form and content of the "relief to recovery" process. Development assistance will support creation of conditions for a lasting peace, mainly through developing or strengthening civil society organizations. Child Survival and Diseases (CSD) Fund and Development Assistance (DA) and

Economic Support Funds (ESF) funds will be used to support development of democratic governmental institutions needed for restoration of peace in Sierra Leone.

As we continue to press forward on securing justice for the terrible atrocities committed by the RUF, we will utilize FY 2002 ESF to help fund the Special Court. This court will investigate and bring to trial those bearing the greatest responsibility for the commission of crimes against humanity, war crimes and other serious violations of humanitarian law as well as crimes under relevant Sierra Leonean law. ESF and DA funds also will be used to support reintegration for ex-combatants.

International Military Education and Training (IMET) programs in FY 2002 will help to rebuild the Sierra Leonean military and reinforce democratic values. IMET will also support improvement of Sierra Leone's military justice system and civil-military relations, and will include travel to the U.S. by high-level military officers for professional military training as well as technical assistance in defense resources management. Sierra Leone will also be eligible in FY 2002 to receive Excess Defense Articles (EDA) on a grant basis under Section 516 of the Foreign Assistance Act of 1961, as amended. Assuming continued progress with the peacekeeping mission, grant EDA can be provided to support the ongoing rebuilding and restructuring of Sierra Leone's military.

Somalia
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
CSD	0	500	500
DA	0	2,500	2,500
NADR-HD	1,400	1,400	1,400

National Interests:

The primary U.S. national interest in Somalia is humanitarian, as continued political crisis and drought have resulted in chronic food shortages. The United States also seeks to advance peace and stability in order to establish democratic institutions and practices. Security in the Horn of Africa is threatened by the country's chaotic state and its potential as a platform for destabilizing elements, including terrorists. Somalia's long, un-policed border opens onto Ethiopia, Kenya and Djibouti. Access across the Indian Ocean to Yemen expands the potential threat.

Objectives & Justification:

Somalia has been without a recognized government since 1991. The primary U.S. national interest in Somalia is to help mitigate and resolve the humanitarian problems stemming from drought, conflict and chaos. The United States will be providing a humanitarian assistance program in Somalia, managed by the USAID in Nairobi, Kenya. USAID Nairobi will also seek to build democratic institutions and practices in Somalia by providing Development Assistance to those areas of the country which have achieved some measure of stability. Democracy and Human Rights funds may also serve this purpose. Funding under NADR is requested for FY 2002 in order to continue demining programs aimed at saving lives and returning areas to agricultural use. Another major objective is to work with Somali leaders, including the recently created Transitional National Government and regional administrations (Puntland and Somaliland), plus Djibouti, the OAU, IGAD, Egypt, Ethiopia and others to promote a national dialogue leading to reconciliation.

South Africa
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
CSD	13,188	15,872	18,429
DA	32,979	34,610	34,275
FMF	0	0	6,000
IMET	904	1,200	1,450
Peace Corps	2,406	2,577	2,701

National Interests:

Major U.S. interests in South Africa include democracy, economic prosperity, law enforcement, and global issues such as nonproliferation and HIV/AIDS. As the region's key economic, diplomatic and military power, South Africa has a significant bearing on regional security. The United States seeks to promote South Africa's development as a stable, democratic, market-oriented and prosperous state, with good relations with its neighbors, and strong U.S. links. Such a South Africa will be a strategic anchor for stability and an engine for economic growth in the region. It will also be a key partner in tackling major challenges, such as shaping a more stable and secure Africa, and developing effective international responses to such issues as arms control and nonproliferation, environmental degradation, and HIV/AIDS. Moreover, South Africa's successful transition will mean enhanced prospects for U.S. trade and investment, safety for Americans traveling in South Africa, and more effective cooperation in the fight against terrorism, crime, and narcotics trafficking.

Objectives & Justification:

The success of South Africa's transformation to a democratic and prosperous state is critical, not only for its own long-term stability, but also for the political and economic development of its Southern African Development Community (SADC) partners and farther afield in Africa. South Africa was declared by the President in September 2000 to be eligible to receive trade benefits under the African Growth and Opportunity Act. FY2002 Development Assistance (DA) spending will continue to support South Africa's efforts to strengthen and consolidate democracy, with special emphasis on strengthening the criminal justice system, democratic and effective local governance, and civil society-government partnerships. Programs will focus on efforts to strengthen the criminal justice system; promote empowerment of women; establish effective local government and rule of law; and make the judicial system more accessible to and representative of the majority of the population through institutional and policy support to the Ministry of Justice.

To assist the government's effort to promote the participation of the previously disadvantaged majority in civil society and the economy, FY 2002 DA programs will invest in education, private sector development, and delivery of housing and related human services to encourage broad-based, sustainable growth. These programs will address unemployment through programs in workforce development and education. DA programs will also increase market-driven employment by supporting existing small and medium-scale enterprises.

Lack of adequate shelter and services for the previously disadvantaged majority population continues to be a challenge for South Africa. DA programs in FY 2002 will also develop new strategic approaches to address emerging technical complexities of housing development, including upgrading existing settlements, energy and environmental concerns and the capacity of local authorities to deliver services in these areas. Helping South Africa pursue environmentally sustainable, market-based development will assist it in achieving other goals, such as broad-based growth and health. To encourage environmentally sustainable socioeconomic growth, DA will be used for training and for capacity building of policy formulation entities. The FY 2002 Child Survival and Disease (CSD) programs will continue to focus on primary health care delivery, with an increased focus on capacity building and HIV/AIDS prevention, mitigation and basic education. Education is a major recipient of assistance with a combination of DA and CSD funding to be used in FY 2002 to support systems improvement and service delivery in basic education, further (community) education and higher education. Peace Corps programs assist with improving education in rural areas and with reducing the spread of HIV/AIDS.

South Africa's political and military leadership in southern Africa and beyond are key elements for promoting regional stability and economic growth. Through International Military Education and Training (IMET), the United States encourages South Africa to transform its defense force into a professional military cognizant of human rights considerations and subject to civilian control by the government. This is accomplished by sponsoring South Africans to attend U.S. command and staff colleges, equal opportunity courses, civil-military relations courses and other professional military training. The requested increase in FY 2002 IMET will be used to continue these programs, which are dramatically increasing U.S.-South African military ties and cooperation.

In FY 2002, $6.0 million has been requested to support programs to enhance the South African military readiness and capacity. Primarily the program will support C-130 aircraft maintenance and training. South Africa's participation in response to flooding in Mozambique has resulted in severe shortages in spare parts, communication equipment and fuel. This assistance will foster the readiness of the South African Air Force and its regional intervention capabilities. Additionally, FMF funds will be used to help the South African National Defense Force (SANDF) address defense reform issues, military professionalization, and disaster response.

South Africa will be eligible in FY 2002 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.

Widespread crime in South Africa creates insecurity, undermines confidence in new democratic institutions, and impedes economic growth. We intend to continue our anticrime and counternarcotics programming in South Africa with International Narcotics Control and Law Enforcement (INCLE) funds from the regional Africa program. Our priorities include: border controls, narcotics, youth and domestic violence, sex crimes, organized crime, major case management, law enforcement train-the-trainer and curriculum development, corruption, and money laundering. In all of these areas, our overarching goals are to assist the South African Government in professionalizing areas of the criminal justice sector so that South Africa is able to

deal effectively with its crime problems. Among our key continuing programs for South Africa are the provision of police training and equipment for the South African Police Service and the Directorate of Special Operations, targeted on organized crime and trained, in part, at the FBI National Academy.

Swaziland
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
IMET	105	85	100

National Interests:

Priority U.S. interests in Swaziland are democracy, in particular increased room for political discourse, and humanitarian response. The latter interest includes assisting the country to stem the devastating impact of HIV/AIDS. It is also furthered by encouraging economic growth through increased U.S. business activity and investment, and business development, including assisting the Swazis in taking full advantage of the African Growth and Opportunity Act. These goals will increase the kingdom's contribution to stability in southern Africa.

Objectives & Justification:

Democracy and Human Rights Fund (DHRF) grants and Regional Democracy Economic Support Funds (ESF) advance the U.S. strategic objective of democracy promotion by supporting civil society initiatives related to democratic practices. In FY 2000 ESF's Education for Development and Democracy Initiative (EDDI) was used to fund the linking of a U.S. and a Swazi educational institution, as well as the Ambassador's Girls Scholarship Program. Swaziland benefits from AID's regional HIV/AIDS program. Swaziland was declared by the President in September 2000 to be eligible to receive trade benefits under the African Growth and Opportunity.

Efforts to promote the professionalization of the Swazi military directly support our primary goal of advancing democracy and human rights, and also bolster our goals of supporting regional stability and humanitarian assistance. FY 2002 International Military Education and Training (IMET) will fund military assistance programs that promote the professionalization of the Swazi defense forces through education on the role of the military in a democracy and in respect for human rights.

Tanzania
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
CSD	9,500	10,725	10,628
DA	14,322	12,164	14,506
IMET	167	200	200
Peace Corps	2,328	2,592	2,560

National Interests:

The principal U.S. interest in Tanzania is humanitarian response, which is enhanced by reinforcing Tanzania's political stability, strengthening Tanzanian democracy, and fostering broad-based economic growth. As a relatively stable country, Tanzania plays an important regional role as host to hundreds of thousands of refugees from regional crises and as the site of the Burundi peace process. The bombing of the U.S. Embassy in August 1998 underscored the need to expand our counter-terrorism relationship with Tanzania.

Objectives & Justification:

FY 2002 Development Assistance (DA) funds will be programmed across a variety of sectors in Tanzania to strengthen the foundations for a prosperous, democratic, and stable Tanzania. DA programs will continue to promote partnerships between civil society and the government to foster good governance. In order to reduce the dominance of the government's executive branch and strengthen other democratic institutions, USAID is working to improve the capacity and advocacy skills of civil society organizations.

In FY 2002, the United States will continue to promote U.S. products through DA-funded technical assistance, while at the same time supporting Tanzania's agricultural sector. To reduce poverty and stimulated the private sector, DA programs assist micro and small enterprises, focusing on the most impoverished rural areas. Health care programs focus on human capacity development, by promoting family planning, improving maternal and child health and preventing the transmission of HIV/AIDS. DA-funded programs to promote community-based natural resource management in and near national parks and on the coast will continue to contribute to sustainable, broad-based economic growth. Peace Corps programs will continue to contribute to sustainable growth at the grassroots level.

FY 2002 Child Survival and Diseases (CSD) funds will be programmed for child survival and infectious disease prevention. Peace Corps programs will also contribute to reducing the spread of HIV/AIDS.

A stable central Africa will reduce requirements for U.S. peacekeeping forces and massive humanitarian disasters as a result of ethnic violence and large-scale refugee flows. Supporting Tanzania and promoting its efforts to bring peace in Burundi and play a constructive role in the DROC will enhance regional stability. Tanzania is a key player in hosting the Burundi peace negotiations in Arusha, and President Mkapa has been called upon to help with the peace process

in the Democratic Republic of the Congo. FY 2002 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 2002 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 efforts in support of regional peace.

Togo
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
IMET	0	50	75
Peace Corps	1,705	1,756	1,832

National Interests:

The U.S. national interest in Togo is democracy. With extremely limited program resources in the absence of a USAID mission, the U.S. Embassy will continue to encourage a transition to freely and fairly elected democratic government, while also promoting the goal of broad-based economic development. We will also work to combat HIV/AIDS in Togo, which has the second highest rate of HIV infection in West Africa.

Objectives & Justification:

Togo has had difficulty making a transition from military dictatorship to democracy. Legislative elections scheduled for October 2001 represent a critical opportunity for breaking the country's political impasse. The United States has no bilateral aid program (the USAID office closed in 1994) although regional population and HIV/AIDS projects continue, and civil society is supported through small grants from the regional Democracy and Human Rights and African Regional Democracy funds.

To insure a successful transition to democracy, it is critically important that the capacity, professionalism and commitment to democracy of the military be enhanced. The FY 2002 International Military Education and Training program proposes to enhance the Togolese military's regard for democratic values, respect for individuals' civil and human rights, and acceptance of the rule of law.

Uganda
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
CSD	19,468	29,680	29,336
DA	29,544	21,086	20,868
IMET	247	100	100
Peace Corps	276	961	797

National Interests:

The key U.S. interests in Uganda are humanitarian response and democracy promotion. Uganda has made great strides in health, education, and economic reform. U.S. assistance is aimed at reinforcing these positive trends while encouraging good governance to ensure the long-term success of Uganda's reforms. Uganda is involved in two conflicts important to U.S. interests in Africa: the war in the Democratic Republic of the Congo and the civil war in Sudan.

Objectives & Justification:

Uganda was declared by the President in September 2000 to be eligible to receive trade benefits under the Africa Growth and Opportunity Act, and in May 2000 became the first and to date the only country to be declared by the IMF and World Bank to have completed the requirements for debt reduction under the enhanced Highly Indebted Poor Countries (enhanced HIPC) initiative. FY 2002 Development Assistance (DA) will be provided for economic growth, democracy, population and environmental programs. A transparent, productive Ugandan economy will spur regional integration and open access for U.S. goods and services to a market of over 20 million people in Uganda. Continuing DA programs will promote broad-based economic growth by assisting agricultural development and providing financial services and export assistance in rural areas. Other programs seek to sustain Uganda's unique biological heritage through conservation of biological diversity, and sustainable management of natural resources.

A key element in the promotion of sustainable growth is the development of Uganda's human resources. Uganda's rapidly growing population puts pressure on land, schools and health services, in turn threatening economic growth and democratic reform. Although Uganda leads the continent in efforts to prevent HIV infections, death rates remain very high, largely due to HIV/AIDS. Programs funded by DA and Child Survival and Diseases (CSD) help to lower the population growth rate, reduce maternal and infant death rates and slow the transmission of HIV/AIDS. The Embassy will also continue to engage in HIV education and provide diplomatic support to research projects such as those being carried out by the Centers for Disease Control. A complementary CSD program ensures that an increased percentage of Ugandan children, especially girls, have access to quality basic education. Ongoing U.S. democracy programs focus on strengthening Uganda's legislative and judicial institutions and local governments to foster long-term democratic reform. Peace Corps programs will also contribute to reducing the spread of HIV/AIDS and education.

Uganda plays an active regional role. It is involved in the Sudan and Burundi peace processes. Uganda has forces in Congo in support of rebels fighting the government of President Kabila, although it recently withdrew some troops to demonstrate its readiness to comply with the peace process. Uganda was a staging point for U.S. humanitarian operations in the Great Lakes region in 1994 and 1996. FY 2002 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's participation in IMET will be conditioned upon its cooperation in helping to resolve the Democratic Republic of Congo conflict. Excess defense Articles (EDA) will support Uganda's ability to participate in international peacekeeping operations, and to counter threats emanating from Sudan. Uganda will be eligible in FY 2002 to receive EDA on a grant basis under Section 516 of the Foreign Assistance Act of 1961, as soon as its troops complete their withdrawal from the Democratic Republic of the Congo.

Zambia
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
CSD	15,228	26,538	27,617
DA	16,000	10,546	10,725
IMET	137	175	190
NADR-HD	0	500	800
Peace Corps	1,554	2,748	2,723

National Interests:

The U.S. national interests in Zambia are primarily democracy and humanitarian response. We also seek to support the country's economic development in order to enhance the stability of southern Africa. With ongoing conflicts in two of its largest neighbors (Angola and the Democratic Republic of Congo), a stable, democratic and prosperous Zambia is important for the U.S. and the region. As a country with significant natural resources, a market-based economy, and a reestablished multi-party democratic political system, Zambia can play a significant role in a region of growing importance to the United States.

Objectives & Justification:

Zambia's economy continues to try to overcome decades of statist economic policies. FY2002 Development Assistance (DA) funds will support market-oriented economic reforms and increase the productive capacity of rural Zambia. Such activities will include support for improved soil conservation techniques, better product marketing skills, and a micro-credit insurance program. Projects will also boost local-to-international business linkages in eco-tourism and the hospitality sector. Zambia was declared by the President in September 2000 to be eligible to receive trade benefits under the African Growth and Opportunity Act and has been declared by the IMF and World Bank to be eligible to receive debt relief under the enhanced Highly Indebted Poor Countries (enhanced HIPC) initiative. To develop one of Zambia's greatest resources, its people, Child Survival and Disease (CSD) funds will be used to increase the quality of and access to primary education, as well as improving school-based health and nutrition. Peace Corps assistance with environment projects and legal clinics also contribute to economic development.

Landmines in rural areas along some of Zambia's borders are an obstacle to economic development. Zambia was accepted into the U.S. Humanitarian Demining Program in FY 2001. Nonproliferation, Anti-Terrorism, Demining, and Related Programs (NADR) funding would support the program in FY 2002.

Democracy and good governance are essential to the long-term stability and economic growth of Zambia. FY 2002 DA funds will support Zambian efforts, both governmental and non-governmental, to strengthen democracy. Projects will assist activities related to the administration of justice, public debate, and selected local government councils. Funds will support the establishment of a permanent alternative dispute resolution center and help provide advocacy training for a wide variety of civil society groups.

Diseases and their effects significantly hamper economic growth. Zambia is struggling to deal with high fertility rates and infectious diseases, including the HIV/AIDS epidemic. One-fifth of the adult population is HIV positive. FY 2002 CSD funds will support governmental and non-governmental efforts to prevent and treat HIV/AIDS, establish sustainable community-response mechanisms for orphans and vulnerable children, expand malaria prevention and treatment programs, reduce vitamin deficiencies, further consolidate immunization services, and prevent and treat diarrheal diseases. Assistance will also be provided to local-level Zambia health management teams. Peace Corps programs also help to reduce the spread of HIV/AIDS.

International Military Education and Training (IMET) support to Zambia will further the program's goals of improving regional stability and instilling democratic values in foreign militaries. Zambia is situated next to two ongoing civil conflicts (in Angola and the Democratic Republic of Congo) and returned to multi-party democracy after nearly two decades of autocratic rule. FY 2002 IMET funds will enable Zambian military personnel to attend courses at the Defense Institute of International Legal Studies and U.S. military staff colleges and receive training in peacekeeping, logistics, defense resources management, and tactics. Zambia will be eligible in FY 2002 to receive Excess Defense Articles (EDA) on a grant basis under Section 516 of the Foreign Assistance Act of 1961, as amended.

Consistent with our interest in regional stability and humanitarian assistance, the U.S. supports refugee protection and assistance activities for the nearly 250,000 Angolans and Congolese who have been provided asylum in Zambia. FY 2002 Migration and Refugee Assistance (MRA) funds will be channeled to the United Nations High Commissioner for Refugees (UNHCR), the World Food Program (WFP) and non-governmental organizations.

Zimbabwe
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
CSD	5,200	6,438	6,439
DA	6,926	6,384	5,834
IMET	286	0	50
NADR-HD	1,152	1,000	300
Peace Corps	1,710	987	1,161

National Interests:

The principal U.S. interest in Zimbabwe is democracy. The United States seeks to promote reforms which will help reverse Zimbabwe's economic and political decline, restore the rule of law and respect for human rights, and ensure regional stability. Zimbabwe's collapse could have profound effects on the region in terms of economic development and refugees. U.S. humanitarian assistance will help Zimbabwe to address its acute HIV/AIDS problem. Zimbabwe is a key player in implementing the Lusaka Accords to bring peace to the Democratic Republic of the Congo (DRC), essential for regional stability and development.

Objectives & Justification:

Zimbabwe is a country in crisis. It is experiencing extremely high rates of inflation and unemployment and GDP is declining. Political instability and violence, rising poverty, and an unpopular war in the DRC are undermining social stability and having negative effects throughout the region. Food shortages predicted for the end of the year likely will require an infusion of donor resources. FY 2002 Development Assistance (DA) will promote democracy by increasing civil society's ability to influence economic and political policy-making, especially in parliament and at local government levels. The goal is to make the government both more responsive and accountable to its citizenry. In the economic sector, DA resources will be used to fund private sector development in the form of micro-enterprise development and business skills training.

One quarter of the Zimbabwean adult population is infected with the HIV/AIDS virus, and the Zimbabwean health sector is inadequate to respond to the crisis. FY 2002 Child Survival and Disease funds will continue to be used to expand essential support to the health sector, focusing on increasing public awareness of the AIDS threat and changing sexual behavior. In FY 2002, USAID will design a new community-based initiative to help cope with the nearly 1,000,000 children orphaned by AIDS. Additionally, CDC Leadership and Investment for Fighting an Epidemic (LIFE) funds will support host country military medical personnel with training, exchange of medical information, and techniques to assist in reducing infection rates among southern African defense forces. Peace Corps programs will also contribute to reducing the spread of HIV/AIDS.

The declining human rights situation has prompted a re-examination of U.S. engagement with Zimbabwe through the International Military Education and Training (IMET) program. FY 2001 funding for Zimbabwe was reprogrammed while the situation is reviewed. The modest

request of $50,000 for FY 2002 funding reflects a proposed IMET program focusing on humanitarian and human rights-related training, should circumstances allow.

Nonproliferation, Anti-Terrorism, Demining and Related (NADR) funds have supported the humanitarian demining program in Zimbabwe since FY 1998 and funding will continue in FY 2002. The program has been highly effective in both demining operations and organizational management. Well-defined priorities have been established and through calendar year 2000, 34,328,958 square meters of land had been cleared for infrastructure development, tourism, and grazing of domestic animals. Zimbabwe will be eligible in FY 2002 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 focus on demining efforts.

Africa Crisis Response Initiative
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
PKO	20,000	20,000	20,000

National Interests:

The African Crisis Response Initiative (ACRI) is a U.S. peacekeeping program designed to train and equip approximately 12,000 troops from selected African militaries in the skills necessary to enable them to respond quickly and effectively to peacekeeping and humanitarian relief crises on the continent. ACRI's comprehensive approach encourages regional peacekeeping operations for which African countries take the primary responsibility, thereby reducing the humanitarian burden on the United States. The greater regional stability created by an enhanced African peacekeeping capacity will also serve U.S. interests in promoting African democracy and economic growth. ACRI training provides partner military units with interoperable peacekeeping skills and a package of basic equipment that enables units from different countries to work together effectively. The ACRI training program is complementary to and mutually supportive of French, British, and Belgian peacekeeping training efforts.

Objectives & Justification:

ACRI will continue to enable African participation in a program combining classroom, field, and computer-assisted training exercises, emphasizing preparedness to participate in permissive peacekeeping type tasks. These tasks include convoy escort, logistics, protection of refugees, negotiations, and command and control. For example, in 1999, ACRI-trained units from Mali and Ghana sent forces to Sierra Leone as part of the ECOWAS peacekeeping force, contributing to the success in brokering a negotiated settlement. Additionally, Benin sent a contingent to restore order following political upheaval in Guinea-Bissau, and Senegalese peacekeepers served under the UN mission in the Central African Republic.

ACRI's program of instruction includes initial and periodic follow-on training sessions, all based on the "train-the-trainer" concept. Brigade staff level training, first conducted in FY 2000 and continuing in FY 2002, develops skills necessary for sub-regional command and control structures. The program also integrates humanitarian NGO, PVO, and IO participation in the training to facilitate cooperation and better coordination in actual operations.

A portion of ACRI funds are also used to provide basic equipment (i.e., communications gear, uniforms, boots, generators, mine detectors, night vision devices, and water purification units), as well as to support program development and administration. To date, ACRI has conducted initial training with battalions from Senegal, Uganda, Malawi, Mali, Ghana, Benin, Cote d'Ivoire, and Kenya, and initial brigade staff training in Senegal and Kenya. Follow-on training has been provided to Ghana, Senegal, Mali, Benin and Malawi. FY 2002 PKO funds are needed to support initial training events for Ghana and Kenya, continue follow-on training with existing ACRI partner nations, and conduct brigade-level training in Ghana aimed at developing

Ghana's capacity to fulfill command and control functions for future multinational combined peacekeeping operations.

Africa Regional Democracy Fund
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
ESF	6,000	13,951	15,000

National Interests:

Democracy promotion in Africa is not only a reflection of American ideals but represents the bedrock supporting all key U.S. interests on the continent. Guided by the fundamental principles which strengthen our own society, the United States embraces a global obligation to help those suffering under authoritarian regimes. Democracy represents a stabilizing force capable of alleviating humanitarian crises resulting from armed political power struggles that cost the United States billions of dollars each year. U.S. economic prosperity flourishes through partnerships in stable governments that strive to enforce the rule of law and create suitable investment environments. Like-minded democracies also make the best partners in our global efforts to address international concerns ranging from terrorism, crime and drug trafficking to weapons proliferation, environmental degradation and the spread of disease.

Objectives & Justification:

The stability derived from increased democratic governance in Africa is fundamental to protecting and promoting U.S. objectives. The United States will continue to support robustly such key regional democracies as Nigeria and South Africa, even as we target critical needs in such important countries as Zimbabwe, Kenya, and Cote d'Ivoire. Throughout Africa, the challenge of democracy promotion will require a multifaceted approach. Countries such as Ghana and Senegal, which have displayed a strong and sustained commitment to democracy, require continued support to consolidate earlier gains. Many African countries will require concerted effort to encourage initial steps toward reform. And, lapses in democratic progression must be addressed, at the appropriate time, wherever it occurs. These challenges will require increased funding for democracy programs in FY 2002.

The United States supports post-conflict reconstruction, successful transitions to democracy, and the consolidation of fully democratic institutions and practices through the coordinated use of Public Diplomacy, long-term USAID democracy programs funded by Development Assistance (DA) in USAID presence countries, and Economic Support Funds (ESF) which are not limited to USAID presence countries. Regional democracy ESF resources target discrete, short-term and high impact opportunities throughout Sub-Saharan Africa and often strategically target a single aspect or several related aspects within the reform process.

While many important democratic reform opportunities often coalesce around elections, U.S. democracy promotion activities will increasingly extend far beyond election-related support. Regional democracy ESF funds will work in tandem with other important ESF programs like the Countries in Transition fund, the Great Lakes Justice Initiative, and U.S. support for African regional organizations. FY 2002 regional democracy funds will provide technical assistance, equipment, education, and financial support in order to help strengthen respect for human rights,

multiparty pluralism, transparent governance, civil society,independent judiciaries and legislative bodies, and an assertive and free media. Donor coordination and burden sharing will help ensure that U.S. resources are used strategically and continue to achieve maximum results with minimum duplication.

Africa Regional Peacekeeping
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
PKO	16,654	26,500	51,000

National Interests:

The Africa Peacekeeping Operations (PKO) program supports U.S. national interests of promoting democracy and human rights and facilitating humanitarian crisis response. For Africa, these funds promote increased involvement of regional organizations in conflict resolution, multilateral peace operations, and sanctions enforcement. The United States has a strong interest in enhancing the ability of other nations to lead or participate in voluntary peacekeeping and humanitarian operations through these organizations in order to reduce the burden on the United States. PKO funds also help leverage fair-share contributions to joint efforts where no formal cost sharing mechanism is available. This program seeks to bring stability and peace to the African continent.

Objectives & Justification:

Democratic governance and sustained economic development cannot thrive in an environment plagued by recurring armed conflict. Africa's conflicts in Sierra Leone/Guinea, the Democratic Republic of the Congo (DRC) and between Ethiopia and Eritrea are destroying the continent's prospects for peace and prosperity. Thus, helping Africa resolve its many conflicts is key to promoting our humanitarian, economic and political interests in the region. These funds permit us to help build African peacekeeping capacity bilaterally and regionally and to support ongoing operations. During the previous decade, African countries have developed reasonably effective peacekeeping and conflict resolution capabilities. Furthermore, many African countries have been willing to provide forces for PKO missions. Unfortunately, they are unable to deploy, sustain, and maintain those forces without significant international contributions – they simply do not have the resources necessary.

The most complex conflict in Africa, the war in the Democratic Republic of the Congo (DRC) requires appropriate international assistance to the parties. Funds will provide support for the Joint Military Commission (JMC), which is working with the United Nations to implement the cease fire agreement in the Democratic Republic of the Congo. Funds will be used to support the Lusaka Agreement and discourage resumption of hostilities.

Along with substantial contributions by the rest of the international community, these funds will assist the Organization of African Unity's (OAU's) mission (OLMEE) in support of the UN Mission in Ethiopia and Eritrea (UNMEE) to monitor the cease-fire and bring peace to this region of Africa. Funds will cover administrative expenses (vehicle maintenance, office supplies, communication services, etc.), fuel, transportation of equipment and personnel, and similar costs. U.S. support for OLMEE conforms to our interests in strengthening African conflict resolution capabilities.

Regional African organizations with security mandates such as the Southern African Development Council (SADC) and ECOWAS require assistance for joint exercises and staff training. Like any combined military organization, such as NATO, these nascent African organizations need to train and to plan together. FY 2002 PKO funds will be allocated to set up planning conferences, to cover operating expenses for regional efforts and to transport personnel and materiel for various types of exercises.

Africa Regional Stability
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
FMF	0	17,911	3,000

National Interests:

Democratic governance and sustained economic development cannot thrive in an environment plagued by recurring armed conflict. We advance regional stability by ensuring that key African partners and organizations have the capacity to achieve common security goals and participate in joint missions to contain and defuse security crises and to respond to humanitarian emergencies. Moreover, regional stability is an essential prerequisite for economic and political progress. Instability deters investors, inhibits the free circulation of goods, services and people, and drains momentum during democratic transition. These efforts have the ultimate aim of helping to ensure that the security interests and well-being of the U.S. and its allies are not threatened by African instabilities, and to reduce the high costs of U.S. humanitarian assistance. The USG's role be an indirect one, primarily one of capacity building and facilitating ongoing African efforts to ensure regional security by themselves.

Objectives & Justification:

In FY 2002, our regional security program seeks to support our interests in decreasing regional humanitarian requirements, enhancing stability and attacking the scourges of drugs and terrorism. Our strategy is to help resolve existing conflicts and support peacekeeping in the short term, while simultaneously building an African capability to handle conflict and prevent crises well into the future. The aims of these funds, which support our multi-tiered strategy, are as follows: to promote a democratic transition in the armed forces; to resolve existing conflicts; to increase base access for and interoperability with U.S. forces; and to build an African capability to handle conflict and prevent crises well into the future.

With assistance to the naval forces of key and proven West Africa military partners such as Senegal and Ghana, we seek to counter sub-regional security threats such as the RUF in Sierra Leone, drugs, and small arms proliferation. For example, Senegal's Navy assisted ECOMOG during its successful intervention in Guinea-Bissau in 1998-99. Programs would permit key navies to buy parts, to repair vessels and to support other maintenance activities to ensure that key navies in the region remain viable. This is particularly important in light of our efforts to place additional pressure on gun-running and other illegal activities in support of the RUF rebel in Sierra Leone.

In FY 2002, we plan to work with DOD to ameliorate the HIV/AIDS crisis in African militaries. Funds will provide medical equipment and supplies in support of the Administration's LIFE initiative. To enhance and strengthen DOD's training efforts, we need to provide our African partner countries with practical tools to support HIV/ AIDS efforts. These tools include surveillance and testing systems and assistance in health care management. In addition, this program will fund SADC's Military Health Training Center, which is in need of additional support to become fully functional. Among other uses, funds will purchase training aids, items for

the library and simulation lab and The activities of this center will enhance SADC's medical capabilities, professionalize its military personnel and strengthen the Security and Defense Sub-Committee.

Also in southern Africa, FMF funds will enhance Botswana's capability to rapidly deploy troops, supplies and equipment within the region. Given Botswana's proven history as a provider of regional and international peacekeeping troops, the maintenance of the country's capacity to deploy humanitarian supplies, military and other equipment and personnel is an important strategic objective.

Funds will also be used to bring peace in the Horn of Africa. The peace plan between Ethiopia and Eritrea calls for a large downsizing of force structure for the two armies. These funds, along with contributions from the EU and others, will provide transportation support and materials needed to prepare soldiers for onward movement to demobilization centers.

For countries routinely involved in peace and humanitarian operations on the continent, such as Kenya, Senegal and others, military equipment undergoes much wear and tear. FY2002 funding can be used to replace or repair individual soldier equipment, vehicles, radios and other items and thereby facilitate continued support for such operations by key partners.

To support regional capacity for humanitarian and peacekeeping response, Regional Security funds can be provided to the OAU's Conflict Management Center (CMC) at the OAU Headquarters. Modest support would protect the infrastructure investments made in prior years and facilitate efforts to make the OAU take a more operationally-focused, direct role in crisis mitigation.

Countries in Transition
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
ESF	10,000	15,945	20,000

National Interests:

The Countries in Transition program serves U.S. democracy and humanitarian interests by providing targeted programmatic responses to the needs of countries moving from violent conflict to democratic rule. Through these resources, the United States seeks to assist democratic institutions, civil society, and economic development in key post-conflict countries as an enhancement to regional stability while reducing the human cost and financial burdens of complex humanitarian crises.

Objectives & Justification:

Violent conflict represents one of the greatest threats to democratic reform and economic development in Sub-Saharan Africa. The use of funds from Countries in Transition (CIT) provides an essential tool for the United States to respond quickly and flexibly to avert unexpected crises or engage tangibly in countries emerging from civil or political conflict.

In FY 2002, Countries in Transition ESF will be vital to U.S. conflict resolution and stabilization efforts. As positive developments begin to unfold in the Democratic Republic of the Congo, the U.S. will be well positioned to make important, substantive contributions to such key needs as reintegration of former combatants, national political dialogue, civil society development, democratic civil-military relations, and key democratic institution capacity building. Such programming will rely on important progress in the peace process, coordination with international donors and the United Nations, and full consultation with Congress.

The comprehensive peace agreement between Ethiopia and Eritrea will require continued support from the U.S. in FY 2002. In combination with other U.S. assistance programs, Countries in Transition ESF could make a significant contribution to sustaining peace in the Horn of Africa. Sierra Leone, Guinea, and perhaps Burundi and Angola – depending upon the outcome and timing of peace processes, and in consultation with Congress, are potential recipients of FY 2002 Countries in Transition ESF.

Finally, a portion of FY 2002 Countries in Transition ESF may be used to promote economic stability in key countries emerging from civil and political conflict, particularly in fragile democracies or countries undergoing a transition to democracy.

Education for Development and Democracy
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
CSD	200	2,994	0
DA	9,855	17,006	0
ESF	10,000	14,947	15,000

National Interests:

The Education for Development and Democracy Initiative (EDDI) will serve U.S. democracy and humanitarian interests by enabling citizens to participate more fully in political and policy-making processes. The program will also promote U.S. and African economic prosperity by building Africa's human capacity for broad-based economic growth, laying a more solid foundation for U.S. trade and investment.

Objectives & Justification:

The Education for Development and Democracy Initiative (EDDI) aims to improve the quality of and technology for African education in the 21st century. EDDI employs modern technologies and innovative partnerships in an effort to complement ongoing education programs and reforms being carried out by thirty African countries, the World Bank, and donor agencies, including USAID. EDDI programming focuses on, but is not limited to, three major areas: (1) girls' education; (2) partnerships between U.S. and African – and among African – schools, universities and professionals; and, (3) local community resource centers housed in existing schools or libraries that can serve as a platform for infusions of technology, pilot projects to improve education, girls' mentoring programs, and school partnerships.

EDDI's focus on the education of girls has proven to be very successful in Africa, especially with regard to HIV/AIDS prevention. For example, Uganda's HIV/AIDS infection rate went from more than 20% to under 10% largely due to women-focused education initiatives. EDDI ESF has been instrumental in supporting democracy exchanges, training and networks for legislators, members of the judiciary, government officials and civil society leaders. Programming brings together regional partnerships of African policymakers and professionals from two or more countries. Girls scholarship and mentoring programs have been established in 26 African countries using EDDI resources. And, EDDI programs support training internships and best practices business workshops for African students and young professionals at U.S. companies in Africa.

Great Lakes Justice Initiative
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
ESF	10,000	9,966	10,000

National Interests:

The primary U.S. interests served by the Great Lakes Justice program are democracy and humanitarian assistance. The central African Great Lakes region has been plagued by serious communal ethnic 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 humanitarian assistance dollars saved, but also in this resource-rich region's potential as a significant trading partner for the United States

Objectives & Justification:

FY 2002 Great Lakes Justice Initiative (GLJI) Economic Support Funds (ESF) programs in the Democratic Republic ofCongo (DRC), Rwanda, and Burundi will advance U.S. national interests by encouraging responsibility and good governance, promoting peace and reconciliation, fighting corruption, and creating an environment conducive to democracy and economic growth.

If progress continues in the Burundi peace negotiations, FY 2002 ESF funding could be increased for justice activities and to promote good governance and increased transparency and accountability. At this time, resources in Burundi target non-governmental organizations and grassroots groups working to improve human rights and build a civil society capacity to promote rule of law.

In Rwanda, FY 2002 funds will be focused on: (1) promoting the rule of law through support for the court system, training, equipment, public awareness of the genocide laws as they evolve, traditional legal processes, and efforts to encourage ethnic diversity among lawyers and judges; (2) reconciliation through social and economic activities at the local level which promote cooperation and address the deprivation which lies at the heart of the cycle of impunity in the Great Lakes region; and (3) encouraging citizen participation through supporting elections and other participatory processes.

FY 2002 ESF funds in DRC will promote good governance, increased transparency and accountability, and fight corruption. Nongovernmental organizations will be supported to strengthen civil society's role in creating an environment conducive to democracy and economic growth.

Regional Organizations
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
ESF	0	997	4,000

National Interests:

Supporting Africa's regional organizations contributes significantly to key U.S. national interests such as democracy, humanitarian response, economic prosperity, law enforcement, and such global issues as combating HIV/AIDS and environmental degradation. Our interests are advanced when we successfully develop regional capacity and secure improved regional cooperation on transnational and global issues. Support for African regional organizations and institutions is also an important preventive measure directed at reducing the need for costly interventions by the UN, the U.S., and others in Africa's conflicts and humanitarian crises.

Objectives & Justification:

The Organization of Africa Unity (OAU) was established in 1963 to promote unity and solidarity among African states. By 2000, it has become an important multilateral actor in conflict resolution in Africa. The OAU, working through the agency of the Joint Military Commission (JMC) and to a lesser extent the Center for Conflict Management (CMC), had improved its capabilities for conflict prevention and resolution. We strongly support the United Nations Mission in Ethiopia and Eritrea (UNMEE), which has deployed military observers to monitor the withdrawal and redeployment of troops from a Temporary Security Zone. The OAU, together with the Algerian Government and the U.S., brokered the peace agreement between Eritrea and Ethiopia. The OAU's Liaison Mission to UNMEE (OLMEE) is an important confidence-building presence on the ground and adds an African component to UNMEE.

In the Democratic Republic of the Congo, the Lusaka Peace accords, signed in 1999 and calling for the separation of warring parties and national regeneration through a process of national dialogue, received new impetus following the death of President Kabila. The OAU's JMC is working closely with the parties and with the UN's Military Observer Group in the Congo (MONUC) to advance the peace process. U.S. assistance will support and sustain further improvements and reforms to the OAU's political-military capacity.

The Economic Community of West Africa (ECOWAS) has emerged as an important player in promoting regional stability and seeking to resolve crises in several West African states, notably Sierra Leone and Guinea. We want to provide institution-building assistance to ECOWAS because we see regional integration as an important boost to economic growth and prosperity in the region. As ECOWAS develops better crisis prevention capabilities, fewer demands will be placed on the international community for peacekeeping and humanitarian assistance.

ECOWAS members remain at the core of participants in the United Nations Assistance Mission in Sierra Leone (UNAMSIL): Nigeria, Ghana, Senegal, Guinea. We expect ECOWAS to continue to pressure Charles Taylor to cease his support for the Revolutionary United Front (RUF)

rebels in Sierra Leone. ECOWAS facilitated the signing of the November 2000 Abuja Agreement, the framework for the current cease-fire in Sierra Leone. Looking beyond the crisis, we want to engage ECOWAS to develop initiatives and programs that will contribute to regional and global economic integration, especially to opening markets and harmonizing tariff structures. Adherence to WTO standards, and customs, border and financial sector reform that promote integration are among the goals we will pursue.

The Southern African Development Community (SADC) is the premier sub-regional organization for fourteen countries of Southern Africa. SADC's primary focus is on regional economic integration, and the U.S. has strongly supported those efforts, working through the Secretariat in Gaborone as well as through other SADC institutions in member states. Moreover, as our ties to SADC have grown, we have been able increasingly to engage SADC on three basic objectives: supporting regional integration and expanded trade and investment between SADC and the U.S., strengthening SADC's capacity to promote regional security, and countering transnational threats that arise from narcotics' trafficking, the proliferation of small arms and the spread of HIV/AIDS.

The SADC Trade Protocol, which was launched in September 2000 and provides for the creation of a free trade area (FTA) over the next 8-12 years, is the cornerstone of SADC's regional integration efforts. The U.S. has provided extensive technical assistance to support implementation efforts. Successful implementation of the FTA will be a major boon to expanding trade and economic development in the region and open the door for new export opportunities from the U.S.

At their March 9, 2001, Extraordinary Summit, the SADC heads of state approved a comprehensive package for restructuring SADC institutions. The reform will strengthen SADC's capacity to promote regional integration and security, and is expected to facilitate our cooperation with SADC. We are committed to working with SADC in a number of areas that include democracy and good governance, economic growth (integration), agriculture, and resource management. Other areas of actual or potential cooperation include enhancing the ability of SADC member states to work cooperatively to solve regional conflicts, improve management of shared resources, in particular transboundary water resources, inhibiting the spread of infectious diseases, preventing environmental degradation, and strengthening SADC's regional disaster management capability. A key priority will be working with SADC to address the fast-growing problem of crime without trampling fundamental liberties. The International Law Enforcement Academy (ILEA) will open its doors soon in Gabarone, Botswana. While utilizing U.S. funds provided by Bureau of International Narcotics Control and Law Enforcement (INL), the new academy is emblematic of progress in Southern Africa and will serve as a base to support police professionalization and enhanced anti-crime measures.

Safe Skies
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
ESF	2,000	1,993	3,000

National Interests:

The Safe Skies for Africa program will benefit U.S. economic prosperity, the safety of American citizens abroad, and law enforcement. Africa's integration into the global economy willincrease U.S. exports and promote regional stability. Safe Skies for Africa will fostereconomic integration by improving aviation safety and security in Africa, thereby expanding opportunities for business travel and tourism. Improved airport securitylimits narcotics trafficking and weapons smuggling. Better maintenance and safety practicesmakes it safer to Americans to travel abroad.

Objectives & Justification:

The Safe Skies program aims to support economic development (expanding tourism, facilitating business travel and increasing air cargo and trade opportunities), increase U.S. exports (commercial opportunities for U.S. companies in engineering and construction, aviation safety and security equipment, and consulting), reduce imports of illegal drugs, and combat international terrorism (through immigration and border control training).

Safe Skies will quadruple the number of sub-Saharan countries meeting international standards for aviation safety oversight. It will improve airport security at eight to twelve airports, as well as upgrade regional air navigation services. In FY 2001, initial survey visits are planned for Angola and Zimbabwe. In FY 2002, follow-up visits will be made to all countries that received initial survey visits, U.S. and African-based training sessions will be held, consultations (with regard to country-specific, aviation improvement work plans) will be held, and reverse trade missions allowing African aviation officials to meet with U.S. businesses are envisioned. In addition, two to four sub-Saharan countries meeting Safe Skies criteria will be invited to participate in the program by the Safe Skies interagency committee and will receive survey visits.

The United States' principal role in Safe Skies is as a technical advisor to the participating African nations, who will use their own resources and outside assistance (private sector, multilateral development banks, and international civil aviation organizations) to implement recommended improvements. ESF funds will support travel and per diem for the interagency surveys of African airports, the development of work plans for airport improvements, and start-up supplies and equipment to assist in the implementation of airport improvement plans. Funds will also be used to provide training to local civil aviation authorities and air traffic controllers. Funds may also be used to publicize and promote U.S. industries' participation in Safe Skies, thereby increasing commercial opportunities for hardware, and construction and consulting services.

This program is justified in terms of anticipated benefits in economic development, increased U.S. exports, curtailing imports of illegal drugs and combating international terrorism.

EAST ASIA AND THE PACIFIC

Burma
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
CSD	3,000	2,000	2,000
DA	0	1,000	1,000
ESF	3,500	3,488	3,500

National Interests:

U.S. national interests in Burma are based on promotion of democracy, support for human rights, and ensuring the exercise of religious freedom for Burma's religious minorities. Burma has been ruled by an authoritarian military government for almost forty years. The Burmese regime's repressive policies and aggressive suppression of ethnic and religious minorities have seriously damaged the country's economic and social structures and made Burma one of the poorest nations in the world. A stable, democratic Burma is essential to key U.S. strategic goals in Southeast Asia. Burma's destabilizing effect on strategic U.S. partners such as Thailand threatens our security, economic, and counernarcotics efforts throughout the region.

The United States has three primary interests in Burma: promoting democracy, supporting human rights and religious freedom, and furthering effective counternarcotics efforts. EAP funds earmarked for Burma are keyed toward the first two national interests.

Objectives & Justification:

Since 1962, Burma has been ruled by a military junta, the State Peace and Development Council (SPDC) that has brutally suppressed any form of dissent and presided over a significant deterioration of the country's economic and social performance. In 1990, the SPDC set aside the results of Burma's last fair and fee elections, imprisoned hundreds of democracy activists, and placed Aung San Suu Kyi, the Nobel prize-winning leader of Burma's pro-Democracy forces, under de facto house arrest.

ESF funds develop the capacity of the Burmese people to manage the eventual transition to a democratic society in a participatory, transparent and accountable manner. U.S. government assistance maintains pressure on the SPDC to engage in meaningful dialogue with the democratic opposition leading toward a peaceful transition to a democratically elected government. U.S. assistance provides higher education to exiled Burmese democracy activists and assists the exile community in providing accurate information to Burma's isolated citizenry and shining light on the regime's repressive policies and atrocities. The Burmese regime's decision to begin talks with Aung San Suu Kyi in late 2000 places an even higher priority on U.S. efforts to maintain pressure on the regime and assist Burma's democratic opposition.

Since the 1980's, the regime has also carried out aggressive military campaigns against ethnic populations which have led to a growing population of economic and political refugees both within Burma and in surrounding countries. DA funds maintain pressure on the SPDC to improve its human rights record and cease persecution of religious minorities. U.S. government

assistance provides critical aid to the growing number of refugees and displaced people living inside Burma and along Burma's borders in neighboring countries, particularly Thailand. Humanitarian activities have improved access to primary healthcare, helped maintain nutrition and food security of refugee populations, and improved the quality of education for refugee children. U.S. assistance helps mitigate the destabilizing effect such refugee outflows have had on Thailand, our chief strategic ally in Southeast Asia.

Cambodia
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
CSD	3,550	9,420	10,000
ESF	10,000	14,948	25,000
IMET	0	0	250
NADR-HD	2,580	2,475	2,225

National Interests:

As a signatory to the 1999 Paris Accords on Cambodia, the United States has an abiding interest in promoting, 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 democratic development in an impoverished nation so new to the democratic experience and so lacking in human and institutional resources is complex and long-term. The level and nature of our assistance program also depend on the Cambodian government's progress towards democracy and respect for human rights.

Objectives & Justification:

Since 1997, assistance to Cambodia has been funneled exclusively through NGOs and International Organizations. Program areas include assistance to organizations engaged in democracy building and strengthening civil society, health care needs such as maternal/child health and HIV/AIDS prevention, humanitarian de-mining and aid to mine victims, and micro-enterprise loans.

U.S. funds support Cambodian NGOs working specifically in the areas of protection of human rights and the creation and protection of democratic institutions. Organizations receiving U.S. assistance address such issues as domestic violence, legal education, labor rights, government transparency, rights of women in society, rule of law training, corruption and public accountability, an independent press, and legal assistance to the poor. Cambodian NGOs engaged all levels of government and society to help plan, monitor, and implement Cambodia's first-ever local elections in February 2001. In FY 2002, ESF would support local election programs and strengthen the judiciary so that it may provide a more effective check on the strong executive.

Cambodia is believed to have more mine-related injuries per capita than any other country in the world. International assistance is vital to Cambodian efforts to remove the estimated 5-8 million anti-personnel mines in the country. The U.S. contribution to the humanitarian demining program is administered through grants to the United Nations and to NGOs.

If present trends continue, Cambodia's population will double in 25 years. ESF funds will be used for educational programs to reduce Cambodia's high birth rate and infant and maternal mortality rates, and to reduce the high rate of death from preventable diseases, including HIV/AIDS. The Reproductive and Child Health program provides services to over 120,000 women and children each year, and has doubled contraceptive use in the last four years.

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. Micro-enterprise programs, supporting credit for the rural poor (80% of Cambodians), target women in particular.

IMET funds will be used for human rights and rule of law training to help professionalize the Royal Cambodian Armed Forces. Funds would also be used to train officers to play an effective role in transnational law enforcement issues (narcotics, human trafficking, and protection of land and natural resources) that involve governance and the rule of law. Cambodia will be eligible in FY 2002 to receive grant Excess Defense Articles (EDA) under Section 516 of the Foreign Assistance Act. Grant EDA will support humanitarian assistance efforts to include de-mining. Resumption of IMET and provision of EDA are subject to the lifting of restrictions against assistance to the central government of Cambodia.

China Rule of Law
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
ESF	0	0	5,000

National Interests:

The U.S. has a national interest in promoting rule of law programs in China, especially those that are economic and rights-related. The programs – involving officials, academics, lawyers, and citizens organizations in both countries – would instill greater transparency and accountability into legal institutions and processes in China. U.S. interest is heightened in light of widespread systemic legal reforms now under way due to China's future World Trade Organization (WTO) commitments. Chinese domestic pressures are also increasing to address certain citizen needs through legal means – legal services for poor citizens; public participation in making laws and regulations and in electing lower level officials; private legal remedies to address breaches of labor, consumer protection, and environmental laws.

Objectives & Justification:

ESF will help support U.S. involvement in promoting rule of law development in China, which increases economic prosperity and promotes respect for individual rights and democratic principles. This assistance will enable the Department to fund U.S. legal expertise to facilitate changes to laws, legal institutions, and legal procedures reflecting greater degrees of openness, transparency, and accountability. Grants to NGOs, academic institutions, and legal experts will support a set of programs in WTO-related, rights-related, and civil society-related rule of law development. The funds will also allow us to address opportunities as they arise for targeted projects and technical seminars, joint studies, and U.S. legal publications in particular legal areas, such as the U.S. Federal Register process.

Unlike programs supported by other agencies, ESF can be used to address systemic legal issues in China including: U.S. legal expertise on WTO law (through case studies and basic training);capacity building of Chinese legal aid clinics for the poor; election law reform and village official training; legislative and administrative reform to incorporate public input into law and regulation drafting; and capacity building of Chinese lawyers inside and outside of government to play a positive role in protecting against violations of labor, consumer protection, and environmental laws.

East Timor
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
ESF	25,550	24,914	25,000
FMF	0	1,791	1,000
IMET	0	0	50
PKO	8,500	8,500	8,000

National Interests:

The United States has important political and security interests in East Timor. In August 1999, the East Timorese voted under UN auspices against remaining as part of Indonesia, an event which was unfortunately followed by rampant destruction by forces opposing independence. The UN approved a multilateral military force (INTERFET), which was succeeded in February 2000 by the UN Transitional Administration in East Timor (UNTAET). UNTAET is working closely with the East Timorese to establish democratic governmental institutions in preparation for a transition for the territory to full independence by early 2002. The US intends to continue to help the East Timorese in this transition with assistance aimed at humanitarian relief, reconstruction, institutional development, capacity-building, and economic recovery. Our goal is the emergence of a viable, democratic East Timor that is integrated politically and economically into regional and global structures and markets. For democracy, rule of law, and stability to permanently take hold in East Timor, the US must continue to support the development of stable political and economic infrastructure in East Timor.

Objectives & Justification:

The most pressing need in securing East Timor's emergence as a viable democracy is maintenance of peace and stability. In FY 2001, the US is contributing 80 police officers to the civilian police (CIVPOL) component of UNTAET, which is responsible for law enforcement functions while training the new 3,000-member East Timor Police Service (ETPS), and supporting two advisors to the Office of Defense Force Development (ODFD). In FY 2002, PKO funds will be needed to continue the U.S. commitment to support the UN CIVPOL to make East Timor's own police force fully operational.

The establishment of East Timor as a new, viable democracy will require substantial institution building. ESF funds will support development of East Timorese civil society, democratic, and economic institutions by promoting the formation of NGOs to develop institutions critical to democratic governance, including effective political institutions, independent advocacy centers for human and labor rights, and a free press. Other programs will assist in the development of an independent judiciary and support training of the ETPS. Crucial to East Timor's long-term viability is restoration of its infrastructure and the creation of a healthy, sustainable economy. To achieve this, ESF funds will be directed toward rebuilding the fundamental physical elements of the economy, such as schools and roads, and to stimulating sustainable growth in East Timor's established industries while exploring new opportunities.

Another goal is to establish prosperous trade ties with other nations in the region and the world that will integrate East Timor economically with the community of nations.

East Timor is in the process of standing up a modest East Timor Defense Force (ETDF) of 1500 active duty and 1500 reserve personnel to meet East Timor's security needs. Although East Timor's security will ultimately depend on good relations with neighboring countries, the new nation will need an ETDF with basic equipment for defense, support, communication, and transportation. FMF will help assure establishing an appropriately equipped force by facilitating the acquisition of non-lethal basic soldier equipment. The ETDF will need training for its new officers and funds for a small IMET program have been included as well. Following independence and approval of a Presidential Determination of East Timor's eligibility to purchase defense articles and services from the U. S. Government, East Timor will be eligible in FY 2002 to receive Excess Defense Articles (EDA) under Section 516 of the Foreign Assistance Act. EDA will support the U.S. objectives of supporting East Timorese self-sufficiency, disaster management, and humanitarian assistance relief; as well as developing a professional, effective defense force.

Indonesia
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
CSD	18,950	19,580	21,280
DA	53,050	52,505	48,804
ESF	22,450	49,828	50,000
IMET	0	200	400

National Interests:

The United States has important security, political, economic, commercial, and democracy interests in Indonesia. Indonesia's strategic location, size (fourth largest population in the world), and natural resources give it broad strategic value. A unified, prosperous, and democratic Indonesia is key to Southeast Asian and 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 it continue 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 interests in access to internationally recognized sea-lanes and straits that pass through Indonesian waters.

Objectives & Justification:

In FY 2002, DA funds will primarily be used to help the GOI and Indonesian NGOs develop institutions critical to democratic governance, including impartial electoral structures, an independent and transparent judiciary, independent advocacy centers for human rights, labor unions, and a free press. Progress is measurable: Indonesia's civil society is blossoming, the press is free, the police have been separated from the military, and the Parliament has enacted significant legislation aimed at a more democratic electoral framework and devolving many powers from the central to the local level. Decades of authoritarian rule, however, stunted the development of political and judicial institutions and much education and development remain to be accomplished before effective governance becomes the norm.

Economic stability in Indonesia is important for its future. The U.S. will use ESF and AERA 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, will use DA funds for technical assistance and training in micro-enterprise, economic growth projects, and agriculture, generating trade opportunities for U.S. exporters and helping to ensure fair treatment for American businesses.

Our Expanded IMET (E-IMET) program is currently suspended in the aftermath of military human rights abuses in East Timor. In the hope that the Indonesian government will comply with the conditions of the Leahy amendment on military assistance to Indonesia at some point, before or during FY 2002, we request funding for resumption of E-IMET training in FY 2002. The E-IMET program would be aimed at positively influencing the Indonesian military's (TNI) professionalism and discipline. It would also heighten the Indonesian military's awareness

of principles of good civil-military relations and international human rights standards and could reinforce TNI's commitment to reform. In addition, this assistance would recognize Indonesia's key role in regional security issues and would help to ensure U.S. access to Indonesia's airspace and strategic sea-lanes. Indonesia would be eligible for EDA under section 516 of the Foreign Assistance Act upon resumption of Security Assistance programs.

CSD funding and social safety net assistance will continue to be focused on projects to stabilize population growth, fight AIDS, improve child nutrition, and on other health projects that contribute to the overall long-term health and welfare of the Indonesian people.

Laos
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
IMET	0	50	50
INC	4,000	4,200	4,200
NADR-HD	1,486	793	800

National Interests:

The United States has four primary interests in Laos, one of the ten poorest countries in the world: ensure the fullest possible POW/MIA accounting; further counter-narcotics efforts; encourage the transition to an open, market-oriented economy; and promote human rights and religious freedom.

Objectives & Justification:

Law Enforcement/Counter-narcotics: Though significantly trailing Burma and Afghanistan, Laos is the world's third largest producer of illicit opium. U. S. government assistance focuses on helping Laos achieve two primary counter-narcotics objectives, namely, the elimination of opium poppy cultivation and the suppression of illicit trafficking of narcotics and precursor chemicals.

Humanitarian Response/Demining: During the Vietnam War, the United States dropped a significant tonnage of ordnance on Laos, some of which remains unexploded. Scores of Lao are killed and maimed annually by unexploded ordinance. The NADR demining funds will continue to provide direct equipment support to move the Lao program of unexploded ordinance removal toward achieving eventual self-sufficiency. Once this is achieved, U.S. government support will change to provide budget support through a donation to the UNDP trust fund.

International Military and Education Training: The U.S. government seeks to provide support to the POW/MIA accounting efforts through English language training programs. Laos will be eligible in FY 2002 to receive grant Excess Defense Articles (EDA) under Section 516 of the Foreign Assistance Act. Grant EDA items, including communications equipment and transportation assets, will support U.S. counter-narcotics goals, the fullest possible accounting of missing personnel from the war in Southeast Asia, and demining.

Malaysia
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
IMET	740	700	700
NADR-ECA	0	120	250

National Interests:

The U.S. has important economic, political, and security interests in Malaysia. Malaysia is among its top 15 trading partners and continues to be an important market for US goods and services. The U.S. also has a strong interest in supporting the strengthening of democratic institutions in Malaysia, which is currently undergoing a period of political transition. Malaysia is an active member of the Association of Southeast Asian Nations (ASEAN) and a moderate member of the Organization of Islamic Conference (OIC). A supporter of the US forward presence in Asia, Malaysia borders one of the world's most important maritime waterways, and routinely grants the US military transit rights over Malaysian territory and access to Malaysian ports and airfields.

Objectives & Justification:

IMET funds will be used to contribute significantly to regional stability by strengthening our military–to-military ties, and familiarizing the Malaysian military with U.S. doctrine, equipment, and management techniques. They will also reinforce the Malaysian military's commitment to human rights and good civil-military relations, and help expand our access to and cooperation with Malaysian military leaders. Although the global financial crisis slowed Malaysia's military procurement plans in the late 1990's, we expect Malaysia to look to the U.S. for future purchases as economic recovery continues. Malaysia will be eligible in FY 2002 to receive Excess Defense Articles (EDA) under Section 516 of the Foreign Assistance Act. EDA will 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.

IMET funds for Malaysia have resulted in additional benefits, such as the formation of good working relations with the Malaysian military. The Malaysian military shares our fundamental values about the military's role in society, and military-military and civilian-military cooperation is broad, open, and active. Participation in IMET is highly valued by the Malaysian military, and IMET graduates continue to advance steadily. Malaysia's Chief of Army 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; the Malaysian military has not been involved in systematic violations of human rights. IMET will also enhance Malaysia's ability to participate in international peacekeeping activities. For budgetary reasons, Malaysia withdrew its peacekeeping contingent from Bosnia. Nevertheless, we expect Malaysia to participate in future peacekeeping operations when its

financial situation permits. Malaysia sent 10 military officers to serve as military liaison officers with the UN in Kosovo and 30 military personnel to serve with the UN International Force in East Timor.

As part of its efforts to prevent the proliferation of weapons of mass destruction, their delivery systems, related technologies, and other weapons, the United States is providing NADR Export Control and Related Border Security assistance funds for a cooperative program to help establish effective export controls in Malaysia. FY 2002 funding is focused primarily on helping Malaysia to establish an adequate legal and regulatory infrastructure and enforcement procedures and capabilities (including through the provision of equipment) for effective controls.

Mongolia
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
ESF	6,000	11,959	12,000
FMF	0	1,990	2,000
IMET	512	650	650
Peace Corps	1,557	1,698	1,648

National Interests:

As the first communist country in Asia to simultaneously reform its economy and political system, strategically located Mongolia provides an important example of democratization to all of Asia. 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. U.S. assistance is fostering Mongolia's transformation to a market-oriented democratic society. It is in the U.S. interest to provide support for projects that will enhance Mongolia's ability to act responsibly and independently in the regional economy and participate in regional fora that address security, narcotics, transnational crime, environmental protection and other important issues.

Objectives & Justification:

U.S. ESF assistance to Mongolia is helping to establish a market-oriented and democratic society by accelerating and broadening environmentally sound private sector growth, with a particular focus on bringing change to rural areas, and consolidating Mongolia's democratic transition. Mongolians are committed to the development of democracy and a market economy, and the government continues to pursue aggressive reforms. The government's reform policies have focused on sound macroeconomic management of the economy and key issues in the banking, power, and pension sectors.

U.S. assistance is contributing to sustainable economic growth through programs targeted at market and agricultural development, human capacity development and democratic institution building. U.S. assistance is helping to overcome obstacles to growth, which include undeveloped transportation and energy supply systems, inefficient public and state-run institutions, inadequate judicial and enforcement services, and inexperienced civil society organizations. Under the economic growth program, U.S. assistance is funding programs to (1) transfer productive assets to the private sector; (2) increase the efficiency of the banking sector and financial markets; (3) improve the business environment and promote competitiveness; (4) improve the management of natural resources, and (5) promote rural sector sustainable development addressing land use, private agriculture and herder management issues. The successful implementation of these programs will lead to longer-term banking sector, tax policy, administration, regulatory debt management, and rural sector reforms. Under the democracy program the U.S. will help to (1) strengthen rural civil society and (2) improve the effectiveness of the parliament and the judiciary.

Papua New Guinea
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
IMET	177	180	200
Peace Corps	1,441	1,073	740

National Interests:

In Bougainville, the former belligerents are working to establish a government of reconciliation under unarmed regional peace monitors and a small UN observer mission. The PNG armed forces retain a small presence in Bougainville, and their cooperation will be necessary for any lasting settlement on the island. The recent mutiny of a small contingent of the army highlighted the need for enhanced training. Continuing International Military Education and Training (IMET) programs will help build a more professional and better-disciplined PNG Defense Force (PNGDF), enhance PNGDF ability to patrol the long border with Indonesia, and 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 2002 to receive grant Excess Defense Articles (EDA) under Section 516 of the Foreign Assistance Act. Grant EDA for PNG will support U.S. objectives of more professional and effective forces and will enhance the PNGDF capability to remove and neutralize unexploded ordnance in Bougainville and at WWII sites throughout the country. Transportation, demining, training aids and patrol craft are desired.

Objectives & Justification:

U.S. national interests in Papua New Guinea (PNG) derive from our overarching interest in regional stability and from PNG's status as home to one of the world's last large remaining tropical rain forests. 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 strong democratic institutions, development of disaster relief capabilities, peaceful transition from civil strife to rule of law in Bougainville province, a free enterprise economic system, and PNG's 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.

Philippines
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
CSD	7,200	9,450	9,800
DA	22,500	30,634	27,259
ESF	0	3,986	15,000
FMF	1,437	1,990	19,000
IMET	1,415	1,500	1,710
NADR-CT	2,000	0	0
Peace Corps	1,718	2,048	2,639

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. Committed to democratic principles and a regional leader, the Philippines is an important force for regional peace and security and an active member of the Association of Southeast Asian Nations (ASEAN) and the ASEAN Regional Forum (ARF). It strongly promotes security cooperation with the U.S., as illustrated by its 1999 ratification of the Visiting Forces Agreement (VFA). It remains an attractive and growing market for U.S. investments and exports. It continues to pursue structural reforms based on market principles to help it integrate into the world economy and raise its citizens' standard of living. Gloria Macapagal-Arroyo assumed the Presidency in January 2001 following a peaceful popular uprising. U.S. assistance will bolster her efforts to strengthen bilateral relations, fight corruption, accelerate economic reform and development, achieve national reconciliation, and enhance the Armed Forces of the Philippines (AFP) capabilities for both internal and external tasks.

Objectives & Justification:

FMF will contribute to improving the military capabilities of our treaty ally in line with increasing cooperation under the VFA. A substantial initial outlay is needed to prevent further deterioration of essential AFP capabilities and reverse years of logistical neglect, with an emphasis on fundamental operations and maintenance tasks to bolster basic sustainability of key AFP assets rather than new acquisitions. Virtually all FY 2002 spending would be on spare parts for equipment, overhauls and upgrades, programmed depot maintenance, and improving logistics. The Philippines will be eligible in FY 2002 to receive Excess Defense Articles (EDA) under section 516 of the Foreign Assistance Act. EDA will support U.S. objectives of increased interoperability and standardization within the AFP as well as improved participation in peacekeeping operations.

IMET will support this FMF approach. Funds will concentrate on improving the AFP's professionalism, discipline, and commitment to human rights. In past years, IMET training helped to encourage civilian control over the military, leading to a decline in the number of reported incidents of human rights abuses. IMET graduates who populate top AFP ranks have actively promoted close professional U.S.-AFP military-to-military relations.

ESF will help the new administration implement its peace initiative in Mindanao and fund the transition of Muslim separatist guerilla fighters to peaceful pursuits, such as farming. Most of it will go into programs that maximize the economic benefits of the earlier 1996 Peace Agreement with the Moro National Liberation Front (MNLF), strengthen the administration of the Autonomous Region of Muslim Mindanao (ARMM), and support outreach to other Muslim separatist groups. The rest will fund anti-corruption programs to improve governance in Mindanao's cities and reduce anti-competitive investment barriers. DA programs will specifically address obstacles to sustainable growth, promote reforms that institutionalize transparency and accountability in economic governance, and encourage reduction of barriers to entry in the provision of critical infrastructure services and trade. CSD programs to counter the spread of AIDS and other infectious diseases will focus on sustaining local-level capacity for surveillance and education, along with child health and family.

Samoa
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
IMET	85	120	120
Peace Corps	1,342	1,474	1,446

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 consistent supporter of U.S. positions internationally. Samoa is also a close neighbor of the U.S. territory of American Samoa, with which it has long-standing family and cultural ties. 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.

Objectives & Justification:

The most important use of International Military Education and Training (IMET) training is 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 civilian control. DOD/Coast Guard resources contribute to broad-based economic growth in Samoa by assisting Samoa's maritime police patrol to strengthen enforcement of their maritime Exclusive Economic Zone (EEZ), and to improve safety in Samoa's fishing fleet.

IMET military training programs for Samoan health professionals aim to help the Samoan Department of Health better manage scarce resources, and improve the overall quality of health care in Samoa. IMET training has also helped Samoan police officers participate more effectively in the UN sponsored peacekeeping force in East Timor, which Samoa joined in 2000. Samoa is eligible in FY 2002 to receive Excess defense Articles (EDA) under Section 516 of the Foreign Assistance Act. EDA will assist Samoa in developing an effective maritime law enforcement capability and enhance inter-operability with U.S. DOD and Coast Guard forces

Solomon Islands
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
IMET	53	150	150
Peace Corps	992	25	0

National Interests:

In the interests of regional security, economic prosperity and reduced threats of conflict or environmental degradation, U.S. assistance to the Solomon Islands focuses on strengthening the nation's capabilities to secure its maritime borders, encouraging its democratic institutions and preserving its biodiversity.

Objectives & Justification:

U.S. IMET training assists the country to strengthen the discipline of its security forces and 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. The Solomon Islands will be eligible in FY 2002 to receive grant Excess Defense Articles (EDA) under Section 516 of the Foreign Assistance Act. Grant EDA will support U.S. objectives of the Solomons' achieving more professional and better-disciplined security forces, 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

Thailand
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
IMET	1,730	1,595	1,650
INC	3,000	3,000	4,000
NADR-ECA	0	0	70
NADR-HD	1,220	1,270	980
Peace Corps	1,178	1,323	1,273

National Interests:

One of five U.S. treaty allies in East Asia and a major trading partner, Thailand hosts our largest joint military exercise in Asia (Cobra Gold), and provides crucial access to Thai 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. Thirty years of effective counter-narcotics cooperation led to the establishment in Bangkok of our second International Law Enforcement Academy (ILEA) in 1999.

Objectives & Justification:

Thailand plays a significant role in fostering regional stability in Southeast Asia. Continuing joint exercises and International Military Education and Training help develop and maintain a Thai military committed to respecting and fostering democratic principles and capable of participating in international peacekeeping operations. INCLE and IMET assistance to Thailand support the U.S. objectives of increasing Thailand's drug enforcement capability, improving interoperability with U.S. forces, and encouraging Thailand's demonstrated willingness to contribute to international peacekeeping activities.

Our counter-narcotics and law enforcement assistance programs have both a bilateral and multilateral component. Our bilateral narcotics assistance expands Thailand's institutional capability to conduct sophisticated counter-narcotics operations, assists opium eradication efforts, facilitates successful crop substitution and demand reduction programs, and facilitates cooperation with the DEA. Multilaterally, the International Law Enforcement Academy (ILEA) in Bangkok, a cooperative undertaking between the U.S. and Thailand, opened in March 1999. ILEA provides high-quality counter-narcotics and anti-crime training to participants from ten countries in the region, including China, and helps law enforcement personnel involved build the contacts necessary to fight transnational crimes and global criminal syndicates.

Our humanitarian demining program was launched in Thailand in FY 1999 with the establishment of the Thai Demining Action Center (TMAC). NADR funds provided equipment, and DoD's ODHACA funds provided the initial trainers. FY 2002 funds will continue to develop Thai demining capability, including the training of canine units and the upgrading and replacement of demining equipment. TMAC will assume part of the financial burden with funds requested from the Government of Thailand.

Thailand will be eligible in FY2002 to receive grant Excess Defense Articles (EDA) under Section 516 of the Foreign Assistance Act. Grant 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 continue 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.

As part of its efforts to prevent the proliferation of weapons of mass destruction, and their delivery systems, related technologies, and other weapons, the United States intends to provide NADR Export Control and Related Border Security assistance funds for a cooperative program to help establish effective export controls in Thailand. FY 2002 funding is focused primarily on an initial assessment of Thailand's capabilities and needs.

Tonga
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
IMET	103	100	115
Peace Corps	1,114	1,148	1,085

National Interests:

The United States wants Tonga's support in regional organizations, such as the Pacific Community, the Forum Fisheries Agency, and the South Pacific Regional Environment Program. Tonga has consistently supported U.S. positions at the UN since joining in 1999.

Objectives & Justification:

Tonga joined other regional nations in 1999 (New Zealand, Australia, Vanuatu, Fiji) in providing 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. IMET also helps to support Tonga's ability to contribute to regional peacekeeping endeavors, and contributes to Tonga's development of an effective surveillance capability.

Tonga will be eligible in FY 2002 to receive Excess Defense Articles (EDA) under Section 516 of the Foreign Assistance Act. EDA will also support Tonga's ability to contribute to regional peacekeeping endeavors and their development of an effective maritime law enforcement capability.

Vanuatu
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
IMET	63	100	100
Peace Corps	1,251	1,160	1,255

National Interests:

U.S. national interests in Vanuatu center on strengthening the nation's democratic institutions. Other interests include building Vanuatu's capacity to secure its maritime borders and encouraging programs that protect the island's environment and fragile natural resources.

Objectives & Justification:

The small Vanuatu Mobile Force (VMF) must patrol a vast area of ocean. U.S. Coast Guard training in maritime law-enforcement supplements Australian and New Zealand programs and upgrades VMF capabilities. IMET training also helps improve force discipline and enhances its effectiveness in regional peacekeeping and disaster relief efforts. Vanuatu will be eligible in FY 2002 to receive grant Excess Defense Articles (EDA) under Section 516 of the Foreign Assistance Act. Grant EDA will support the U.S. objective of improving VMF operational effectiveness in regional peacekeeping and disaster relief efforts. Transportation, training aids, and patrol craft are desired.

Vietnam
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
CSD	1,500	2,494	1,500
DA	1,250	1,500	4,600
IMET	0	50	50
NADR-ECA	0	25	140
NADR-HD	1,000	1,650	2,500

National Interests:

The United States has a national security interest in promoting a stable, globally integrated Vietnam with increasing economic prosperity and U.S. trade relations. The United States also has an interest in helping disadvantaged groups such as those at high risk of contracting HIV/AIDs, the disabled, displaced children, victims of natural disasters and land mines.

Objectives & Justification:

The United States seeks to enhance Vietnam's ability to be a constructive regional player by encouraging Hanoi's active participation in ASEAN and ARF and other strategic dialogues. We also seek to diminish mistrust through incremental expansion of military-to-military contacts.

The FY 2002 request includes funds for E-IMET courses to build English language capability in the next generation of Vietnam's leaders, on whom we will be counting for continued cooperation in achieving the fullest possible accounting of our missing from the Vietnam War. The Vietnamese military has also been increasingly interested in attending conferences and confidence building meetings hosted by Headquarters, Pacific Command (PACOM). However, it has been unable to send participants to these meetings due to a lack of officers with English language proficiency. These difficulties also hamper Vietnam from taking on and being effective in leadership positions in ASEAN and ARF. Enhancing the English language capability of Vietnamese officials enables them to make effective use of U.S. archival materials in our joint efforts and in Vietnam's unilateral activities.

The United States and Vietnam signed a Bilateral Trade Agreement (BTA) in July 2000. The BTA is the most comprehensive Jackson-Vanik trade agreement ever negotiated. It involves both trade in goods and services and also investment and intellectual property rights. Further, it requires Vietnam to undertake a broad range of reforms that, when implemented will fundamentally change how Vietnam conducts business. These reforms include: substantial reductions in tariffs; transparency in government procurement; uniform implementation of standards, taxes and dispute resolution; removal of quotas; market access rights; elimination of trade-related investment restrictions; and acceptance of World Trade Organization (WTO) rules on customs valuation, intellectual property rights and trade in services.

DA technical assistance will help Vietnam meet its obligations under the BTA. The program familiarizes key Vietnamese officials with the components and benefits of a reformed

commercial legal code, particularly as it relates to trade, investment, and intellectual property rights. USAID technical assistance is helping to identify and draft laws required to implement the BTA smoothly and to meet numerous requirements for eventual WTO membership. A partnership between Boise State University and the National Economic University in Hanoi will strengthen the latter's business school, which will train Vietnam's future business leaders.

Land mines and unexploded ordnance pose a constant danger to civilians and are a severe impediment to agriculture and economic development. NADR funds will be used to assist Vietnam to develop a comprehensive humanitarian demining program to protect the lives of innocent civilians and to promote economic and agricultural development.

CSD funds will also provide assistance to select vulnerable groups, including victims of war injuries, land mines, or annual floods, as well as orphans and displaced children and those at high risk of contacting HIV/AIDS. These funds will continue to help improve opportunities for war victims and children at risk. For the war victims and victims of mines left by war, activities will focus on providing orthotic and prosthetic devices as well as rehabilitation for those in need of artificial limbs. These funds will promote barrier-free access in building design and construction and increase the participation of the disabled in the decision-making process. There will be more emphasis on children with disabilities and in developing local capacity to include them in educational programs. Future programs will place more emphasis in sustainability by building local capacities to support these disabled groups.

As part of its efforts to prevent the proliferation of weapons of mass destruction, their delivery systems, related weapons, the United States intends to provide NADR Export Control and Related Border Security assistance funds for a cooperative program to help establish effective export controls in Vietnam. FY 2002 funding is focused primarily on an initial assessment of Vietnam's capabilities and needs.

Accelerating Economic Recovery in Asia
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
CSD	1,000	0	0
DA	11,750	0	0
ESF	5,000	4,982	5,000

National Interests:

The 1997-98 financial crisis in some Asian countries adversely affected U.S. political, strategic, security, political, economic, and commercial interests. Much work remains to be done to help those countries most affected that have yet to resolve deeply rooted systemic problems that paralyzed their economies. It is in the U.S. national interest to promote reforms that will enable Asia-Pacific countries to sustain long-term economic growth and to prevent future crises.

Objectives & Justification:

The key objective is to restore and accelerate broad-based growth in Southeast Asia. Financial reforms continue to improve governance. Greater transparency will contribute to more efficient operation of markets, attract foreign direct investment, 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.

ESF in FY 2002 will help the private sector in Asian economies make available expertise and resources in support of needed reform policies. Technical assistance and training provided under AERA will help affected countries more quickly implement programs to reform and grow economically, alleviating some of the social costs of economic adjustment. In practice, AERA Economic Support Funds (ESF) have supported Thailand, while Development Assistance (DA) and Child Survival and Development (CSD) have been targeted for activities in Indonesia, the Philippines and Vietnam.

East Asia and Pacific Environmental Initiative
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
ESF	3,500	3,488	4,000

National Interests:

It is in the U.S. national interest to secure a sustainable global environment in order to protect the U.S. and its citizens from environmental degradation. By working bilaterally with key countries,such as Indonesia, and with regional multilateral organizations such as the Association of Southeast Asian Nations (ASEAN) and the Asia-Pacific Economic Cooperation (APEC) forum, we can better address global, regional, and national environmental challenges

Objectives & Justification:

In FY 2000, the EAPEI focused about 80% of its $3.5 million on projects in Indonesia, where the needs were, and still are, great during a period of transition to democracy. Some projects utilized workshops and technical training to build both policy and technical capacity. A special effort was made to assure that project grants complemented other USG efforts to assist the Government of Indonesia during this difficult period of political transition and economic recession. Program areas include Forestry and Land Use Management (Fire Management and Prevention, Forest Resources Management, Biodiversity Conservation), Coastal Resources Management (Marine Resources Management, Marine Biodiversity Conservation), and Environmental Planning and Management (Pollution Prevention).

In FY 2001, the EAPEI will build upon its successes in priority program areas from FY 2000. The number of regionally oriented grant proposals is expected to increase in FY 2001. The activities likely will be divided about 65% Forestry and Land Use Management and 35% Coastal and Marine Resources Management. Favored proposals focus on filling important needs not being funded by other U.S. Government agencies or other donors. Close consultations are being held with U.S. embassies and USAID Missions in the region. Despite the establishment of stricter criteria for grant applications, EAPEI still received 44 project proposals totaling $14.8 million.

In FY 2002, the EAPEI objectives will mainly be to promote the rational use of renewable natural resources and to increase the capacity of national and regional institutions, both governmental agencies and NGOs, to manage their natural resource base. They will complement other U.S. Government efforts, and have the full support of both the U.S. embassy and the USAID Mission, if present, in the host country. Project implementers will use these scarce resources to leverage other donors to participate in most of the EAPEI-funded projects, and will be required to have sound implementation plans, performance measurements, and a sustainable exit strategy for the end of EAPEI financial support within two years.

Korean Peninsula Energy Developmental Organization
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
IO&P	6,000	0	0
NADR-KEDO	55,307	54,879	95,000

National Interests:

KEDO was established in 1995 to help implement the Agreed Framework between the United States and the Democratic People's Republic of Korea (DPRK), signed on October 21, 1994. In the Agreed Framework, the United States agreed to arrange for the construction of two light-water reactors (LWRs) in North Korea and annual shipments of heavy fuel oil (HFO) until completion of the first LWR.

For its part, North Korea agreed to freeze and eventually dismantle its graphite-moderated nuclear reactors and related facilities at Yongbyon and Taechon, and to allow eventual implementation of IAEA full-scope safeguards on these nuclear facilities. The Agreed Framework remains the primary means of ensuring: (1) the monitoring and dismantlement of the DPRK's nuclear weapons program; and (2) North Korea's full compliance with its nuclear nonproliferation obligations.

Objectives & Justification:

The administration is currently undertaking a comprehensive review of U.S. policy toward North Korea. In the meantime, we will continue to abide by the Agreed Framework as long as North Korea does. Continued support for KEDO is important to carry out the terms and conditions of the Agreed Framework and to maintain our current nuclear nonproliferation objectives as we conduct our policy review.

Approximately $90 million of the funds requested will be used for the purchase and shipping of HFO to North Korea in accordance with the Agreed Framework, with the balance of the funds supporting KEDO's administrative costs. The United States, along with the European Union (which has contributed 15 million euros annually), is the primary source for HFO funding, having contributed $290.9 million to KEDO since 1995, plus an additional $34 million for the canning of spent fuel at Yongbyon. For their part, the ROK and Japan are taking the lead in funding the LWR project. Thus far the ROK has contributed $370 million to KEDO, and has pledged to finance 70 percent of the estimated $4.6 billion cost of the LWRs. Japan has contributed $171 million to KEDO, and has pledged $1 billion toward the LWR project. Other countries have contributed over $29 million to KEDO; the United States continues to press the international community for additional funding.

Special Notice: Information Related to Section 620G of the Foreign Assistance Act of 1961, as amended.

Sixteen 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, Mexico, Peru 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.

Regional Democracy
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
ESF	3,000	5,882	6,000

National Interests:

It is in the U.S. national interest to facilitate democratization in nations where it has been slower to take root or which are in a critical stage in their evolution towards full democracy. Regional democracy funds support projects to promote democratic institution building in key countries in East Asia and the Pacific.

Objectives & Justification:

The EAP Regional Democracy Fund supports activities promoting democratic institution building in key countries where transition to democracy is in progress. Non-governmental organizations (NGOs), U.S.-based and Asian, as well as governmental agencies receive support in their efforts to build democratic institutions and set standards for good governance and transparency. The fund may also promote enactment and enforcement of labor rights legislation and improved governmental adherence to International Labor Organization (ILO) standards.

Funds in FY 2000 were used to advance judicial professionalism and independence and respect for human rights in Indonesia as well as conflict resolution activities in Irian Jaya province. Activities were aimed at reducing governmental restrictions on freedom of association, increasing the participation of international monitors in national elections, conducting training in the rule of law, and encouraging the reduction of military involvement in governance.

FY 2001 funds are expected to support other high priorities, including the rule of law in China and conservation of the cultural heritage of Tibet. Other pending activities will support the return to constitutional democracy in Fiji and rule of law in China's environment sector.

FY 2002 funding will be used to continue our efforts in the region to increase transparency at all levels of government, to preserve the cultural heritage of Tibet through environmental conservation and sustainable development, and to strengthen civil society organizations that advocate on behalf of human, women's, and workers' rights, the rule of law, freedom of the press, religion, and assembly. In addition, a small grants program will be initiated to further democracy, women's rights, and civil society in the region by assisting Asian NGOs.

Regional Security Fund
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
ESF	250	249	250

National Interests:

Active participation in and support for multilateral approaches to regional security are important elements of the Administration's Asia-Pacific security policy. PACOM's efforts to enhance regional cooperation are one expression of this policy. The U.S. is also a leading member of two multilateral organizations, the 23-member ASEAN Regional Forum (ARF), chaired by ASEAN members and the only region-wide governmental forum devoted to a discussion of security issues in the region, and the 5-member Northeast Asia Cooperation Dialogue (NEACD), a non-governmental (Track II) group. In addition, the U.S. is a Dialogue Partner and strong supporter of the Association of Southeast Asian Nations (ASEAN) and has actively supported the informal Jakarta Working Group process on the South China Sea. For the last two decades there has been no major armed conflict among members, as they have worked together to resolve their problems. Working closely with these groups has contributed significantly to building a more stable regional security environment, fostering a climate of dialogue on regional disputes, and thereby supporting U.S. security and economic interests in the region.

Objectives & Justification:

One objective of the Fund will be to support dialogue and confidence-building programs, particularly within the ARF and NEACD, on contentious issues in the region. Programs such as seminars, workshops and exchanges on traditional (e.g., arms control) and non-traditional (e.g., piracy) security challenges for officials from ARF countries will be emphasized.

A second objective will be to promote the development of multilateral institutions themselves. The ARF has begun to develop the tools of preventive diplomacy in order to make a more tangible contribution to regional security. ASEAN also looks at regional security issues, and the ASEAN Secretariat can be an important tool of multilateral diplomacy. NEACD is studying ways to improve political interaction and discussion among its members. The U.S. aims to support these initiatives through direct technical assistance, seminars, exchanges and other programs.

Finally, the Fund could also be used to support the development of multilateral diplomacy in situations where regional institutions may be unable to engage effectively. Track II organizations, such as the Jakarta Working Group Process, NEACD and the Council for Security Cooperation in the Asia-Pacific (CSCAP), can provide channels for these activities; they may also be proposed as U.S. national projects. Activities such as programs for Asian officials on the regional security implications of, and possible responses to, specific ethnic or religious conflict or repression of minority and political rights would be the focus in this area. In addition, the Fund could be used to support common political action agreed by groups of states in response to security challenges, such as the dispatch of special envoys or mediators.

Regional Women's Issues
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
ESF	2,500	2,990	5,000

National Interests:

The EAP Regional Women's Issues fund helps advance democracy and human rights by improving the status of women throughout East Asia and the Pacific. Enhancing the status of women leads to full enfranchisement of nations' citizens, higher educational levels, more skilled labor forces, and reduced population growth.

Objectives & Justification:

The three objectives of the Regional Women's Issues fund are to increase women's participation in the political process, to eliminate violence against women in all its forms, and to reduce the trafficking of women and children within and from the East Asian and Pacific region.

This fund was initiated in FY 2000 with a regional total of $2.5 million allocated. Of this, $250,000 was spent to begin a regional initiative to reduce the trafficking of women and children at a regional meeting of 23 nations and economies, the Asian Regional Initiative Against Trafficking in Women and Children (ARIAT), held in Manila in March 2000. Follow-on projects focused on the prevention of trafficking, the protection of women and children who are victims of trafficking, their repatriation and reintegration into home societies, and the prosecution of the traffickers. A website called the Trafficking of Persons Information Center (TOPIC) was recommended by consensus at ARIAT to be established with regional access. $2.25 million supported projects, including shelters, in Cambodia and Indonesia.

In FY 2001, the Regional Women's Issues fund is expected to support regional programs to combat the trafficking of women and children, reduce violence against women, and empower women politically. Country programs in Thailand, Vietnam, and Indonesia will deter trafficking of women and children by increasing awareness, protecting victims' legal rights and access to justice, encouraging repatriation and reintegration into home societies, and prosecuting traffickers.

In FY 2002, this fund will continue to support activities that increase the political empowerment of women at all levels of national government, that reduce domestic and workplace violence against women, and combat trafficking. NGO advocates and some governmental organizations will build on the information exchange and dialogue initiated at ARIAT. Improvements in the regional TOPIC website, recommended in the ARIAT Regional Action Plan and created in FY 2001, will continue to be made to assure its efficient usage. The creation of a small grants program will help to further democracy, women's rights, and civil society in the region by awarding small grants to NGOs.

South Pacific Fisheries
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
ESF	14,000	13,952	14,000

National Interests:

The 1988 South Pacific Multilateral Fisheries Treaty is a key component of our strong overall foreign relations with the Pacific Islands States and a model for others. It provides a solid foundation upon which the U.S. and the member states of the Pacific Islands Forum (known as the South Pacific Forum until October 1999) can cooperatively address the challenges of sustainable fisheries conservation in the South Pacific. This Treaty, through positive multilateral cooperation, achieves profitable, sustainable management of fisheries resources and ensures continued access for U.S. commercial fishing vessels to the Pacific Ocean tuna fishing areas.

Objectives & Justification:

Since the Treaty came into force, our annual payment obligations under the treaty have ensured access to broad areas of the Pacific, including parts of the exclusive economic zones of the 16 governments which make up the Forum Fisheries Agency (FFA). This positive fisheries relationship, as well as a common desire to conserve fisheries resources in the South Pacific, has carried over into the ongoing multilateral negotiations for a conservation and management regime in the Central and Western Pacific, where we are cooperating closely with the Pacific Island States. The goal of these ongoing negotiations is to develop a mechanism to ensure that highly migratory resources in that region are not depleted.

Continued funding to the 16 governments of the FFA in FY 2001 will help avoid conflict over access to and management of highly migratory fisheries resources and ensure continued unimpeded access by U.S. commercial fishing vessels to highly productive fishing areas in the Pacific Ocean, pursuant to the Treaty.

EUROPE

Albania
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
FMF	1,600	8,607	4,650
IMET	646	1,200	800
NADR-ECA	0	0	30
SEED	32,000	35,123	35,000

National Interests:

Our relations with Albania promote U.S. interests by helping stabilize Southeastern Europe, developing democracy, protecting American citizens overseas, 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 assuring regional stability places a high premium on the continued engagement and support of the U.S. In collaboration with our European partners, through the EU, NATO and the OSCE, we will continue to reinforce and strengthen a process aimed at stabilizing Albania and eventually bringing it into the Euro-Atlantic mainstream.

Objectives & Justification:

The success of Albania as an independent functioning democracy and contributor to regional stability and development in Southeast Europe is the overarching U.S. goal. Albania has made steady progress in re-establishing public order since the government's collapse in 1997 and has played a role in international attempts to isolate ethnic Albanian extremists in Macedonia and southern Serbia. Progress on economic reform and growth is essential to this long-term goal. Key indicators for FY 2002 will be further consolidation of democracy and rule of law through fully functioning state institutions and additional Albanian efforts to play constructive regional role.

U.S. assistance helps ensure that Albania remains a net contributor to international efforts to reduce tensions in southeastern Europe. In an effort to bolster Albania's regional security, programs support self-defense training consistent with the U.S. and NATO goal of restructuring the Albanian military and developing its capacity to patrol its border and sea lanes. The United States also provides a limited range of military equipment in order to build the capabilities of the Albanian forces. Domestically, combating corruption and organized crime remains one of Albania's major challenges. Consequently, SEED programs support a number of projects that provide counter-narcotics and anti-organized crime training, as well as assist in the development of GOA law enforcement capabilities through the training of Albanian police, prosecutors, and judges.

Economic support efforts are also geared to promoting broad-based economic growth and free market institutions in Albania to improve the standard of living and expand potential markets for U.S. exports. SEED funds will support 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 the Albanian-American Enterprise Fund.

Fostering a solid democratic basis of government is also an important priority for engagement in Albania. SEED programs will continue to encourage respect for human rights in Albania's domestic political institutions and help develop a vibrant civil society. Funds will continue support for initiatives such as: the democracy commission, which gives grants to NGOs; an enhanced international visitor program to bring future leaders to the United States; the Ron Brown program, which provides graduate scholarships in fields such as law and economics; a university management training program; efforts to curb trafficking in women and children; programs for "the successor generation;" training for journalists; civic education; and English teaching. We will also work to solidify the rule of law under the new constitution, as well as the growth of a viable NGO sector in coordination with Friends of Albania, other international fora, and NGOs.

Foreign Military Financing (FMF) and the International Military Education and Training (IMET) program have supported defense reorganization and training consistent with the U.S. and NATO goal of restructuring and modernizing the Albanian military. The Albanian government has taken several steps over the past year to reform its armed forces, including approval of new national security and defense policies and the accompanying re-development of basic command structures. FMF will continue to support this process by helping to build the capabilities of the Albanian armed forces according to parameters contained in Albania's NATO Membership Action Plan and consistent with a major U.S. Defense Assessment completed in April 2001. Albania's FY 2002 FMF program will provide non-lethal equipment, focused on improving communications, ensuring mobility of forces and sustainability of equipment, and upgrading the Englishlanguage and management skills of the professional military.

Albania's FY 2002 IMET program will continue to provide numerous officers with the training and English language instruction necessary to function effectively in a modern, professional military, as well as to familiarize themselves with NATO procedures. Albania will be eligible in FY 2001 to receive Excess Defense Articles (EDA) on a grant basis under Section 516 of the Foreign Assistance Act. Transfer of EDA will assist Albania to meet its defense requirements and further interoperability.

Finally, as part of its efforts to prevent the proliferation of weapons of mass destruction, their delivery systems, related technologies, and other weapons, the United States is providing NADR Export Control and Related Border Security assistance funds for a cooperative program to help establish fully effective export controls in Albania. FY2002 NADR funding will focus primarily on an initial assessment of capabilities and needs.

Bosnia and Herzegovina
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
FMF	0	5,970	2,500
IMET	601	1,175	800
PKO	51,271	18,500	20,500
SEED	100,000	79,824	65,000

National Interests:

The 1992-95 conflict in Bosnia and Herzegovina had a devastating human and economic toll, and threatened both European stability and the cohesion of the NATO alliance. The United States led the negotiations that led to the signing of the Dayton Peace Accords in 1995, which successfully ended the conflict in Bosnia. The U.S. plays the lead role in the Dayton peace implementation process - the first real test for post-Cold War European security. Implementing the Dayton Accords, and thereby securing peace and stability in Bosnia and the region, is a crucial element in the maintenance of peace and stability in Europe. The primary national interests guiding U.S. policy in Bosnia are national security, democracy and human rights, and economic prosperity.

Objectives & Justification:

The United States has played a leading role both in NATO and in other international fora in the international effort to implement the Dayton peace accords and thereby promote self-sustaining peace, democracy, and economic development in Bosnia and Herzegovina. The U.S. leads the NATO-led Stabilization Force (SFOR) in Bosnia, formerly the Implementation Force (IFOR).

A peaceful, democratic, and stable Bosnia and Herzegovina that respects international human rights standards is a key part of maintaining peace and stability in Europe and promoting U.S. national security. At the same time, continued U.S. efforts to promote investment and sustainable economic growth in Bosnia serve not only to make Bosnia's transition to democracy more stable and sustainable, but also promote the United States' strategic goals of economic development and global growth and stability. U.S. assistance and policy in Bosnia are targeted to full implementation of the peace accords, promotion of democratization through the development of democratic institutions and respect for human rights, and promotion of investment and economic growth. U.S. assistance in all areas helps leverage funding from other donors, whose combined contributionsfar exceed the U.S. contribution. In spite of continued resistance from hardline nationalists, our investment is beginning to take root with moderate reform governments in place at the state level and in both entities for the first time since the disintegration of Yugoslavia.

The Southeast Europe Democracy (SEED) program will continue to facilitate the enhancement of democratic institutions and practices as well as assist in the prevention of renewed inter-ethnic conflict in Bosnia. SEED funds are also directed at programs that help ensure respect

for the human rights of all citizens of Bosnia and Herzegovina. The program is designed to create expanded economic opportunities for all ethnic groups. Overall, under the Dayton Peace Accords, the U.S. objective is to work with the international community to help the Bosnians implement a single, democratic state with two multiethnic entities - the Federation and the Republika Srpska (RS). The U.S. directed $100 million in SEED funds to Bosnia in FY 2000 and an estimated $80 million in FY 2001. FY 2002 SEED will continue assistance for: privatization and financial sector reform; judicial reform and anti-corruption programs; infrastructure support for the return of minority refugee and displaced persons to areas from which they were expelled; support for independent media and reform of public broadcast media; and strengthening of democratic central institutions.

The requested FY 2002 Peacekeeping Operations (PKO) funding includes support for the Mission of the Organization for Security and Cooperation in Europe (OSCE) in Bosnia and Herzegovina. The civilian OSCE mission in Bosnia and Herzegovina carries out work which is crucial to the United States' objective of advancing democracy, democratic institutions and respect for human rights in Bosnia and Herzegovina -- work which also contributes substantially to stability and security in the region. Specifically, the mission plays a major role in the creation of a stable, peaceful Bosnia and Herzegovina through promotion of democratic values, monitoring and furthering the development of human rights, as well as implementing arms control and security-building measures. The Mission organized and supervised all of BiH post-Dayton elections but is relinquishing that responsibility to local authorities. In addition to the U.S. portion of the OSCE Mission assessment, PKO funds support U.S. personnel seconded to the OSCE as well as the U.S. Ambassador who currently heads the OSCE Mission.

Foreign Military Financing (FMF) funds contribute to U.S. national security by promoting peace and stability in Bosnia as well as in the Balkans as a whole. Under the Train and Equip program, the U.S. has supplied $100 million in surplus defense articles and defense services to the Federation entity's military since 1996, to help establish military stability in Bosnia and Herzegovina and prevent renewed hostilities. FMF funding in FY2002 will assist the Bosnian Federation military to sustain that U.S.-supplied equipment. It is crucial that we protect the investment we have made since the Dayton peace accords by ensuring that the equipment delivered does not deteriorate because of a lack of training, maintenance, spare parts, or other resources. Funds will be used: for critically needed spare parts and tools in support of the helicopters, tanks, armored personnel carriers, howitzers, and other equipment; for the evacuation and overhaul of major equipment sub-components (tank and helicopter engines, transmissions, tank thermal sights) that cannot be repaired in Bosnia; and for specialized aviation training courses (e.g. flight surgeon, maintenance test pilot) in the U.S. that are not available through the IMET program.)

Bosnia's International Military Education and Training (IMET) program will also contribute to regional stability. IMET funds will be used to supplement the training provided through the Train and Equip program, with emphasis on junior officer professional development (Army basic and advanced courses), staff training for mid-level officers (service staff colleges), and Expanded-IMET (E-IMET) courses for mid- to upper-level officials in the defense sector.

Bosnia will be eligible in FY 2002 to receive grant Excess Defense Articles (EDA) under Section 516 of the Foreign Assistance Act. The transfer of EDA will assist Bosnia in meeting defense requirements, enacting defense reforms, and furthering interoperability.

Bulgaria
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
FMF	4,800	13,434	10,000
IMET	1,000	1,600	1,200
NADR-ECA	560	160	30
Peace Corps	1,765	2,015	2,183
SEED	32,000	35,123	35,000

National Interests:

Bulgaria has emerged as a regional leader in promoting political and economic stability and strengthening democratic institutions. In recent years the Government of Bulgaria has made great strides in reducing inflation, promoting foreign private investment, and undertaking economic privatization and legal reforms. Bulgaria is actively pursuing EU and NATO membership and is reorganizing its entire defense establishment. Bulgaria's success in strengthening democracy, the rule of law and their economic foundations will help the country to more fully integrate with the greater Euro-Atlantic community.

Objectives & Justification:

Bulgaria is in a critical period; the political stability of recent years and the government's strong commitment to economic reforms have put the country on the right course. More long-term, job-creating foreign investment is needed, however, to ensure that these reforms are embraced. Bulgaria has made notable progress on broad economic and political reforms in recent years. To sustain this positive momentum, we anticipate using the bulk of Bulgaria's FY 2002 SEED assistance for programs that promote economic reform and build democracy. Approximately half of SEED resources will directly support economic reform, while about a quarter will directly support democracy building. Considerable resources will also be devoted to strengthening Bulgaria's social sector--improving the environment, promoting labor market transitions, and assisting trade unions. SEED funds will support privatization and enterprise restructuring projects. We will continue to direct much of our assistance towards overcoming the problems of a weak judiciary, corruption, stricter enforcement of intellectual property rights legislation, and promoting local government reform. Public Diplomacy programs, including Ron Brown Fellowships, media training, and civic education programs, will promote the development of democratic institutions.

As part of its efforts to prevent the proliferation of weapons of mass destruction, their delivery systems, related technologies, and other weapons, the United States is providing NADR Export Control and Related Border Security assistance funds for a cooperative program to help establish fully effective export controls in Bulgaria. FY 2002 NADR funding is focused primarily on improving enforcement procedures and capabilities through the regional nonproliferation advisor program.

Foreign Military Financing (FMF) is essential to fostering the Bulgarian military's development so that it can aspire to NATO membership and contribute to regional stability. FMF assistance will promote interoperability with NATO and, most important, provide defense infrastructure upgrades that could serve U.S. strategic interests in times of crisis. FMF assistance in FY 2002 will be used to help modernize Bulgaria's military forces. Specifically, funds will be used for C-4 projects, defense reform technical support, battle simulation software, a national military command center, NCO academy development, helicopter trainers, airspace management and control, airfield upgrades, and IFF upgrades to existing MiGs. These projects will indirectly promote Bulgaria's interoperability with NATO.

Professional military training will continue to be critical for the Bulgarian armed forces in 2002 as the Government proceeds with the massive military reorganization outlined in the Defense Reform 2004 project. The International Military Education and Training (IMET) will be instrumental in ensuring the ultimate success of the reform. U.S. trained officers are in positions of responsibility, including the Deputy Minister of Defense in charge of Defense planning and most of his staff. Bulgaria wants Non-Commissioned Officer (NCO) training to become one of the key features of the FY 2002 IMET budget, reflecting the critical importance of creating a more Western-style NCO corps to the overall success of the reorganization plan. IMET funding in FY 2002 will fund training courses for both NCOs and officers in professional military education, civilian/military relations and national security affairs.

Bulgaria will be eligible in FY 2002 to receive grant Excess Defense Articles (EDA) under section 516 of the Foreign Assistance Act. The transfer of EDA will assist Bulgaria in meeting defense requirements, enacting defense reforms and furthering interoperability.

Croatia
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
FMF	4,000	3,980	6,200
IMET	514	1,025	600
NADR-ECA	0	0	90
PKO	0	3,300	3,300
SEED	36,200	44,527	45,000

National Interests:

The United States has an interest in assisting Croatia to complete its transition to a democratic, non-nationalist, and Western-oriented state that is firmly embedded in the Euro-Atlantic community. Completing this transition is important to ensure the long-term establishment of an economically prosperous and politically stable Croatia, and will contribute significantly to the stability of the entire Balkan region. The United States supports the changes the citizens of Croatia overwhelmingly approved in the 2000 elections. Our programs will assist this nation in shedding its destructive, nationalist past in moving to implement the Dayton Accords, and in more fully embracing democracy, a free market economy, human and civil rights. Our goal is to ensure Croatia becomes a reliable partner in economic and security relations in Europe. Specific U.S. interests include enhancing regional security, encouraging broad-based economic growth, promoting democracy and humanitarian response, and combating international crime.

Objectives & Justification:

Croatia has reached an important turning point in its short history as an independent country. The democratic changes and economic reforms occurring there as a result of the 2000 elections are helping to promote similar changes throughout the region. Croatia has the capability to develop into an anchor of stability and an economic engine for the region. In past years, Support for East European Democracy (SEED) funding has been used primarily to support democratic initiatives, media reform, return and reintegration of refugees, and the development of small and medium enterprises - primarily in war-affected areas. The success of SEED- funded democracy programs is evidenced by the 2000 Presidential and Parliamentary elections. Building on this momentum, the FY 2002 programs will continue to support programs to further strengthen democratic institutions. With a democratic government now in place, however, we are able to devote a far greater proportion of our SEED resources to economic reforms than was possible under the Tudjman regime.

The coalition government has pledged to continue with the democratic evolution of Croatia and to dedicate itself to long-overdue legal, commercial and economic reforms. SEED funds have been and will continue to be used to fund programs that will strengthen democracy and democratic institutions in Croatia. Programs also will address continuing social sector needs, including reintegration of war-affected population, reduction of ethnic tensions, and development of cooperatives and business associations in war affected areas. Croatia is suffering from 20% unemployment, so a portion of SEED funds will go to support small and medium enterprises,

which will be an important source of new jobs. FY 2002 PKO funds will be used to support the OSCE Mission in Croatia, which is focused primarily on refugee return and property reparation issues.

International Military Education and Training (IMET) funds foster appreciation among Croatian military officials for the proper role of the armed forces in a democracy. As a member of Partnership for Peace (PFP), Croatia will receive Foreign Military Financing (FMF) in FY 2002 The next few years will be important for the Croatian Armed Forces as they begin a difficult process of restructuring and downsizing and move to increase interoperability and commonality with NATO. IMET assistance will be geared toward support for the continued professionalization and democratization of Croatian Armed Forces to include: training on national security planning; structuring peace support operations; and English language training. The bulk of FMF funding will be used to meet critical gaps not met by FY 2001 funding. This may include acquisition of tactical radios to enhance NATO compatible communications, purchase of computers/software to integrate radar systems, and purchase of tactical simulations systems to enhance unit training.

Croatia will be eligible in FY2002 to receive grant Excess Defense Articles (EDA) under Section 516 of the Foreign Assistance Act. The transfer of EDA will assist Croatia in meeting defense requirements, enacting defense reforms, and furthering NATO and Western interoperability.

As part of its efforts to prevent the proliferation of weapons of mass destruction, their delivery systems, related technologies, and other weapons, the United States is providing NADR Export Control and Related Border Security assistance funds for a cooperative program to help establish fully effective export controls in Croatia. U.S. funding in 2002 is focused primarily on an initial assessment of Croatia's capabilities and needs.

Cyprus
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
ESF	14,950	14,948	15,000
NADR-ECA	310	140	150

National Interests:

The island of Cyprus has been divided since the Turkish military intervention of 1974, following a coup d'etat directed from Greece. Since 1974, the southern part of the island has been under the control of the Government of Cyprus. The northern part is ruled by a Turkish Cypriot administration that is not recognized by the United States. The two parts are separated by a buffer zone patrolled by the United Nations Force in Cyprus (UNFICYP). Tensions on Cyprus have undermined regional stability. The United States has an interest in promoting regional stability by facilitating a comprehensive settlement on Cyprus.

Objectives & Justification:

In FY 2002, $15 million in ESF for Cyprus is requested to continue U.S. efforts to facilitate a comprehensive settlement. Funds are used to promote programs and activities that encourage tolerance and cooperation between Greek Cypriots and Turkish Cypriots. These relationships are expected to: (1) strengthen each side's ability to compromise on a just and lasting settlement; (2) provide opportunities for contacts to increase the number of stakeholders in a solution; and (3) promote tolerance and understanding in support of a peaceful settlement.

Most of the funding requested will be available to fund bi-communal projects that promote institutional development and support civil society consistent with ongoing efforts to facilitate a comprehensive settlement. Smaller amounts will be available for scholarships, short-term training other bi-communal projects.

Cyprus ESF programs are important to the U.S. goal of promoting a just and lasting solution to the Cyprus problem. It creates links among individuals, businesses and institutions on both sides of the island as well as with the United States. Continued ESF funding for Cyprus remains an important part of U.S. efforts to achieve a comprehensive settlement on the island.

As part of its efforts to prevent the proliferation of weapons of mass destruction, their delivery systems, related technologies, and other weapons, the United States is providing NADR Export Control and Related Border Security assistance funds for a cooperative program to help establish fully effective export controls in Cyprus. U.S. funding in 2002 is focused primarily on establishing effective enforcement procedures and capabilities, including through the provision of equipment.

Czech Republic
($ in Thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
FMF	6,000	8,956	12,000
IMET	1,441	1,400	1,800
NADR-ECA	540	330	170

National Interests:

The United States has two primary interests in the Czech Republic. A Czech Republic with a modern military able to meet its own defense needs and contribute fully to NATO missions would be an important security partner for the U.S. and provide a vibrant model for prospective NATO members. In addition, the U.S. supports the ongoing economic reforms intended to promote Czech prosperity and eventual integration into the European Union, thus providing an environment in which American business interests can thrive.

Objectives & Justification:

Helping the Czech Republic identify and target defense shortcomings will maximize its contributions to NATO's role in European security and help lay the groundwork for future successful enlargements. Robust Foreign Military Financing (FMF) and International Military Education and Training (IMET) programs are essential to helping the Czechs quickly become full, contributing members of NATO. Despite a politically difficult commitment of significant domestic resources to defense, many important NATO-integration needs will remain unmet in 2001 absent outside assistance.

Reform and restructuring of the Czech military, particularly on the personnel side, will continue in 2001 and 2002. U.S. assistance will have maximum impact during this period. FY 2002 FMF and IMET funds will build upon and complement Czech national resources. Despite the fact that it is just emerging from a severe economic recession, the Czech Republic continues to meet its commitment to increase defense spending as a percentage of GDP. The Czech Army is small but capable, and has contributed to allied efforts in Bosnia and Kosovo.

Proposals for FY 2002 funds are aimed at improving Czech interoperability with NATO. They include:

Broadening and intensifying English language training. The Chief of General Staff has put renewed emphasis on English capability, making it a major factor in promotions and selection for specialized training opportunities;

Development of a professional Non-Commissioned Officers (NCO) corps;

Development of the junior to mid-level officer corps;

Improved combat service support, including development of a more sophisticated logistics system;

Continued Command, Control, Communications, Computers, and Intelligence (C4-I) modernization; and

Development of a simulation center for advanced combat and combat-support training.

The Czech Republic will be eligible in FY 2002 to receive grant Excess Defense Articles (EDA) under section 516 of the Foreign Assistance Act. The transfer of EDA will assist the Czech Republic in meeting defense requirements, enacting defense reforms, and furthering interoperability.

As part of its efforts to prevent the proliferation of weapons of mass destruction, their delivery systems, related technologies, and other weapons, the U.S. is providing NADR Export Control and Related Border Security assistance funds for a cooperative program to strengthen established export controls in the Czech Republic. FY 2002 NADR funding is focused primarily on working to bring the Czech Republic's export control regime into conformity with EU standards.

Estonia
($ in Thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
FMF	4,000	6,169	6,500
IMET	789	750	1,000
NADR-ECA	265	314	630
NADR-HD	300	0	300
Peace Corps	664	477	162

National Interests:

Security and stability in Northern Europe hinge on the stability of the Baltic states, their integration into Euro-Atlantic security and economic structures, and their relations with Russia. Tensions between Russia and the Baltic States affect US-Russian and US-Nordic relations. Estonia has set the pace for its neighbors and the former Soviet republics in integration into Western economic structures, having been the first to receive EU candidate status, and its success has become a bellwether-motivating factor for these now-independent states. Estonia's integration into the European Union will make it one of the few EU states bordering Russia. As such, its strategic influence will grow, as will its influence on Russia's development, especially in Northwest Russia. Continued reinforcement and enlargement of Estonia's external and internal security enhances regional security efforts. We can accomplish these goals by sustaining Estonia's movement into Western security structures, nurturing the continued development of a civilian-controlled and NATO compatible military, and by assisting Estonia to graduate from a net security user to contributor within five years.

Objectives & Justification:

After its initial successful focus on accession talks with the WTO and EU, Estonia now has begun to give higher priority towards security aspects of NATO integration. Current defense spending stands close to 1.8% of GDP, and Estonia intends to reach 2% of GDP by 2002.

As Estonia prioritizes resources for its own legitimate defense needs and for its contribution to the overall security of Europe, FY 2002 IMET will assist in the professionalization of the military and provide necessary leadership and administrative skills to more junior officers, who have replaced former Soviet-trained officials.

FMF will continue to be utilized in sustaining Estonia's effort to become fully interoperable for participation in NATO, PFP, and NATO-associated operations, to include peacekeeping, peace enforcement, and humanitarian assistance. Therefore, the FY 2002 FMF request will assist in:

Continued development of the active-duty Estonian infantry battalion - both as a source for rotation of the Baltic Peacekeeping Battalion (BALTBAT) companies and as a means to continue enhancing Estonia's NATO interoperability;

Providing logistical training and support for the Baltic Naval/Demining Squadron (BALTRON);

Supporting the Regional Air Surveillance Coordination Center (RASCC);

Procuring NATO-compatible communications systems, and individual soldier equipment;

Supporting of the Baltic Defense College, which is in Estonia; and

English Language Training.

Estonia will be eligible in FY 2002 to receive grant Excess Defense Articles (EDA) under Section 516 of the Foreign Assistance Act. The transfer of EDA will assist Estonia in meeting defense requirements, and furthering defense interoperability.

Landmines and unexploded ordnance (UXO) from World War II, and the occasional sea mine that washes ashore, pose a significant danger in Estonia to people and economic development. Through mine awareness and mine clearance efforts, Non-proliferation, Anti-terrorism, Demining and Related Programs (NADR) humanitarian demining funds in FY2002 will be used to save lives and create the conditions for increased economic growth and productivity.

As part of its efforts to prevent the proliferation of weapons of mass destruction, their delivery systems, related technologies, and other weapons, the United States is providing NADR Export Control and Related Border Security assistance funds for a cooperative program to help establish fully effective export controls in Estonia. The FY 2002 NADR export controls request is focused primarily on improving export authorization procedures and, through the regional nonproliferation advisor program, improving enforcement procedures and capabilities.

Federal Republic of Yugoslavia
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
NADR-ECA	0	0	210
SEED	67,500	172,120	145,000

National Interests:

Ensuring that democratic and economic reforms in Yugoslavia continue unimpeded is crucial to promoting peace and stability within the entire Balkans region. The establishment of a democratic government in Belgrade and the increasing reintegration of Yugoslavia into the community of nations have opened up new opportunities to advance U.S. foreign policy interests. U.S. assistance is necessary to ensure that the democratically elected and reform-oriented governments in Belgrade and Podgorica contribute to the establishment of lasting peace, stability and prosperity in Southeast Europe. The goal of our assistance is a democratic, reformed and prosperous Yugoslavia integrated fully into the international community.

Objectives & Justification:

The governments in Belgrade and Podgorica have chosen the path of political and economic reform. Implementation of their reform programs will contribute to the consolidation of democracy and promotion of peace and stability in the region. In FY2001, Serbia received $100 million in Support for East European Democracy (SEED) funding to support democracy building, humanitarian assistance, and economic reform and restructuring activities. Some of these funds were targeted specifically toward programs in southern Serbia, to encourage stabilization of Serbia's southern border with Kosovo. In FY 2001, Montenegro received $72 million in SEED funds for budget support, economic reform, and democracy building.

FY 2002 SEED funds requested for both Serbia and Montenegro will be used to sustain the reform processes in Yugoslavia. The governments in Belgrade and Podgorica have pledged to continue with democratic reforms and to make progress on badly needed economic and legal reforms. Following the Secretary's April 2 certification under Section 594 of the Foreign Appropriations Act, the Administration will continue to use its aid program in Serbia to promote progress in meeting key international obligations: cooperation with the ICTY, respect for the rule of law, and compliance with the Dayton agreement. SEED funds will be targeted toward programs that will strengthen democracy and civil society, involving local government and community development, media, NGOs, political parties, and rule of law issues including judicial reform. FY 2002 SEED funds will also be used to provide technical assistance for economic restructuring and reform, including the areas of fiscal, budget and banking reform, as well as to assist private sector development. To speed stabilization of the situation in southern Serbia, programs will target economic reform and community development. SEED funds will also be used for pre-election assistance in the event federal or republic elections are called.

As part of its efforts to prevent the proliferation of weapons of mass destruction, their delivery systems, related technologies, and other weapons, the United States is providing NADR

Export Control and Related Border Security assistance funds for a cooperative program to help establish fully effective export controls in Yugoslavia. FY 2002 NADR funding is focused primarily on an initial assessment of Yugoslavia's capabilities and needs.

Greece
($ in Thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
IMET	25	25	500

National Interests:

Greece is a key NATO ally strategically located near Balkan and Middle East trouble spots and essential to allied ability to respond concretely to Southern European contingencies. Greece has facilitated the movement of NATO troops and humanitarian aid to Kosovo, and plans to contribute over $500 million to Balkan reconstruction.

As a member of NATO and the EU, Greece is a role model for its neighbors and a leading participant in international efforts to promote stability, development and democracy in the Balkans. Greece is central to U.S. efforts to encourage the peaceful resolution of disputes 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 counter-terrorism, and to promote U.S. business interests.

Objectives & Justification:

By training Greek officers in the U.S. and establishing cooperative ties to the U.S. military, the International Military Education and Training (IMET) program contributes to the professionalization and strategic awareness of the Greek military and thus to U.S. interests. Greece has used IMET funds from past years to help sustain a modern military capable of fulfilling Greece's NATO responsibilities. Greek IMET graduates continue to advance into senior positions, providing a base of responsible and broadly-informed military leaders.

Increased IMET funding in FY 2002 will support Greek involvement in multinational regional peacekeeping (three separate operations), Balkan stabilization efforts, and cooperative programs with other regional NATO allies and Partnership for Peace members. Greece recently took positive steps with Turkey to reduce military tensions, consistent with the general rapprochement in their bilateral relations. Much of the increased IMET funding would go to support joint training with the Turkish military.

Greece is also a recipient of Excess Defense Articles (EDA), consistent with its readiness needs and NATO obligations. Greece will be eligible in FY 02 to receive grant EDA under § 516 of the Foreign Assistance Act. Transfer of grant EDA to Greece is consistent with U.S. and NATO efforts to promote regional stability in Southeastern Europe and the Eastern Mediterranean. As one of the few NATO allies bordering on the volatile Balkan region, we have asked Greece in recent years to participate more broadly than before in important regional peacekeeping missions: Bosnia, Albania and Kosovo. Greece is also active in the Multilateral Peacekeeping Force Southeast Europe (MPFSEE) and may use EDA in related regional missions--all of which are intended to promote regional stability.

Hungary
($ in Thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
FMF	6,000	8,956	12,000
IMET	1,398	1,400	1,800
NADR-ECA	430	509	120

National Interests:

The primary U.S. national interest in Hungary is the promotion of a stable, democratic, market-oriented NATO-ally, which enhances the security of a troubled region, and actively participates in Alliance operations. Two weeks after joining NATO, Hungary provided airbases for NATO operations in Kosovo, and later provided shelter for more than 20,000 refugees from Yugsolavia. Hungary has maintained an engineer battalion in Bosnia for several years and has deployed a combat battalion to KFOR since the start of the operation in the summer of 1999. Hungary has kept its commitment of increasing its defense budget from 1.51 percent of GDP in CY2000 to 1.61 percent in CY2001. It is also following through on its plan to free more resources for modernization and interoperability by reducing military personnel, closing redundant bases, and restructuring the force.

Objectives & Justification:

Through Foreign Military Financing (FMF) and International Military Education and Training (IIMET) assistance, the United States is able to participate directly in Hungary's modernization efforts, building habits of cooperation while improving the Hungarian Defense Forces capabilities. Hungary has focused previous FMF assistance on tactical communications and computer equipment, Hungary's Air Sovereignty Operations Center (ASOC), and a contractor-assisted force modernization study. The latter was used as input for the Security and Defense Principles document promulgated by the Hungarian Parliament in December 1999 and formed the basis for Hungary's Strategic Defense Review. With this document as a blueprint for future military reform, FY 2002 FMF will be used to support programs designed to meet Hungary's security requirements.

A key program for current FMF is the development of a leadership and management personnel management system, conducted by the American contractor Cubic corporation, which was responsible for the design of the original Strategic Defense Review. Included in this program is a defense advisor to the MOD, a former American attaché who is able to mentor and coach senior Hungarian military and civilian leadership on force modernization and development. A related system is the automated data processing system to facilitate the new personnel management system.

Other MOD priorities utilizing FMF are directly related to meeting NATO force goals. An example is the planned upgrade to Mode IV Identification Friend or Foe (IFF) for fixed and rotary wing aircraft to make these aircraft interoperable with NATO aircraft. Hungary has spent $12M of its own funds on IFF but needs upgrades costing nearly $5M. Additional support will be provided

for the Air Sovereignty Operations Center, and the procurement of search and rescue equipment. Another key project is the procurement of Chemical Detection Equipment from American suppliers to meet a key NATO readiness force goal for deploying units. A final area involves the procurement of U.S. radios and data processing equipment to enhance command and control and NATO interoperability.

IMET has complemented our use of FMF and supported the larger goals of NATO integration and defense reform by providing much needed exposure to American doctrine, tactics, and leadership for Hungarian officers and non-commissioned officers (NCOs) at all echelons of command. An increasing number of key command and staff jobs are filled by U.S.-trained officers, both in Hungary and by Hungarian officers in NATO. In addition to the obvious benefits of IMET for training in civil-military relations and defense resource management, the Hungarian Ministry of Defense plans to expand the number of NCOs receiving IMET training, whose responsibilities are slated to increase under the comprehensive reform. Hungary's FY 2002 IMET program request will address each of these aspects of military training.

Hungary has maintained a strong nonproliferation record over the last several years, implementing stringent legal controls on exports of dual-use equipment and arms. As part of its efforts to prevent the proliferation of weapons of mass destruction, their delivery systems, related technologies, and other weapons, the U.S. is providing NADR Export Control and Related Border Security assistance funds for a cooperative program to strengthen established export controls in Hungary. FY 2002 NADR funding is focused primarily on supplementing EU infrastructure efforts through training and advisory assistance.

Hungary will continue to be eligible in FY 2002 to receive grant Excess Defense Articles (EDA) under Section 516 of the Foreign Assistance Act. The transfer of EDA will assist Hungary in meeting defense requirements, and furthering interoperability. Due to successful economic and democratic development, Hungary has "graduated" from SEED Act support.

Ireland
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
ESF	23,525	29,897	24,600

National Interests:

A top priority of U.S. policy in Europe is to bring about a permanent political settlement to the conflict in Northern Ireland. Our interests flow from our commitment to a peaceful, democratic and prosperous Europe and to respect for human rights worldwide. The Northern Ireland conflict has been a major preoccupation for both the British and Irish governments, a serious drain on their resources, and a source of instability in Western Europe. The U.S. goal is to assure the full implementation of the "Good Friday" peace agreement, which provides the best opportunity for lasting peace and reconciliation in the province. Through support for the International Fund for Ireland (IFI) and the Irish Visa Program, the United States builds on the progress already made in implementing the peace agreement and helps sustain the peace.

Objectives & Justification:

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. 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. In addition to the United States, the European Union, Canada, Australia, and New Zealand also contribute to the Fund.

The FY 2002 request for $19.6 million in Economic Support Funds (ESF) will help support two elements identified by the United States as priorities in its contributions: job creation and the expansion of private sector activities. The Fund has adopted both these elements in the implementation of its programs. Fund projects have generated an estimated 38,000 jobs, many for young adults who might otherwise have joined paramilitary groups. The Fund has underwritten more than 4,600 projects in the areas of urban development, education, tourism, community infrastructure, and assistance to small businesses. Disbursements from the Fund are made on the basis of equality of opportunity and nondiscrimination in employment, addressing needs in both Catholic and Protestant communities. At our initiative, a micro-enterprise loan facility promoting entrepreneurship -- "Aspire" -- was opened in 2000. An IFI commitment helped leverage an unprecedented contribution from Northern Ireland's financial sector to this project. The IFI also uses U.S. funds to leverage public and private sector investments. Fund projects have attracted associated outside investments of $2 for every $1 in Fund programming.

The $5 million FY 2002 ESF request for the Irish Visa Program facilitates implementation of the Irish Peace Process Cultural and Training Program Act of 1998 (IPPCTP), which supports economic regeneration and peace and reconciliation in Ireland. Signed into law in October 1998, the IPPCTP directed the Secretary of State and the Attorney General to establish a Program for

young people who are residents of Northern Ireland and the border counties of the Republic of Ireland to "develop job skills and conflict resolution abilities." The State Department is authorized to provide up to 4,000 non-immigrant visas in each of three years, inclusive of spouses and children of the trainees. Participants must have confirmed job offers before they enter the United States and may work here for up to 36 months. The Program includes a re-employment component to assist participants in finding jobs in their fields back home. The law sunsets in 2005.

The Program targets the long-term (three months or more) unemployed, as well as those who have been made redundant or received redundancy notices. A small number of employed persons who have been nominated by their employers will be admitted to the program. Program organizers are committed to ensuring that equality of opportunity in relation to community background, ethnic origin, gender and disability is paramount throughout all phases of the Program.

U.S. job opportunities focus on nine business sectors in which personnel or skills shortages exist in Ireland and Northern Ireland, or where strong future growth and/or new investment is expected. The State Department has partnered with the Training and Employment Agency (T&EA) of Northern Ireland and the Training and Employment Authority (FAS) of the Republic of Ireland to implement the Program. The first groups of participants arrived in the United States to start job training in March 2000, working for employers in the Washington, D.C., area and in Colorado Springs in the hospitality, customer services and information technology sectors. FY 2002 funds will be used to support the day-to-day administration of this program through contract services, including the provision of vocational and conflict resolution training, employer identification and matching, employee counseling services, maintenance of an interactive website, and social support services for program participants.

Kosovo
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
PKO	33,375	15,500	14,500
SEED	164,800	149,670	120,000

National Interests:

In 1999, the U.S. fought its biggest military campaign in Europe since 1945 in order to defend the human rights of Kosovars and to uphold the writ of the international community throughout Europe. The situation now tests whether U.S. policy instruments can also sustain a long-range program to realize a positive agenda of democratization, economic recovery, and integration into the Euro-Atlantic system. Program funding aims above all to cultivate internal conditions that ensure security of U.S. troops and enable their earliest possible withdrawal with mission fulfilled. Achieving such conditions will also contribute to stability and economic development of the Balkan region and to democratic change in Serbia.

Objectives & Justification:

In its third full fiscal year (FY 2002) since the conflict, U.S. assistance will support an interlocking set of objectives to help stabilize and transform Kosovo into an economically viable, democratically self-governing territory.

For FY 2002, Peacekeeping Operations (PKO) funds will be used to support the OSCE's extensive responsibilities in Kosovo, where it is tasked to help rebuild from the core the full range of institutions needed for a functioning society. The OSCE Mission in Kosovo is concentrating its work on human resource capacity building (police, judiciary, civil administrators), democracy and governance projects (NGO development, political parties, local media), and organization and supervision of elections. The PKO request will also support the OSCE's key function in administering province-wide elections, anticipated for early FY 2002. The OSCE's work in Kosovo is a key component of the overall framework of the United Nations Interim Administration Mission in Kosovo (UNMIK).

UNMIK will continue to develop Kosovar institutions that increasingly take on the responsibility of day-to-day governance. Along with other donors, the U.S is providing roughly 15% of the donor-funded deficit in the Kosovo Consolidated Budget. In 2001, donors covered 32% of the deficit as compared to 50 percent in CY 2000. We expect to see further reductions in the percentage of donor financing in 2002 as local revenue collection improves further.

Legitimate Kosovo-wide institutions of self-government will emerge out of elections currently planned for 2001. This is the next step in a process that included the successful municipal elections held in October 2000. The creation of such legitimate institutions will help expedite withdrawal of U.S. troops from Kosovo. Institution building and democracy programs will therefore remain important components of SEED funding in FY 2002. We intend to boost

investment in capacity of local government through training, advisory services, and material donations. Aid targets include media, legal professionals, students, and civic leaders.

Law enforcement and administration of justice remain critical to preserving public safety and the rule of law in Kosovo, which enable local institutions to form and mature. The U.S. intends to continue its support to the UNMIK police (Civpols) at a level in FY2002 comparable to FY 2001. We will also continue to train and equip the Kosovo police service. The U.S. will continue to support the Kosovo Protection Corps, a multi-ethnic body of personnel available to assist in natural and humanitarian disasters and community-level reconstruction activities.

Human rights activities including the identification of missing persons will continue in FY 2002, although we expect this to diminish as local institutions take shape and the cases left open from the 1998-99 conflict in Kosovo are closed.

Economic recovery is vital to realization of the foregoing objectives, and vice versa. The U.S. has stated that the European Union and its member countries must contribute the lion's share of assistance toward reconstruction of Kosovo. Under these circumstances, the U.S. sees its comparative advantage in catalyzing grass-roots economic activity. USAID's programs in micro-lending, banking reform, privatization, community and NGO development are expected to anchor the U.S. contribution to Kosovo's economic recovery.

Latvia
($ in Thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
FMF	4,000	5,174	7,000
IMET	749	750	1,000
NADR-ECA	420	254	205
Peace Corps	996	762	218

National Interests:

Security and stability in Northern Europe hinge on the stability of the Baltic States; their integration into Euro-Atlantic political, military, and economic structures; and their relations with Russia. The U.S.-Baltic Charter of Partnership establishes a framework for long-term cooperation in the political, economic and security fields. U.S. assistance promotes the Charter's principles: Latvia's integration into Euro-Atlantic institutions; good-neighbor relations, including with Russia; and strengthened cooperation among the Baltic countries. U.S. defense and military assistance programs will provide material aid and training, complement allied and partner-nation support for Latvia by participating in multilateral projects, and enhance the professionalism in the Latvian defense establishment.

Objectives & Justification:

Since regaining independence, the Latvian military has had to build from essentially nothing into a territorial defense force with a modest capability to participate in international operations. The government's ability to procure significant new defense equipment and develop this force has been hindered by limited available national funding. Nevertheless, Latvia's defense budget increased by 30% over the past two years and is projected to reach 2% of GDP by 2003. Essential salary reforms and quality of life projects such as housing that are necessary to build a professional force have been top priorities and will continue to consume a large part of these initial budget increases. The chief priority is enhancing military professionalism and NATO interoperability.

Foreign Military Financing (FMF) is, therefore, and will continue to be critical in sustaining Latvia's effort to become more interoperable for participation in NATO, PFP, and NATO-associated operations, to include peacekeeping, peace enforcement, and humanitarian assistance. The FY 2002 FMF request will support high priority goals, including:

Continued development of the active-duty Latvian infantry battalion--both as a source for rotation of the Baltic Peacekeeping Battalion (BALTBAT) companies and as a means to continue enhancing Latvia's interoperability with NATO;

Continued development of the national training center and of a training system for commissioned and non-commissioned officers and conscripts;

Continued development of a material management and personnel management system;

Providing logistical training and support for the Baltic Naval/Demining Squadron (BALTRON);

Supporting the Regional Air Surveillance Coordination Center (RASCC);

Procuring NATO-compatible communications systems, light and heavy trucks, and individual soldier equipment; and

English Language Training.

The International Military Education and Training (IMET) program also assists Latvian defense reform efforts. Latvia's FY 2002 IMET program will be used to continue developing a professional and well-educated corps of civilian defense officials and commissioned armed forces officers that strengthen support for democratic values, civil control of the military, and adoption of doctrine, procedures, and training techniques consistent with Western democracies.

Latvia will be eligible in FY 2002 to receive grant Excess Defense Articles (EDA) under Section 516 of the Foreign Assistance Act. The transfer of EDA will assist Latvia in meeting defense requirements, and furthering defense interoperability.

As part of its efforts to prevent the proliferation of weapons of mass destruction, their delivery systems, related technologies, and other weapons, the United States is providing NADR Export Control and Related Border Security assistance funds for a cooperative program to help establish fully effective export controls in Latvia. FY 2002 NADR funding will focused primarily on improving export authorization procedures and, through the regional nonproliferation advisor program, improving enforcement procedures and capabilities.

Lithuania
($ in Thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
FMF	4,400	6,468	7,500
IMET	750	800	1,000
NADR-ECA	730	384	210
Peace Corps	996	762	238

National Interests:

Security and stability in Northern Europe hinge on the stability of the Baltic states, their incorporation into Euro-Atlantic security and economic structures, and their relations with Russia. Lithuania's integration into regional security structures and its development of civilian-controlled, NATO-compatible defense forces contributes directly to US national interests by increasing regional stability. Within the past decade, Lithuania has repeatedly proven its ability to sustain productive and positive relations with every country in the region. It has promoted, funded, and implemented confidence and security building measures in Belarus and in the Russian exclave of Kaliningrad where others have not even attempted or have failed. By supporting Lithuania's development of a credible deterrent force and enhancing its ability to interact with NATO forces, the United States is fostering stability and dialogue in the region.

Objectives & Justification:

Lithuania is committed to achieving full integration into Western security structures. With Lithuanian Americans serving as President and Chief of Defense, Lithuania clearly looks to the United States as its primary guide to enhance its security. Current defense spending stands close to 1.8% of GDP, and Lithuania intends to reach 2% of GDP by 2002. As Lithuania prioritizes resources for its own legitimate defense needs and for its contribution to the overall security of Europe, the International Military Education and Training (IMET) program contributes to the overall professional development of the military. IMET also gives necessary leadership and administrative skills to more junior officers, who effectively have replaced former Soviet-trained officials. The FY 2002 IMET request supports the following program priorities:

Professional military education courses for mid-grade to senior level officers and civilians (Army War College, Coast Guard Academy, National Defense University, and Army, Navy, Marine Corps, and Air Force command and staff college quotas);

Advanced officer and basic officer military education courses for company grade officers in engineering, logistics, maintenance, signal, infantry, transportation, air defense;

Civil-military and combat strategic intelligence training courses; and

International maritime officer course, explosive ordnance disposal (EOD) and underwater demining, and defense resource management courses.

Foreign Military Financing (FMF) bolsters Lithuania's participation in the full range of PFP exercises and its expanded engagement in international peacekeeping operations, including the Polish-Lithuanian Battalion, LITPOLBAT. It ensures that the Lithuanian contingent of the Baltic Peacekeeping Battalion (BALTBAT) remains qualified to participate fully in peacekeeping and peace enforcement. The FY 2002 FMF request will be used to procure: additional communications equipment and NATO compatible equipment for the Regional Airspace Surveillance Coordination Center (RASCC); light anti-tank weapons for defensibility; wheeled vehicles; spare parts and support for existing U.S. equipment; support for various Excess Defense Articles (EDA) equipment; and English language labs and training. Provision of additional U.S. equipment and maintenance training needed to support the new RASCC facilitates Lithuania's and regional civilian/military airspace control and, concomitantly, the Alliance's, through shared intelligence. FMF also will provide support to the Baltic naval squadron (BALTRON), enhance regional cooperation in eliminating risks to unexploded ordnance from World War II, and keep Lithuanian force planners and logisticians focused on the practical, here-and-now steps toward meeting their MAP/NATO milestones.

Lithuania will be eligible in FY 2002 to receive grant EDA under Section 516 of the Foreign Assistance Act. The transfer of EDA will assist Lithuania in meeting defense requirements, enacting defense reforms, and furthering defense interoperability. By offering EDA to Lithuania to complement others' contributions, the United States enhances Lithuania's NATO interoperability and helps Lithuania carry out NATO-compatible peacekeeping operations in Bosnia and Kosovo. Provision of excess equipment will contribute to Lithuanian maritime sovereignty and facilitate Lithuania's ongoing contribution to European security through minesweeping operations. Lithuania already has begun to provide its own helicopter support for peacekeeping operations, which service it plans to develop among its neighbors (BALTWING)--this relieves another burden from the Alliance and furthers our goal of enhanced regional security cooperation.

As part of its efforts to prevent the proliferation of weapons of mass destruction, their delivery systems, related technologies, and other weapons, the United States is providing NADR Export Control and Related Border Security assistance funds for a cooperative program to help establish fully effective export controls in Lithuania. FY 2002 NADR funding is focused primarily on improving export authorization procedures and, through the regional nonproliferation advisor program, improving enforcement procedures and capabilities.

Macedonia
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
FMF	0	13,582	10,500
IMET	504	750	550
NADR-ECA	335	245	705
Peace Corps	790	959	911
SEED	30,000	32,927	45,000

National Interests:

Key U.S. interests in the Former Yugoslav Republic of Macedonia (Macedonia) include 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. U.S. bilateral and regional interests lie in furthering the Macedonian model of a working multi-ethnic democracy, with constructive relations with all neighbors, and strong, stable political institutions. Macedonia played a key role as first refuge for hundreds of thousands of refugees during the Kosovo crisis, as launching pad for U.S. and allied military efforts, and continues to be the long-term conduit for assistance and logistics for international forces and the United Nations administration in Kosovo. The spread of armed insurgency to northwestern Macedonia in February 2001 has posed a grave threat to both Macedonian and regional stability. The United States has a compelling stake in reinforcing Macedonia against internal and external threats to its stability while supporting its internal political and economic transition and facilitating its integration into the Euro-Atlantic mainstream.

Objectives & Justification:

Macedonia has been a successful example of a democratic, multi-ethnic state in the Balkans, clearly committed to strengthening its democracy and market economy despite both external and internal disruptions, which have temporarily interrupted its progress. As the only-former Yugoslav Republic to gain its independence peacefully and successfully forge inter ethnic powersharing arrangements in the government, Macedonia has offered its troubled region a progressive model which warrants strong U.S. support. Having slowly recovered from the Kosovo crisis, which had the greatest negative impact on Macedonia of all the countries of Southeast Europe, Macedonia faces again the threat of destabilization, this time by armed extremists.

Support for Eastern European Democracy (SEED) assistance programs in Macedonia helped to mitigate the impact and address the economic problems caused by the Kosovo crisis, while working toward longer-range objectives of economic restructuring, democratic development. In response to the February 2001 crisis provoked by armed extremists, an additional $5.5 million in FY 2000 SEED carryover funds augmented Macedonia's FY 2001 allocation of $33 million. The additional funds are being used to strengthen inter-ethnic relations. In FY 2002, the $45 million SEED request will continue economic reform and democracy building, and will broaden the scope to include more activities that promote inter-ethnic harmony and further address minority concerns. The funding will focus on programs designed to assist the Macedonian

government in addressing legitimate minority grievances, while expanding key programs aimed at raising over all living standards by stimulating local private sector development, developing a progressive market economic legal framework, and fostering greater equality under Macedonia's democratic system. Programs will also increase the training of minority police recruits for a more ethnically balanced police force. Moreover, a special effort will be made to help revive the economy of northwest Macedonia, which was one of the principal victims of the recent fighting.

SEED funds finance critical technical assistance in the areas of enterprise assistance, legal/accounting reform, privatization and labor redeployment, and financial sector reform. SEED-assisted reform efforts are helping Macedonia to improve its investment climate, solidify its economy, and adopt international standards. Our aim is to strengthen Macedonia's prospects for integration into international and Euro-Atlantic institutions. In the process, SEED funds will strengthen Macedonian democracy through such initiatives as the Democracy Commission grants to NGOs; an enhanced international visitor program bringing future leaders for training and orientation to the United States; the Ron Brown Fellowship program providing graduate-level scholarships in fields such as law and economics; training for journalists; civic education; and English teaching programs.

Foreign Military Financing (FMF) and International Military Education and Training (IMET) have supported defense reorganization and training consistent with the U.S. and NATO goal of restructuring and modernizing the capabilities of the Macedonian military. FMF supports building the capabilities of the Macedonian armed forces according to parameters in Macedonia's NATO Membership Action Plan. The Macedonian government has made significant progress on military restructuring and moving the Macedonian Army toward NATO standards. FMF will continue to be used to support this process by helping the military units forming the centerpiece of the Macedonian Army to be equipped and ready to begin training to NATO standards. FMF will support the continued use of an American contract firm, MPRI, to provide guidance and advice on the restructuring process. Other key FMF uses include the acquisition of NATO-compatible tactical communications equipment, English language training, and logistics support for vehicles previously acquired through the FMF process.

The insurgent crisis early 2001 has fully engaged the government security forces of Macedonia, and will necessitate delays and reassessment of military reorganization and training programs. The Macedonian military generally performed well when ordered to move against positions occupied by armed extremists, and accomplished fairly complex combined arms operations while minimizing casualties in its own forces and among the civilian population. The Macedonian military has a demonstrated need for expanded military training and equipment both to counter internal and cross-border extremist threats to its security and territorial integrity and to set forth its programmed restructuring toward a longer-term goal of NATO compatibility and a force posture commensurate with its security situation. It can be expected to fully utilize such expanded opportunities in FY 2002.

Macedonia continues to make good progress on developing its non-commissioned officer (NCO) corps, essential in their efforts to restructure according to NATO standards. Under IMET, numbers of Macedonian NCO's are receiving key training through U.S. programs and are being slotted appropriately into unit structures. Macedonia continues to use the NATO KFOR presence

as an opportunity to familiarize officers with NATO procedures, and has conducted joint training with tactical NATO units present in Macedonia. Macedonia will be eligible in FY 2002 to receive grant Excess Defense Articles (EDA) under Section 516 of the Foreign Assistance Act. The transfer of EDA will assist Macedonia in meeting short-term defense needs, capability enhancements through continued defense reform, and furthering interoperability.

As part of its efforts to prevent the proliferation of weapons of mass destruction, their delivery systems, related technologies, and other weapons, the United States is providing NADR Export Control and Related Border Security assistance funds for a cooperative program to help establish fully effective export controls in Macedonia. FY 2002 NADR funding is focused primarily on improving enforcement procedures and capabilities through the regional nonproliferation advisor program.

Malta
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
FMF	450	2,985	1,000
IMET	100	150	300
NADR-ECA	375	5,150	150

National Interests:

The United States supports Malta's integration into the Euro-Atlantic mainstream. This will reduce Libyan influence and help Malta become a more important partner of the United States in tackling major post-war challenges such as preventing the proliferation of weapons of mass destruction components, the expansion of mutually beneficial trade and investment, and shaping a more stable, secure Europe.

Objectives & Justification:

As the primary U.S. assistance to Malta, International Military Education and Training (IMET) is a major tool for ensuring that Malta remains oriented towards the U.S. and Western Europe, particularly in security matters. IMET has become our most important means of accessing Malta's security establishment and maintaining a positive dialogue on important regional security issues, including Libya and counterterrorism. IMET programs enhance Maltese capability to interdict shipments of sanctioned materials to Libya and narcotics trafficking through the Maltese islands. The FY 2002 IMET program will provide professional military and communications training and to support maritime twinning programs.

Foreign Military Financing (FMF) funds requested in FY 2002 will be used to enhance the search and rescue and maritime protection capabilities of Malta's armed forces and to purchase communications equipment to facilitate the inspection and detainment of vessels carrying contraband.

As part of its efforts to prevent the proliferation of weapons of mass destruction, their delivery systems, related technologies, and other weapons, the United States is providing NADR Export Control and Related Border Security assistance funds for a cooperative program to help establish fully effective export controls in Malta. The FY2001 program included an additional $5 million to purchase cargo monitoring equipment for the Malta Freeport. Conditions associated with those funds have been met, and procurement of the equipment is underway. FY 2002 NADR funding is focused primarily on establishing effective enforcement procedures and capabilities, especially through the provision of equipment.

Malta will be eligible in FY 2002 to receive grant Excess Defense Articles (EDA) under Section 516 of the Foreign Assistance Act where appropriate. The transfer of EDA will assist Malta in meeting defense requirements, enacting defense reforms, and furthering defense interoperability.

Poland
($ in Thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
FMF	8,000	12,240	15,000
IMET	1,670	1,300	1,900
NADR-ECA	890	758	150
Peace Corps	2,079	1,070	0

National Interests:

Poland is a key ally and partner in U.S. efforts to enhance security and promote economic prosperity in Europe. The United States has a strong interest in helping Poland improve its military capabilities and interoperability with NATO, because Poland maintains a firmly pro-Atlanticist orientation within the Alliance, aspires to become a strong net contributor to the NATO collective defense effort, and serves as a model and a mentor for prospective NATO members. Poland can also contribute significantly to the enhancement of political and economic stability in eastern and central Europe, by sharing its experiences with a successful transition to a free market democracy.

Objectives & Justification:

While Poland's transition to free market democracy is not yet fully completed, Poland is now far enough along to continue without economic assistance, which ended in FY 1999, and is now ready to serve rather as a model for other less-developed countries receiving Support for Eastern European Democracy (SEED) support.

A great deal still needs to be done for Poland to achieve full interoperability with NATO, and to meet its full potential to contribute to the Alliance's collective defense capability and to international peacekeeping. Poland continues to increase defense spending in real terms, despite the many other important social needs for budget resources in a transition economy, and it coordinates its military modernization and restructuring closely with NATO to assure that the resources are used to the maximum effect. The Poles have embarked upon a serious six-year military modernization that will focus their limited resources on ensuring that one-third of their forces (in particular, the ones designated for NATO missions) are fully interoperable with NATO by 2006. Foreign Military Financing (FMF) and International Military Education and Training (IMET) programs are an important way for the United States both to show support for these efforts and to contribute to them directly. For FY 2002, the administration's request for FMF and IMET will fund a variety of programs, including the acquisition of professional military training, communications/information technologies and navigation equipment, airfield and infrastructure improvements and upgrades, logistics improvement, monitoring and measuring equipment, and enhanced international peacekeeping capabilities.

Poland will be eligible in FY 2002 to receive grant Excess Defense Articles (EDA) under Section 516 of the Foreign Assistance Act where appropriate. The transfer of EDA will assist

Poland in meeting defense requirements, enacting defense reforms, and furthering NATO and Western interoperability.

As part of its efforts to prevent the proliferation of weapons of mass destruction, their delivery systems, related technologies, and other weapons, the United States is providing NADR Export Control and Related Border Security assistance funds for a cooperative program to help establish fully effective export controls in Poland. FY 2002 funding is focused primarily on improving enforcement procedures and capabilities, especially through the provision of equipment.

Portugal
($ in Thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
IMET	656	750	750

National Interests:

Portugal's continued participation in both NATO and other international peacekeeping operations directly benefits U.S. security goals. The U.S. also seeks to maintain strong cooperation at the Lajes Air Base, and Portugal's support within the EU for U.S. positions on such issues as European Security Defense Program (ESDP)-NATO compatibility.

Objectives & Justification:

Portugal is a founding member of NATO and a member of the European Union. Portugal continues to maintain strong transatlantic ties and pursue close military cooperation with the United States. The 1995 Agreement on Cooperation and Defense provides U.S. forces continued access to the strategic Lajes Air Base in the Azores. Lajes served as a staging point for the U.S. during NATO's military operations in Kosovo, Desert Storm and Desert Fox. Lajes supports ongoing U.S. operations in Bosnia and Kosovo. Portugal also contributes troops to both SFOR and KFOR and works closely with the United States on UN security issues.

The International Military Education and Training (IMET) program continues to be an essential component of the Portuguese military force modernization program, which includes its ongoing efforts to create an all-volunteer military; conscription is scheduled to end by 2004. FY 2002 IMET funding for Portugal will be a significant asset in the modernization effort, which is intended to strengthen Portugal's ability to play an active role in collective defense organization and international peacekeeping efforts, e.g., in Bosnia, Kosovo and East Timor. U.S. efforts are also directed toward enhancing Portugal's Atlanticist orientation by building ties with future military leaders and reinforcing the existing preference for U.S. manufactured defense equipment. The IMET program bolsters this strategy by establishing close bilateral relationships between the U.S. and Portuguese militaries, as well as providing training to support U.S. supplied defense systems.

Portugal is eligible to receive grant Excess Defense Articles (EDA) under section 516 of the Foreign Assistance Act. EDA will be used to support Portugal's force modernization efforts and enable Portugal to participate in international peacekeeping.

Romania
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
FMF	6,000	16,916	11,500
IMET	1,093	1,550	1,400
NADR-ECA	505	414	360
Peace Corps	2,108	2,586	2,857
SEED	35,000	38,415	38,000

National Interests:

The U.S. has an interest in the continued development of a democratically-oriented Romania at peace with its neighbors and respectful of human rights. As the largest country in size and population in Southeast Europe, Romania has the potential to make a significant contribution to stability and security in a troubled region. Working together within the framework of the U.S.-Romanian Strategic Partnership, which has existed since 1997, the United States seeks to support a stable and democratic Romania, benefiting from a free market economy and its location at the crossroads of Southeast Europe. With economic and political reforms, Romania will be better able to offer attractive business and investment opportunities for U.S. companies that will in turn contribute to its development. U.S. assistance supports Romanian efforts in political, economic, and military reform.

Objectives & Justification:

Romania's economic transition is at a delicate stage. The economic and political distortions of the communist era have posed great challenges to post-1989 Romanian governments. After four years of negative growth, GDP grew by 1.6% in 2000. The United States is engaged in such activities as providing advisors to the Ministry of Finance in the critical areas of privatization, debt, and tax reform. Support for East European Democracy (SEED) funding of $38 million supports 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 newly-elected government has committed itself to working with the World Bank and International Monetary Fund, and to promoting reforms.

SEED funds for FY 2002 will assist Romania to combat cross-border crime and foster regional linkages by supporting the newly established regional anti-crime center in Bucharest. Funding also will help Romania improve its social safety net in such areas as child welfare and pension reform.

U.S. bilateral military assistance is focused on helping Romania contribute to stability in Southeast Europe by establishing a strong, efficient military under effective civilian control and enjoying a cooperative relationship with NATO, including through active participation in the Partnership for Peace program. As a NATO aspirant, Romania received significantly increased FY 2001 Foreign Military Financing (FMF) to assist it in completing the reforms specified under

their NATO Membership Action Plan (MAP). Romania has the largest standing force of all the NATO aspirants. FMF funding of $11.5 million in FY 2002 will promote both the continued improvement in the professionalism of its Non-Commissioned Officer (NCO) corps and the English language education of its military. The U.S. Marine Corps (USMC) will continue its program of training Romanian NCOs, focusing its training on Senior NCOs. U.S. military assistance also supports the Ministry of Defense's reform implementation goals of downsizing the Romanian military and improving NATO-interoperability. FMF funds will support continuation of contractor assistance in defense reform initiatives, upgrades to the logistics management system, communications equipment and infrastructure upgrades, and a modeling and simulation center.

The FY 2002 International Military Education and Training (IMET) program will continue to expose the new generation of the Romanian military to professional military education, and both military and civilians to such expanded IMET courses as those in defense resources management. The GOR continues to seek to expose as many officers as possible to U.S. military training and to make good use of graduates in their follow-on assignments.

Romania will be eligible in FY 2002 to receive grant Excess Defense Articles (EDA) under section 516 of the Foreign Assistance Act. The transfer of EDA will assist Romania in meeting defense requirements, enacting defense reforms, and furthering defense and NATO interoperability.

Romania is working closely with the U.S. to enhance its export controls. Although Romania has made progress in developing a system to control the export of sensitive goods and technologies, there is still room for improvement. As part of its efforts to prevent the proliferation of weapons of mass destruction, their delivery systems, related technologies, and other weapons, the U.S. is providing NADR Export Control and Related Border Security assistance funds for a cooperative program to help establish fully effective export controls in Romania. U.S. funding in 2002 is focused primarily on establishing an adequate legal and regulatory infrastructure for controls and effective enforcement procedures and capabilities. Emphasis will be placed on training of enforcement officials and provision of basic equipment.

Slovakia
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
FMF	2,600	10,747	8,500
IMET	633	950	850
NADR-ECA	200	285	300
Peace Corps	1,527	1,377	416

National Interests:

The United States has an interest in Slovakia, the country at the geographic center of Europe and therefore a critical line of communication, continuing to be an increasingly positive force for regional stability in Central and Eastern Europe (CEE). To accomplish this, assistance funds to support continued economic, political and military reform that will facilitate Slovakia's eventual integration into Euro-Atlantic institutions. The United States encourages and supports Slovakia's initiatives to share its success in democracy building and development of civil society with other countries in transition. The U.S. also promotes Slovak implementation of effective export control strategies to prevent transfer of arms to countries of concern and bolstering crime-fighting efforts to minimize the impact on the U.S. from CEE criminal organizations. The U.S has an interest in Slovakia developing an improved business climate, including reducing corruption, to create expanded trade and investment opportunities for U.S. firms.

Objectives & Justification:

The government of Prime Minister Dzurinda, unlike its predecessor, has shown a clear commitment to democracy, reform and western-oriented policies. U.S. policy seeks to recognize this commitment and anchor Slovakia into a democratic Europe by supporting the government's ambition to integrate into Western institutions. Support for East European Democracy (SEED) program funding in past years was a key to supporting the development organizations committed to democracy and rule of law, which were instrumental in bringing a reform-minded government to power. While Slovakia has graduated from the bilateral SEED program, continued access to regional SEED programs will be crucial to helping Slovakia consolidate democratic, economic and legal reform, and continue to advance in other important areas such as the fight against corruption.

Slovakia is one of the nine aspirants for NATO membership participating in the Membership Action Plan process. The Slovaks have established 64 Partnership Goals (of which 41 are MAP-related) with NATO geared toward westernizing their military and enhancing NATO interoperability. FY 2002 Foreign Military Financing (FMF)andInternational Military Education and Training (IMET) programswill be the essential tools as Slovakia continues to implement a multi-year military reform plan heavily influenced by recommendations from a U.S.-funded defense study. Helping Slovakia in its effort to create a modern, capable force that can ensure national defense and contribute to NATO operations is a major U.S. goal that will enhance regional stability and cement Slovakia's ties to the West. Slovakia's importance to NATO was

shown during the Kosovo conflict, when overflight and transit rights were crucial to effective conduct of the military campaign.

Priorities for use of the FMF funds were jointly developed with Slovakia to support Slovak and USG objectives. Both FMF and IMET funds will be used to strengthen Slovakia's ability to contribute to NATO peacekeeping missions - such as its 40 member unit serving with KFOR - and Partnership for Peace (PfP) activities. FMF funds will support purchase of defense articles and services that target improvements in the areas of command and control, airspace sovereignty, communications and night fighting capability for rapid reaction forces, simulation and English language training, resource management and search and rescue. IMET funds will support personnel development and westernization of the Slovak military through training of Slovak officers at U.S. facilities. The requested assistance will help Slovakia become a more capable partner in the region and a stronger candidate for NATO membership.

Slovakia will be eligible in FY 2002 to receive grant Excess Defense Articles (EDA) under Section 516 of the Foreign Assistance Act. The transfer of EDA will assist Slovakia in meeting defense requirements, enacting defense reforms, and furthering interoperability.

As part of its efforts to prevent the proliferation of weapons of mass destruction, their delivery systems, related technologies, and other weapons, the United States is providing NADR Export Control and Related Border Security assistance funds for a cooperative program to help establish fully effective export controls in Slovakia. FY 2002 funding is focused primarily on an assessment of Slovakia's capabilities and needs and improving enforcement procedures and capabilities through the regional nonproliferation advisors.

Slovenia
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
FMF	2,000	5,473	4,500
IMET	579	1,050	800
NADR-ECA	375	245	30

National Interests:

The United States seeks to encourage Slovenia's continued political and economic transition to a full-fledged Euro-Atlantic partner. As a partner, Slovenia serves as a bridge between East and West, and plays a central role in exporting peace and stability to Southeast Europe. As a peaceful middle-income democracy, Slovenia is a stabilizing factor in a crisis-ridden area. Its eventual integration into and participation in Western institutions such as NATO and the European Union could be a force for peace, especially given Slovenia's cultural, historical, social, political and personal ties with the states that constituted the former Yugoslavia.

Objectives & Justification:

The primary objectives of U.S. military assistance in Slovenia are to allow modernization and reform of Slovenia's military and to help the country toward its NATO Membership Action Plan goals. Foreign Military Financing (FMF) assistance also aims to achieve greater interoperability between NATO and Slovenian forces and critical reform of Slovenia's military command structures. The FY 2002 FMF request for Slovenia allows them to continue their current levels of training, and, in addition, help them to establish a National Military Command Center.

Slovenia's objectives will be met through the FMF-provided training opportunities that strengthen the professionalism and leadership skills of Slovenia's military personnel; training and equipment that improves interoperability and standardization of Slovenian forces with U.S. and other NATO forces; training that helps improve technical and managerial skills of military personnel; and assisting the MOD in making procurements for its military which not only benefit its own defense structure, but also contribute to regional stability.

Left virtually without military equipment, infrastructure, or organization after its ten-day war for independence in 1991, Slovenia has striven to model its fledgling armed forces on those of the U.S. and other NATO Allies. Slovenia's sound economic situation has enabled it to fund a larger proportion of its defense reform needs, though U.S. assistance continues to play a critical role. The MOD has used previous-year FMF grant money to increase Slovenian interoperability by purchasing English language training, computer simulation center hardware and software, and small-unit infantry training equipment. A top priority for the Slovene FMF funds in 2001-2002 is participation in the National Military Command Center (NMCC). The NMCC fits in well with Slovenia's MAP (NATO Membership Action Plan) strategy and with the recommendations of last year's OSD/EUCOM Defense Reform study.

The FY 2002 International Military Education and Training (IMET) request will support Mobile Training and Education Teams on Quality Force Management, and Mobile Education Teams on Military Decision-making Process for Battalion Commanders; Civil-Military Affairs for the MOD Public Affairs office; and Defense Resource Management. Slovenia also plans to use IMET funds to send four officers to senior and intermediate U.S. professional military education schools.

Slovenia will be eligible in FY 2002 to receive grant Excess Defense Articles (EDA) under Section 516 of the Foreign Assistance Act where appropriate. The transfer of EDA will assist Slovenia in meeting defense requirements, enacting defense reforms, and furthering defense interoperability.

As part of its efforts to prevent the proliferation of weapons of mass destruction, their delivery systems, related technologies, and other weapons, the United States is providing NADR Export Control and Related Border Security assistance funds for a cooperative program to help establish fully effective export controls in Slovakia. FY 2002 NADR funding is focused primarily on improving enforcement procedures and capabilities through the regional nonproliferation advisors.

Turkey
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
IMET	1,554	1,600	1,800
NADR-ECA	0	30	1,000

National Interests:

Turkey is vital to U.S. national security. An important NATO ally located at the strategic nexus of Europe, the Middle East, the Caucasus and the Caspian, Turkey is an active participant in regional stabilization initiatives. It borders two countries -- Iran and Iraq -- 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 advancing Turkish democracy is reflected in programs for the Turkish military that promote improved civil-military relations. Support for Turkish efforts on global issues has prompted a highly effective USAID-funded population assistance program.

Objectives & Justification:

The FY 2002 International Military Education and Training (IMET) program will provide Turkish military personnel with the training needed to improve interoperability with U.S. and NATO forces. Turkey actively participated in Operation Allied Force and contributes peacekeeping forces to KFOR in Kosovo and SFOR in Bosnia. IMET not only improves the professionalism of future leaders, it also introduces them to U.S. concepts of the proper role of the military in a democratic society. Training also helps support Turkey's participation in international peacekeeping operations and assists Turkey's military professionalization programs. IMET has created a strong cadre of senior Turkish officers who know and employ U.S. defense doctrine and equipment. IMET funding will also be used for joint training with the Greek military. Turkey and Greece have recently taken positive steps to reduce military tensions, consistent with the general rapprochement in their bilateral relations.

Development assistance is in the process of being phased out for Turkey after attaining several successes. Contraceptive use in Turkey has increased from 38% in 1978 to 64% in 1998, while fertility rates have dropped by half over the last twenty-five years. The Turkish government has now assumed full responsibility for procurement and distribution of contraceptives for the public sector and a robust "NGO Network for Women" has been established. FY 2002 is expected to mark the final year of this successful program. In the final year of the program, limited funds are targeted to protect programmatic gains and improve the sustainability prospects for both public and private sector systems.

Turkey will be eligible in FY 2002 to receive grant Excess Defense Articles (EDA) under 516 of the Foreign Assistance Act where appropriate. The transfer of EDA will assist Turkey in meeting defense requirements, enacting defense reforms, and furthering interoperability.

As part of its efforts to prevent the proliferation of weapons of mass destruction, their delivery systems, related technologies, and other weapons, the United States is providing NADR Export Control and Related Border Security assistance funds for a cooperative program to help establish fully effective export controls in Turkey. U.S. funding in FY 2002 is focused primarily on improving enforcement procedures and capabilities, especially through the provision of equipment.

Lockerbie Trial Support
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
NADR-L	0	15,000	16,000

National Interests:

One element of the United States' longstanding commitment to fight and deter terrorism is the prosecution of individuals or entities believed responsible for terrorist acts. Such is the case in the trial of Abdelbaset Ali Mohmed Al Megrahi and Al Amin Khalifa Fhimah, two Libyans suspected responsible for the December 21, 1988, terrorist bombing of Pan Am flight 103 over Lockerbie, Scotland, which resulted in the death of 270 persons, including 189 Americans. Nearly a decade after the incident, the governments of the United States and the United Kingdom informed the United Nations that they were prepared, as an exceptional measure, to arrange for the two accused Libyan operatives to be tried before a Scottish court sitting in the Netherlands. In April 1999, Megrahi and Fhimah were delivered to Kamp Van Zeist, the Netherlands, for a three-judge panel trial that began May 2000. On January 31, 2001, the Scottish court found Megrahi guilty of murder and sentenced him to life imprisonment; Fhimah was acquitted. The Scottish court in the Netherlands is set to hear Megrahi's appeal in autumn 2001.

Objectives & Justification:

As part of the arrangement to hold the trial in the Netherlands, the U.S. agreed to pay half the appropriate incremental costs of the trial – that is, costs that would not have been incurred had the defendants been tried in the normal way in Scotland. This includes capital construction costs to extensively renovate and refurbish existing structures at Kamp Van Zeist to create:

a maximum security prison facility to house the accused;

a secure courthouse with offices for defense and prosecution teams, as well as reception areas to accommodate victims' families;

a media center to support up to 230 accredited journalists, complete with closed-circuit television to watch the proceedings of the trial;

residential facilities and a cafeteria to accommodate Scottish police and prison officers on temporary duty (TDY) at Zeist; and

a secure perimeter for the entire site, including a concrete wall surrounding the prison facililty.

In addition, the Netherlands trial incurs incremental operating expenses, most significantly the pay, travel, subsistence, and miscellaneous expenses associated with Scottish police and prison officials, as well as other Scottish court support staff who have been assigned to support the trial.

Other operating costs include utilities, services, and maintenance for the Zeist facilities. In order to minimize costs, only essential personnel remain on duty while the court is in recess.

The Scottish Government estimates that the total incremental cost of the trial, including capital and operating expenses through the end of Megrahi's appeal, will run around $98 million dollars. To date, the State Department has provided almost $23 million in Lockerbie trial support; the request of $16 million in FY 2002 NADR funds will continue this effort to reimburse the UK for actual expenses incurred.

OSCE Regional - Europe
($ in Thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
PKO	0	16,700	16,300

National Interests:

Funding is provided for the Organization for Security and Cooperation in Europe (OSCE) peacekeeping activities. OSCE supports U.S. policy goals and the funding request is to cover the U.S. share of OSCE operations. U.S. goals are to prevent destabilizing conflicts in the former Soviet Union, contain/reduce instability in the Balkan states and Caucasus, provide a rapid crisis response capability through the Rapid Expert & Assistance Cooperation Team (REACT) program, and follow through on the OSCE's responsibilities as called for under the Dayton Agreement.

Objectives & Justification:

The FY 2002 Peacekeeping Operations (PKO) funds for European Regional programs the majority are intended to fund the U.S. share of the REACT program, which provides for deployment of crisis intervention teams and funds the 120 seconded American citizens working in the OSCE's 20 field missions. The remaining funds will be used to fund election observation efforts and to support the OSCE's field missions in the Baltics, Central Europe, Caucasus and Central Asia. The day-to-day work of these other OSCE Missions varies depending on the individual mission mandates agreed upon by the OSCE Permanent Council. All of the mission activities are in support of the OSCE's core mission of early warning, conflict prevention, crisis management and post-conflict rehabilitation, and are focused on the economic, environmental, human and political aspects of security and stability.

Regional SEED
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
SEED	85,470	86,609	82,000

National Interests:

Support for East European Democracy (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.

Objectives & Justification:

In FY 2002, SEED regional funding will reflect two trends already present in FY 2001: the overall level will be less than the preceding year and, with the countries of Northeast Europe and the Baltic states graduated from the SEED program, funds will be focused on Southeast Europe. SEED regional programs in FY 2002 seek to stabilize, transform and integrate Southeast Europe, the scene of chronic instability and two major wars over the past ten years, into the transatlantic mainstream. Programs will be targeted to increase trade and foreign investment, promote greater regional cooperation among the countries of Southeast Europe, address the urgent problem of crime and corruption, and strengthen democracy and rights for ethnic minorities.

Through the SEED regional program, the U.S. seeks to fund programs of assistance where we have a comparative advantage, can provide technical assistance to leverage significant new amounts of funding from other donors, or can make important legal or regulatory gains. Major program areas for FY 2002 are:

Technical assistance to help SEE states continue the fiscal and economic reforms crucial for attracting private investment and increasing trade;

Assistance to help targeted SEE states harmonize their trade policies by achieving World Trade Organization (WTO) membership;

Increased focus on fighting corruption and cross-border crime and strengthening the rule of law;

Strengthening of local government, non-governmental organizations (NGOs) and media to consolidate democratic reform and build civil society;

Spurring the growth of small and medium-sized enterprises (SMEs) through increased availability of financing;

Decreasing the investment risk to U.S. firms considering investments in the region;

Technical assistance to tie the region together by developing a regional power grid for Southeast Europe; and

Reform of SEE customs services.

These priorities will augment ongoing bilateral assistance programs, the foundation of the SEED program. The success of these regional programs will depend in large part on the degree of economic and democratic reform achieved in each Southeast European state.

The regional SEED program also builds on the economic and democratic reform achieved in each Southeast European state by linking together successful reformers and by using progress achieved in one country as an example for others. Regional initiatives such as the development of an electrical grid for Southeast Europe will use the collective pressure of all SEE states, combined with the influence of outside donors, to break regulatory or legal logjams which domestic reformers have been unable to solve.

Each regional program will be evaluated in accordance with standard USAID benchmarks and performance indicators set forth in the annual R-4 process, or similar indicators for other USG implementing agencies.

NEAR EAST

Algeria
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
IMET	115	125	200

National Interests:

The U.S. has an interest in increasing regional stability by promoting an open democracy, economic reform and security in Algeria. The proposed plan is a cautious, measured approach intended to encourage the Algerian military establishment to gradually move along a path toward greater respect for civilian authority.

Objectives & Justification:

Political violence wracked Algeria from 1992 and 1998 but has since diminished. Military operations against pockets of radical armed groups in rural areas are expected to continue for the foreseeable future. Major towns and cities and much of the south are free of violence. The government is stressing reconciliation, openly addressing human rights concerns, and accepting democracy training. Cabinet ministers with strong economic reform credentials have made some progress in guiding Algerian's transition to a market economy, but serious institutional and social barriers remain. Such developments present the U.S. with significant challenges, but also with major economic opportunities. Algerian support is essential to resolve regional tensions in the Middle East and Africa.

The International Military Education and Training (IMET) program will help military leaders in Algeria understand and increase their support for U.S. policy. The program increases awareness of international norms of human rights and fosters greater respect for the principle of civilian control of the military. In FY 2001, Algeria's IMET funds allowed participation of Algerian officers in our Naval Staff College, Air Command and Staff College, and Army Command and General Staff College. In FY2002, IMET funds are planned for officer training at each of the war colleges, the command and general staff colleges, but also for an International Maritime Officers course, Combined Strategic Intelligence Training, and a security assistance management course. Placing Algerians in our prestigious war and staff colleges gives the U.S. an opportunity to train a professional Algerian military which respects human rights and understands and respects the principle of civilian control. In such a setting, these officers can establish essential contacts with U.S. counterparts whose influence can encourage reform within the Algerian military. IMET training ultimately will improve the Algerian military's interoperability with U.S. and NATO armed forces.

Bahrain
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
IMET	216	235	250

National Interests:

The United States has an enduring national interest in maintaining access to Bahraini military facilities as a means of ensuring its influence in the Persian Gulf region. A high priority in our bilateral relationship is maintaining strong political and military support for the Government of Bahrain as a way of ensuring stability in this critical Gulf emirate under the leadership of Amir Hamad bin Isa Al Khalifa. Bahrain has been a member of the coalition against Iraq since 1990 and has remained a steadfast supporter of our policies towards Iraq and Iran. Throughout its tenure as non-permanent member on the United Nations Security Council (1998-2000) and since, Bahrain has supported U.S. objectives throughout the region.

Objectives & Justification:

Bahrain's continued support for U.S. regional policies on Iraq and the Middle East Peace Process will be instrumental in advancing our broad foreign policy objectives in the Middle East. An expansion of Bahrain's International Military and Education Training (IMET) program, the continuation in FY 2002 of Excess Defense Article (EDA) transfers under Section 516 of the Foreign Assistance Act, and the approval of selected commercial arms sales will enable the Bahrain Defense Forces to assume greater responsibility for regional defense, while promoting interoperability with existing U.S. and Gulf Cooperation Council (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. Provision of grant EDA and IMET reflects the key support Bahrain provides to the U.S. Fifth Fleet and CENTCOM air assets in the region.

Egypt
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
ESF	727,267	692,603	655,000
FMF	1,300,000	1,293,592	1,300,000
FMF Supp	25,000	0	0
IMET	1,006	1,100	1,200

National Interests:

As the leading country of the Arab world and a key supporter of Mideast peace efforts, Egypt is an indispensable ally in the region. U.S. national security interests are served by supporting stability and prosperity in Egypt.

Objectives & Justification:

Egypt plays pivotal roles in the Arab world, Africa, the Muslim world and the Mediterranean basin. It is a key strategic ally in our efforts to contain the threat posed by Saddam Hussein's Iraq. The FY 2002 request of $1.3 billion for Egypt in Foreign Military Financing (FMF) will continue to support a modern, well-trained Egyptian military that will help ensure stability in the region, enable Egypt to participate as a coalition partner in operations that further U.S. interests, and help maintain U.S. access to the Suez Canal and vital overflight routes used to support our forces in the Gulf. Under the cash-flow financing arrangements with Egypt, FMF will be used to cover ongoing costs of programs being implemented (20%); for maintenance of and ammunition for U.S. equipment in current inventory (30%); to supplement or upgrade equipment in service (15%); and for new programs (35%), including four fast missile craft, Identification Friend-or-Foe (IFF) systems, and 26 MLRS launchers forming two battalions.

Training of Egyptian military personnel provided by the FY 2002 International Military Education and Training (IMET) program will continue to play a critical role in ensuring that Egyptian defense forces are proficient in the use of newly-acquired U.S. military hardware and capable of supporting U.S. operations. Egypt will be eligible in FY 2002 to receive Excess Defense Articles (EDA) on a grant basis under section 516 of the Foreign Assistance Act. Egypt will benefit from the transfer of numerous EDA articles ranging from spare parts to outdated U.S. M-60 tanks that will be specially outfitted for use in Egypt's ongoing humanitarian demining efforts.

Egypt needs to continue its economic development if it is to remain capable of sustaining its role as a reliable partner in the region. Economic Support Fund (ESF) assistance helps Egypt continue the process of transforming its economy into a globally competitive one that can provide jobs and opportunities for its people. At the same time, our assistance program in Egypt helps to alleviate poverty, supports the development of democratic institutions, expands U.S. exports, bolsters public health services and family planning, and helps Egypt protect its environment.

Of the ESF requested for FY 2002, 79% will be used for programs designed to accelerate economic growth, including technical assistance aimed at improving the business and investment climates; increasing agricultural productivity; increasing exports in targeted sectors; strengthening financial markets; and expanding access to power and telecommunications services. Roughly 7% of the ESF request will support programs related to the environment. The remainder will fund programs meant to reduce the fertility rate, improve health care, support democratic institutions, and increase access to schooling for girls.

Israel
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
ESF	949,056	840,000	720,000
FMF	1,920,000	1,980,000	2,040,000
FMF Wye	1,200,000	0	0

National Interests:

The United States has a significant interest in 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. 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 United States, and by fostering stability in a historically volatile region whose importance is vital to U.S. economic and security interests. 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 United States; and opens new opportunities both for U.S. investment and for export sales.

Objectives & Justification:

The $720 million in Economic Support Funds (ESF) requested for FY 2002 will continue to support Israel's economic and political stability. U.S. economic assistance is designed to help relieve the impact of economic burdens Israel has incurred due to its isolation in the region and the unstable situation in the Middle East. ESF may be used to purchase goods and services from the United States; service debt owed to, or guaranteed by, the U.S. government (USG); pay to the USG any subsidies or other costs associated with loans guaranteed by the USG; service Foreign Military Sales debt; and for other activities to support Israel's economic needs. The United States continues to work with the government of Israel on phasing out U.S. economic assistance, while encouraging Israel's continued efforts to increase the role of the private sector, promote productive investment, reform taxes, and promote more efficient use of its resources.

The United States maintains a steadfast commitment to Israel's security, to the maintenance of its qualitative military edge, and to strengthening Israel's ability to deter and defend itself. The annual Foreign Military Financing (FMF) that Israel receives constitutes an important part of U.S. support for these objectives. FMF represents about 25 percent of the Israeli defense budget and is crucial to Israel's multi-year defense modernization plan. The FY 2002 FMF request of $2.04 billion will enable the Israeli government to meet cash flow requirements

associated with the procurement of U.S. origin systems such as F-16I fighter aircraft, the Apache Longbow attack helicopter, field vehicles, and advanced armaments. Israel's annual FMF level is expected to increase incrementally (by $60 million each year) to a level $2.4 billion in FY 2008, as ESF is phased out. Israel also will be eligible in FY 2002 to receive Excess Defense Articles under section 516 of the Foreign Assistance Act for defense maintenance, spare parts, support equipment and other needs.

Jordan
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
ESF	149,500	149,483	150,000
ESF Wye	50,000	0	0
FMF	74,715	74,630	75,000
FMF Wye	150,000	0	0
IMET	1,679	1,700	1,800
NADR-ECA	0	30	750
NADR-HD	1,511	947	900
Peace Corps	1,514	1,670	1,411

National Interests:

Jordan shares borders with Israel, the West Bank, Syria, Iraq and Saudi Arabia. Its critical location and cooperative government have made it a linchpin of regional stability and security. Jordan remains a pivotal country that has signed a peace treaty with Israel and continues to advocate strongly for comprehensive Middle East peace. U.S. economic and military assistance contributes to a more stable and prosperous Jordan by seeking to improve water resource management, ease the birth rate and improve health care, increase economic opportunities, and build a stronger defense capability. Promoting economic growth in Jordan will also permit a gradual decrease in U.S. assistance and open new opportunities for U.S. investment and export sales.

Objectives & Justification:

The FY 2002 Economic Support Funds (ESF) request of $150 million will seek to address Jordan's most pressing development challenges: too little water, rapid population growth, and too few jobs. Accordingly, primary U.S. strategic objectives in Jordan will be to improve water resource management; improve access to, and the quality of, reproductive and primary health care; and increase economic opportunities for Jordanian citizens.

U.S.-funded water sector programs will aim to strengthen key water sector institutions, increase water-use efficiency, and improve wastewater quality for agricultural and industrial reuse. Funds will support ongoing projects, including: (1) rehabilitation of the Greater Amman water distribution system; (2) technical assistance for water policy implementation and water utility privatization; (3) completion of surface and ground water monitoring stations; (4) private sector management of a new wastewater treatment facility in South Jordan; (5) implementation of a build-own-transfer (BOT) wastewater treatment facility in the North Jordan Valley; and (6) design and construction of two wastewater treatment plants in South Jordan.

Population and health strategies are designed to improve maternal and child health by ensuring the availability of quality reproductive and maternal health care services, and promoting rationalized health care financing. Programs will include expansion of family planning services,

renovations of community clinics, nurse training, and support of government health care reform initiatives.

U.S. assistance to expand economic opportunities for Jordanians is designed to promote trade and investment, support the small and micro-enterprise sector, and advance Jordan's market-based economic restructuring program. Programs will engage the formal banking sector in lending credit to small entrepreneurs and providing financial services to start-up businesses as well as support activities associated with Qualified Industrial Zones. U.S. assistance also funds business development services for small and medium-sized firms, supports entrepreneurial and job training programs for Jordanian youth, and provides technical assistance and cash transfers to the government to support economic reform.

Jordan is critical to U.S. security interests in the region. U.S. security assistance programs – Foreign Military Financing (FMF) and International Military and Education Training (IMET) - buttress Jordan's ability to maintain secure, peaceful borders with Israel, Iraq and Syria. FMF also helps the Jordanian Armed Forces modernize and address readiness and sustainment requirements. For FY 2002, Jordan proposes to use the $75 million FMF request to upgrade its air defense systems, enhance transportation, and augment command, control, and communication capabilities. Jordan also intends to modernize aging defense systems, including anti-tank missiles.

IMET training reinforces democratic principles of civilian control of the military, enhances interoperability with U.S. forces, promotes military professionalism, and reinforces among core supporters of the regime the importance of a strong, cooperative political/military relationship with the United States. In addition, Jordan will be eligible to receive U.S. Excess Defense Articles (EDA) under section 516 of the Foreign Assistance Act to help the government make maximum use of scarce funds for critically-needed equipment and spare parts.

The request for FY 2002 NADR funds for humanitarian demining will be used to continue an on-going program to prevent civilian casualties by removing landmines in the Jordan River Valley, along the Jordan-Syrian border, and in the Rift Valley. The demining program maintains a force of 380 combat engineers and is internationally recognized as one of the best such programs in the world.

Finally, as part of its efforts to prevent the proliferation of weapons of mass destruction, their delivery systems, related technologies, and other weapons, the United States plans to provide NADR Export Control and Related Border Security assistance funds for a cooperative program in Jordan. FY 2002 NADR funding is focused initially on an assessment of Jordan's capabilities and needs.

Lebanon
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
ESF	15,000	34,879	32,000
IMET	582	575	600
NADR-HD	1,282	800	1,200

National Interests:

The United States has a strong interest in promoting a stable, independent, democratic, and economically strong Lebanon at peace with Israel and neighboring states. Lebanon is still recovering from its sixteen-year civil war, and is making slow progress toward rebuilding its civil institutions, re-establishing the rule of law, and implementing economic reform. In the wake of the withdrawal of Israeli forces from south Lebanon in spring of 2000, development needs have increased as the south rebuilds and the government tentatively begins to reestablish its presence there. A prosperous, independent and secure Lebanon will open new opportunities for U.S. investment and export sales, help weaken terrorism, and contribute to the fight against illegal drugs and counterfeiting.

Objectives & Justification:

The FY 2002 Economic Support Funds (ESF) request of $32 million for Lebanon will be used to promote economic growth, build democracy, and protect the environment. In the area of reconstruction and economic growth, the flagship of USAID's program will continue to be the Rural Community Development Clusters, which now include 430 villages and almost 600 activities in basic infrastructure, income production, environment, and civil society. The clusters program has already been expanded to areas formerly under Israeli occupation, and will continue to increase there. USAID plans to continue the Dairy Improvement Program, which imports U.S. dairy cows and provides quarantine, inoculation, and nutritional and veterinary care. The Microcredit Program will continue to provide village banking loans -- targeted primarily at women -- through commercial agreements and NGO grants. USAID will also continue to assist the Lebanese government in implementing economic reform in three key sectors: agro-industry, finance and regional services, and tourism. A World Trade Organization (WTO) accession support program has also been put in place.

The democracy program will provide assistance and technical support to critical central and local institutions of the government of Lebanon that are directly linked to its ability to enact public policy and provide social services. USAID will seek to introduce and reinforce the concepts of transparency, accountability, and effectiveness of government. In addition, U.S. support for the American educational institutions in Lebanon will encourage the development of civil society. ESF will help provide these institutions with both programmatic support and grants for scholarships and core programs.

The environment program aims to help the Lebanese better understand their environmental problems, point the way to policy reforms, and illustrate environmental solutions.

The program promotes the development of wastewater and solid waste treatment activities in rural community development clusters, including treatment of potable water, soil conservation and environmental awareness campaigns.

The FY 2002 International Military and Education Training (IMET) program for Lebanon will reinforce the democratic principle of civilian control of the military and provide needed training to improve military standards. It will also consolidate progress made in recent years by the Lebanese leadership to develop the Lebanese Armed Forces as a unifying national institution. Lebanon will be eligible to receive grant Excess Defense Articles (EDA) in FY 2002. Grant EDA supplies much needed spare parts and equipment to maintain military readiness and support military operations. Finally, FY 2002 NADR funds will finance an on-going humanitarian demining program to remove land mines throughout Lebanon and thus help reduce the number of human casualties these devices cause.

Morocco
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
CSD	3,000	4,902	4,628
DA	7,250	5,685	6,185
FMF	1,500	2,488	3,500
IMET	904	955	1,000
Peace Corps	2,251	2,607	2,678

National Interests:

Morocco is a strategic anchor at the cusp of Africa, Europe, and the Arab world, seated on the south side of the Straits of Gibraltar. In July 1999, Mohammed VI acceded to the throne and has since voiced strong support for human rights and economic and political reform. However, he has inherited a Kingdom that is poor – a middle-ranked developing country – and a political system whose reform is real but new. American assistance plays a vital role at this moment of rapid political and economic change in Morocco. The United States seeks to support this democratic and free-market opening to encourage a Morocco that is stable, prosperous, and free. U.S. assistance will aid Morocco to grow in significance as a market and trading partner, serve as a positive political example in the region, and continue to play a constructive moderating role in the Middle East and Africa.

Objectives & Justification:

Development Assistance (DA) requested for FY 2002 will be targeted at promoting four strategic objectives: open markets, broad-based economic growth, population and health, and democracy. Child Survival and Disease (CSD) funds will be used to complement DA projects in the health and population area, as well as to finance programs to promote basic education among girls in rural provinces.

Under a six-year Country Strategic Plan developed by USAID in FY 1999,DAfunds will support the Moroccan government's efforts to stimulate economic growth by improving the climate for private-sector investment. Development resources will be used to: facilitate the adoption of administrative reforms within the government; improve the administration of commercial courts; build the capacity of sectoral associations to deliver services to their members; implement field testing of innovative micro-finance products; and support activation of new agencies to promote investment and to support small and medium enterprises. Primary beneficiaries will be disadvantaged Moroccans and small and micro entrepreneurs who will gain business and employment opportunities, low-cost housing, skills training, and access to financial resources otherwise unavailable.

Continuing and new DA activities will also focus on improving water quality for household use, treating and reusing previously unused water discharges for agricultural purposes, and creating a public/private sector River Basin Agency dedicated to improving water availability. Morocco's economy is heavily dependent on rain-fed agriculture, and thus water conservation is

vital to future growth. The Moroccan government has developed a national strategy for environmental protection and sustainable development that emphasizes managing water demand and preventing the further degradation of existing water resources. Using DA funds, the United States will continue to work closely with the Moroccan government on this plan that has already had impressive results. For example, the annual water savings in one U.S.-funded irrigation program using laser leveling and water conservation measures is about 200 million cubic meters – enough water to supply the annual needs of a city the size of Fez. This success is serving as a model for other areas of Morocco.

In the health sector, U.S. assistance will build on decentralization by focusing on improving the capacity of health managers at the local level, including strengthening the ability of the private sector to play a more important role in the delivery of basic maternal and child health services. At the national level, the United States will continue to work with the Ministry of Health to identify and institute sustainable health care financing systems. With 35% of Morocco's population of 28 million under 15 years of age, there will be significantly increased population pressure in the next decade, as well as tremendous demands for new employment and services. With the requested DA and CSD funds, Morocco will continue to reduce its fertility rate, as well as decrease the mortality of children under five. Morocco's system for providing reproductive health care now serves as a model for other developing countries.

Continued CSD assistance will also be used to build upon notable past successes with policy reform at the national and provincial levels to build rural model schools focused on girls' education. While much progress has been made, on a national basis Morocco is still far from achieving expected levels for school attendance/retention and literacy, especially for females, because of the great disparity between urban and rural areas. By supporting new and existing rural schools and helping build strong school-community relationships, CSD funds will increase the participation of rural girls in primary schooling and thus prepare them to participate more fully in Morocco's democratic and economic development. U.S. assistance will also help the Ministry of National Education to change the curricula and materials at teacher training colleges, support local school improvement projects, and aid provincial teams to implement their education reform programs.

Along with Tunisia and Algeria, Morocco may receive U.S. assistance for FY 2002 under the U.S.-North Africa Economic Partnership and the Middle East Regional Democracy Fund. Justification for these programs is provided under the respective NEA regional program pages.

In addition to economic assistance, the United States provides military assistance to Morocco through the International Military Education and Training (IMET) and Foreign Military Financing (FMF) programs. FY 2002 IMET funds will continue the current program of sending approximately 70 military students (90% of whom are officers) per year to the United States for professional military training. They attend both war colleges and other more operational courses. The program has been highly successful at helping to professionalize the officer corps and its graduates command key military positions. The program has had a substantial positive impact on the level of understanding between U.S. Armed Forces and those of Morocco. It has helped ensure smooth operations between the two in the many multilateral operations in which Morocco has participated, including Somalia, Bosnia, and Kosovo. It has also ensured extraordinary access with

the highest levels of the three Moroccan Armed Forces for the United States. Finally, the IMET program has been helpful in sensitizing Moroccan officers to international standards of human rights.

Morocco's FY 2002 FMF program will support sustainment of US-origin equipment. FMF assistance also supports interoperability with U.S. forces, since the equipment operates at NATO standards and facilitates joint exercises. FMF may also help transport and/or refurbish military items and spare parts from the United States obtained through the Excess Defense Articles (EDA) program.

Morocco will be eligible in FY 2002 to receive grant Excess Defense Articles under Section 516 of the Foreign Assistance Act. The transfer of EDA will assist Morocco in meeting defense requirements, modernizing aging equipment, and furthering interoperability.

Oman
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
IMET	230	250	275
NADR-HD	1,017	273	200

National Interests:

Oman occupies a strategic location on the underbelly of the Arabian Peninsula and on the southern shore of the Straits of Hormuz. As the Straits form a key naval chokepoint for a very large percentage of the world's oil and gas shipments, the Oman-U.S. relationship is critical to U.S. defense interests, not only in the Persian Gulf region, but also globally. Since concluding a bilateral agreement with Oman in 1980, the United States has had access to Omani military bases which has proved invaluable for U.S. combat support and readiness in the Gulf. Oman has been an active supporter of U.S. political and military initiatives vis-à-vis Iraq.

Objectives & Justification:

The United States has a critical interest in ensuring that Oman continues to participate in efforts to promote regional stability, as well as in retaining access to key Omani military facilities. As part of U.S. efforts to enhance bilateral military cooperation, the FY 2002 International Military Education and Training (IMET) program will finance U.S. training and education for Omani military personnel as the Omani armed forces shift toward Western doctrine, training, and acquisition. Oman will be eligible in FY 2002 to receive Excess Defense Articles (EDA) on a grant basis under Section 516 of the Foreign Assistance Act. Omani access to EDA will help strengthen the defensive capabilities of the Sultan's Armed Forces and promote regional interoperability and coalition defense efforts. The U.S. humanitarian demining program training that began in March 2001 is progressing satisfactorily. In May 2001, the dog teams and deminers will finish training and begin active demining; FY 2002 NADR funds will continue demining activities in Oman.

Saudi Arabia
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
IMET	0	0	25

National Interests:

The United States has a very strong interest in maintaining regional stability in the Middle East, particularly in the Gulf, in order to assure continued free flow of oil to consumers around the world. Regional stability is directly enhanced by the close military to military relationship the United States and Saudi Arabia have built through a robust joint military exercise program and shared responsibilities – along with other coalition members – for Operation Southern Watch over Iraq. In addition to support for UNSC sanctions against Iraq, Saudi Arabia contributes to regional security through participation in the Gulf Cooperation Council and through its significant assistance-in-kind to deployed U.S. forces.

Objectives & Justification:

Extending the International Military Education and Training (IMET) program to Saudi Arabia will help current and future Saudi military leaders maintain a sophisticated level of military expertise geared toward interoperability with U.S. forces and the best possible maintenance and use of the weaponry and other systems U.S. corporations sell to the Kingdom. Greater exposure to training in the U.S. will help Saudi military personnel increase their support for U.S. values, ideals, and policies. The program increases awareness of international norms of human rights and fosters greater respect for the principle of civilian control of the military.

The relatively modest amount of IMET requested will permit the Saudi Government to purchase military training in the United States at considerably less cost than what we charge non-IMET eligible countries. While Saudi Arabia controls the world's largest oil reserves, it faces increasing budget pressure to meet the needs of its rapidly growing, young population of nearly 20 million. Its 1999 estimated per capita income of roughly $9,000 is only slightly higher than that of its neighbor Oman. The Saudi military faces diminished funding and as a result has sought less expensive – and less effective – training in other countries such as Pakistan, leading to diminished experience with U.S. equipment and techniques and an increasing lack of interoperability with U.S. personnel. Providing military instruction at a reasonable cost also gives the U.S. an opportunity to help train and professionalize the Saudi military, and foster one-to one establishment of essential contacts with U.S. counterparts whose influence can encourage reform within the Saudi military.

Tunisia
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
FMF	3,000	3,483	3,500
IMET	906	955	1,000

National Interests:

Tunisia is a stable democratic country in the troubled Middle East region where U.S. national interest in facilitating Arab-Israeli peace and 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 Africa. Tunisia has long been well disposed to the U.S. presence in the region, and looks to U.S. leadership in the political and economic sphere despite its colonial ties to France. The U.S. interest is to continue and, in some areas, intensify our efforts to ensure a strong, durable fabric of bilateral relations, and to promote regional stability in the southern littoral of the Mediterranean.

Objectives & Justification:

Our goal is to ensure active Tunisian participation in efforts to promote regional stability, particularly in the peace negotiations between Israel and its Arab neighbors, bilateral military cooperation, peacekeeping operations, and continued access of U.S. forces to Tunisian facilities. Foreign military financing (FMF) will be used for spare parts for U.S. military equipment, which makes up the bulk of the Tunisian military's inventory of major end items. Tunisia's U.S.-origin equipment typically dates from the 1960s and 1970s, and FMF funding and excess defense articles (EDA) are critical to its sustainment. Tunisia will be eligible to receive Excess Defense Articles (EDA) under section 516 of the Foreign Assistance Act. Provision of EDA will serve U.S. interests in assisting Tunisia to enhance military readiness and upgrade/maintain vital military equipment.

The FY 2002 IMET program will fund U.S. training and education for Tunisian military officers. Tunisia's IMET program promotes the U.S. goals of stability and democracy, and increases the familiarity of Tunisia's officer corps with U.S. military practices. IMET has been widely used to enhance Tunisian officers' English language skills, which, combined with FMF-provided material sustainment assistance, helps facilitate combined training exercises. Tunisian troops typically engage in 16-18 combined exercises with U.S. forces annually. Tunisian training with U.S. forces enhances their value as a potential coalition partner.

West Bank/Gaza
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
ESF	85,000	84,707	75,000
ESF Wye	400,000	0	0

National Interests:

U.S. assistance for the West Bank and Gaza addresses humanitarian needs, encourages broad-based economic development and supports the development of democracy among the Palestinian people. In light of the current economic situation in the West Bank/Gaza, U.S. assistance has been redirected to generate employment and respond to emergency needs, such as medical care. The UN estimates that by the end of 2001, approximately half of the Palestinian population will be living in poverty if no significant improvements take place in the current situation.

Objectives & Justification:

A significant portion of the $75 million in Economic Support Funds (ESF) requested for the West Bank and Gaza in FY 2002 will be used to increase the availability of fresh water to residents of these areas. In addition, a major portion of the Wye River supplemental funding will be redirected to projects related to expanding the availability of water and treatment of wastewater. The United States focuses a major portion of its assistance to the Palestinians on water because Palestinian per capita water consumption rates are well below the WHO's minimum standard. In addition to the health problems caused, this inadequate supply of water limits economic development. Projects will include the continued work on major improvements in the treatment of wastewater and water management in Gaza, the creation of new sources of fresh water in the West Bank through the digging of wells, the development of wastewater treatment facilities in the West Bank; and the design and possible construction of a desalination plant in Gaza. The U.S. has already doubled the availability of fresh water to 260,000 residents in the Bethlehem-Hebron area.

To further promote economic development, ESF will continue to assist the development of small businesses and financial services through its micro-enterprise credit access program, which has provided thousands of loans to small businesses, including over 22,500 loans totaling $7.4 million to the poorest segment of micro-borrowers. This lending is especially important in light of the limited credit currently available in the WB/G. The U.S. will also continue to assist Palestinian industry and trade associations and to support the development of a comprehensive regulatory framework to promote commercial transparency.

In order to promote democracy among the Palestinian people, ESF is used to strengthen the management and programs of Palestinian civil society organizations that work to shape Palestinian legislation and advocate on behalf of various constituencies, such as women's groups, medical organizations, etc. In addition, the program launched in FY 1999 to strengthen rule of law by supporting the legal profession will be continued in FY 2002.

In FY 2002, the U.S. will continue to expand the health care program launched on a pilot basis in FY 1999. This program in infant health care and birth spacing addresses health issues involving mothers and their newborn. In FY 2002, maternal-child health activities will be expanded to a greater number of rural villages.

Finally, inadequate access to basic services – along with high unemployment and low income levels – will be addressed through an expanded community development services program. This program, which is implemented through U.S. PVOs and local NGOs, is designed to revitalize community-level infrastructure, improve basic services and reach disadvantaged groups in rural areas, while at the same time generating greatly needed employment in these under-served communities.

Yemen
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
ESF	0	3,986	5,000
IMET	125	135	250
NADR-ECA	0	140	100
NADR-HD	1,236	1,023	750

National Interests:

Yemen is one of the poorest countries in the world. Its infrastructure is primitive and its current political formation dates back only to 1990 with the uniting of North and South Yemen. Yemen's population is overwhelmingly rural, traditional, and growing at an alarming rate. While Yemen has only limited petroleum and natural gas reserves, it controls one of the primary international strategic lines of communication and shipping—the Bab el Mandeb. Yemen is very open to continued improved relations with the United States and considers its fundamental interests and values as compatible with U.S. goals. Yemen is at the forefront of the Arab world in both democratic and economic reform and has taken significant strides toward opening its multi-party political system to full public participation, including women. U.S. assistance to Yemen will be critical in ensuring that its reformist policies continue on track and serve as an example to other Middle East countries.

Objectives & Justification:

Yemen is one of the world's least developed countries and suffers from high illiteracy rates, explosive population growth, high infant mortality, low worker skill levels, and an undiversified labor force structure. Despite these problems, Yemen is evolving into a multi-party democracy and has also embarked on an IMF-sanctioned economic reform program that includes a commitment to increase foreign investment and international trade. However, severe financial constraints limit the government's ability to finance basic education, health services and vocational training for the growing population.

The government of Yemen has consistently emphasized with donors its commitment to making investments in people to strengthen Yemen's human resource base. Therefore, as part of an overall, long-term strategy, Economic Support Funds (ESF) requested for FY 2002 will continue to focus on human resource development. Special emphasis will remain on graduate degree scholarships and short-term, in-service training programs in key sectors including basic education (particularly for girls and women), and health care delivery (with particular emphasis on maternal and child health and child spacing). This training, conducted both in Yemen and overseas, will be targeted toward both private and public sector leaders and potential decision makers who will be responsible for policy planning and managing Yemen's economic and social programs.

Consistent with the Yemeni government's expressed priorities, U.S. assistance will be targeted to areas that will maximize returns, be flexible enough to sustain Yemen's modernizing

economy, and support democratization efforts. For example, ESF will support girls' education efforts ranging from providing adequate classroom facilities to curriculum development and teacher training. This is also a critical time for providing further assistance to Yemen in the areas of health care and, in particular, family planning to reduce the burgeoning population growth rate. Given the importance of females in the delivery of social services as teachers, health workers, etc., a critical mass/pool of trained females must be established. Accordingly, 50% of the training opportunities will be targeted for female candidates.

A U.S.-funded scholarship program begun in the early 1980s has allowed over 900 Yemenis to receive degrees, over 700 of which were earned in the United States. While the total number of Yemeni students who have received U.S.-provided scholarships may be relatively small, the value of the enormous contribution made by this group to the whole of Yemen is incalculable. Most U.S.-educated Yemenis are firmly integrated into modern Yemeni society. They now hold key government positions (including cabinet ministers), or are prominent academics, journalists, policy makers and successful businessmen. In order to maximize return on investment, scholarship programs funded with FY 2002 ESF will focus on providing two-year master's degree scholarships.

The FY 2002 International Military Education and Training (IMET) program will enhance bilateral military cooperation and help secure Yemen's active participation in efforts to promote regional stability. IMET will fund U.S. training and education for Yemeni military personnel as the military force shifts toward Western practices and doctrine. Yemen initially became eligible to receive Excess Defense Articles (EDA) on a grant basis under section 516 of the Foreign Assistance Act (FAA) in 1999. In FY 2002, Yemen will again be eligible to receive EDA on a grant basis and hopes to use this program to help the development of a basic shore patrol/coast guard capability. This equipment will permit the Yemenis to acquire a rudimentary capability with which to monitor illegal trafficking through its waters, track environmental issues and enhance the safety of vessels passing through the Bab el Mandeb Straits. Additionally, the NADR demining program in Yemen is progressing at an excellent rate. Current projections for FY 2002 NADR funds are to train, equip and deploy two additional demining companies, bringing the total to eight active demining companies in Yemen.

Finally, as part of its efforts to prevent the proliferation of weapons of mass destruction, their delivery systems, related technologies, and other weapons, the United States plans to provide NADR Export Control and Related Border Security assistance funds for a cooperative program to help establish fully effective export controls in Yemen. FY 2002 NADR funding is focused primarily on an initial assessment of Yemen's capabilities and needs and establishing effective enforcement procedures and capabilities, including through the provision of equipment.

Iraq Opposition
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
ESF	10,000	24,914	25,000

National Interests:

Assistance to the Iraqi opposition directly supports U.S. efforts to bring about regime change in Iraq, a key U.S. policy priority. The ultimate goal of the United States is a new Iraqi government that represents the Iraqi people, respects human rights and the rule of law, and is committed to living peacefully with Iraq's neighbors.

Objectives & Justification:

The FY 2002 Economic Support Fund (ESF) request of $25 million for the Iraqi Opposition Program will be used to support the Iraqi opposition, fund efforts to indict members of the current Iraqi government for war crimes and other offenses, and provide humanitarian relief to the people of Iraq.

In supporting the Iraqi opposition, the United States plans to continue to provide funding for the Iraqi National Congress (INC), an umbrella organization of opposition groups, but will also seek out other opposition groups that may be able to use our funding effectively. Funds for the INC will aid the organization to help it organize itself into a more effective voice of the Iraqi people, to assist it ingarnering international support, and to implement programs that will help bring about new leadership in Iraq. These programs include information collection, support for war crimes charges against top regime leaders, television and radio broadcasting, and training and planning for instituting democracy and the rule of law following regime change.

In FY 2002, we plan to increase the proportion of ESF from the Iraqi Opposition Program devoted to bringing Iraqi regime criminals to justice. Funds will be used to assist non-governmental organizations in the preparation of case files and the gathering of witness testimony and documentary and video evidence. They will also be used toward translation of captured Iraqi documents and other materials, and acquisition and analysis of satellite imagery, all of which should contribute to the growing body of evidence of the Iraqi regime's crimes. As part of this effort, ESF will also be used for the surveying and treatment of Iraqi civilian victims of chemical and biological weapons attacks.

We intend to use some of the funds to provide humanitarian relief to the people of Iraq. With the anticipated changes to the UN sanctions regime, we believe that greater NGO activities inside of Iraq will be possible. We plan to compete much of the humanitarian relief program in order to find NGOs that have demonstrated the capacity to carry out large-scale programs of humanitarian assistance and choose the plan that will reach the most Iraqis effectively.

We intend to use a small portion of the funding to provide technical assistance to grant recipients to increase their level of performance and ensure compliance with applicable rules and regulations regarding the use of federal funding.

Middle East Democracy
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
ESF	6,000	3,986	7,000

National Interests:

The development of democratic culture in the Near East -- based on representative government, strong civil society institutions, and respect for individual human rights -- directly supports the U.S. goal of fostering democracy worldwide, in addition to enhancing U.S. interests in peace and stability in the region. More democratic countries in the region which respect the rule of law and embrace civil society should be able to transfer power peacefully, resist the spread of extremism, promote investment by increasing confidence in the business sectors, and enhance the stability of the Near East region as a whole.

Objectives & Justification:

Democratic reforms initiated during the last several years by nations in North Africa and the Middle East continue to move forward. Public participation in political life in many states is increasing through the growth of active non-governmental organizations (NGOs) and the expanded role of elected legislatures/advisory councils. To encourage this democratization movement and provide support for further change and openness, the $7 million in FY 2002 ESF requested for Middle East Democracy will help to provide technical assistance, practical training, and other support in four key areas: strengthening of civil society and an independent press; promotion of rule of law, including reform of the judiciary; development of more representative and accountable governments through free and fair elections and other means; and greater social and political rights for women.

Recognizing that a vibrant civil society encourages greater citizen participation in government decision-making and increases government accountability and responsiveness to citizen concerns, the Democracy Fund will continue to aid local NGOs throughout the region. U.S. assistance will increase NGO effectiveness through training programs designed to improve their organizational and networking skills, while a small grants program in Morocco, Algeria, Tunisia, Oman and Yemen will continue to supply civil society groups with needed funds to carry out democracy-related projects. Respect for the rule of law and human rights is another cornerstone of a democratic society. Accordingly, the Democracy Fund will expand funding for judicial reform programs that seek to modernize legal codes and provide training for judges/court officials on administration of justice, anti-corruption, and protection of human and private property rights.

With increasingly active legislatures and elected advisory councils playing a more prominent role in several countries, the Democracy Fund will build upon efforts to improve the capacity and effectiveness of these bodies through in-country training and visits to the U.S. for a first-hand look on how U.S. legislators represent their constituents. Assistance will also be provided to help prepare for and conduct free and fair elections, including parliamentary elections

in Morocco and Algeria. A continuing theme in all Democracy Fund programs will be the active inclusion of women in both civil society and government. The Democracy Fund provides support for women's advocacy groups in Morocco and is initiating a new program in Oman to work with the local women's organization.

Middle East Multilaterals
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
ESF	2,800	2,990	3,000

National Interests:

The multilateral negotiations in the Middle East peace process grew out of the 1991 Madrid Peace Conference. Formal working groups were established in the areas of Arms Control and Regional Security, Environment, Regional Economic Development, Refugees, and Water Resources 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 directly 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.

Objectives & Justification:

As the U.S. works with the parties in the region and others to encourage them to take steps to end the violence, restore confidence and resume negotiations, U.S. multilateral funding will be essential to help build an atmosphere of trust and cooperation in the region.

Water and environmental issues are key concerns confronting the countries of the Middle East, and the multilateral projects sponsored by the working groups on water and the environment will continue to focus on cooperative activities that support and complement the parties' bilateral contacts. Funds will be directed to ongoing initiatives in areas such as water data availability, desalination, solid and hazardous waste, and desertification.

The Refugees Working Group, working closely with bilateral donors and the United Nations Relief and Works Agency (UNRWA), exerts a stabilizing influence in the Middle East by helping coordinate humanitarian assistance to more than 3 million Palestinian refugees. The group works to build consensus among donors on targeted projects in vocational training, human resource development and job creation. The Arms Control and Regional Security Working Group plays a vital role in bringing Arab and Israeli security experts together to discuss issues of mutual concern. U.S. multilateral funding also supports programs to promote Arab-Israeli ties through economic partnerships, such as tourism cooperation, thereby contributing to both economic growth and regional stability.

Middle East Regional Cooperation
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
ESF	10,000	4,983	5,000

National Interests:

An important element of promoting peace in the Middle East is bringing Israelis and Arabs together at every level -- including policy makers, technical experts, etc. -- to work together on a wide range of issues. The Middle East Regional Cooperation (MERC) Program, which Congress initiated after Camp David, fosters mutually beneficial technical cooperation between experts from Israel and its Arab neighbors. MERC-supported projects strengthen Israeli-Arab ties by demonstrating that peaceful cooperation on topics of mutual interest can yield tangible benefits for all involved. Continued strong U.S. support for the MERC is necessary to promote broad-based Israeli-Arab cooperation and peaceful coexistence.

Objectives & Justification:

The MERC complements the work being done in the Multilateral Working Groups by broadening the base of cooperation among Israelis and Arabs to include academic and non-governmental organization (NGO) experts. Unlike the Multilateral Working Groups, which are directly controlled by participating governments as part of official multinational peace efforts, the MERC encompasses a much wider variety of groups and organizations outside the formal multilateral setting. The MERC is a highly competitive program that provides grants based on unsolicited project proposals from diverse groups including universities, government laboratories, and NGOs.

The FY 2002 ESF for the MERC will be used to implement programs designed to provide practical benefits to both Israelis and Arabs. MERC projects have included and will continue to encompass a wide range of important fields with the goal of increasing economic development, protecting the environment, and improving health conditions. Agriculture projects will remain focused on increasing productivity of livestock and crops, while health programs address issues such as cancer and a range of infectious diseases. As lack of fresh water is one of the most critical economic and environmental problems in the Middle East region, MERC projects will continue to address effective water management, wastewater treatment, and desertification prevention.

Multinational Force and Observers
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
PKO	15,902	16,000	16,400

National Interests:

The multilateral negotiations in the Middle East peace process grew out of the 1991 Madrid Peace Conference. Formal working groups were established in the areas of Arms Control and Regional Security, Environment, Regional Economic Development, Refugees, and Water Resources 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 directly 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.

Objectives & Justification:

As the U.S. works with the parties in the region and others to encourage the parties to take steps to end the violence, restore confidence and resume negotiations, U.S. multilateral funding will be essential to help build an atmosphere of trust and cooperation in the region.

Water and environmental issues are key concerns confronting the countries of the Middle East, and the multilateral projects sponsored by the working groups on water and the environment will continue to focus on cooperative activities that support and complement the parties' bilateral contacts. Funds will be directed to ongoing initiatives in areas such as water data availability, desalination, solid and hazardous waste, and desertification.

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US - North Africa Partnership
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
ESF	5,000	3,986	5,000

National Interests:

The bloodshed that has torn apart Algeria was caused and prolonged, in part, by social tensions arising from an inefficient, state-dominated economy unable to generate sufficient jobs and housing for a rapidly growing population. In order to help address the causes of Algeria's violence, and help prevent its spread to other North African states, the United States seeks to engage the Maghreb governments in senior policy dialogue and technical assistance, with the goal of encouraging private-sector led growth. Stability in North Africa will also support U.S. interests in preventing terrorism, advancing Middle East peace negotiations, and ensuring security in the Mediterranean basin.

Objectives & Justification:

The U.S.-North Africa Partnership aims to improve the climate for private investment and trade in the Maghreb. Using $5 million in FY 2000 Economic Support Funds (ESF) and $4 million in FY 2001 ESF, the Partnership funded studies of barriers to private sector investment and entrepreneurship, and engaged North African governments in discussions on removing these barriers. The Trade and Development Agency (TDA)financed Partnership-funded investment studies helped identify opportunities for U.S. business in the region. The Partnership also funded consultants who helped Maghreb governments identify the reforms that are needed in their commercial law codes in order to facilitate the growth of the private sector and of international investment. USAID's Global Technology Network is helping U.S. businesses identify firms in the Maghreb that are potential purchasers. FY 2002 ESF funds would be used to continue these and similar programs. These activities will reinforce senior-level dialogus with North African governments aimed at encouraging economic reform.

NEW INDEPENDENT STATES

Armenia
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
FSA/NIS	102,550	89,802	70,000
NADR-ECA	0	500	600
NADR-HD	300	850	1,200
Peace Corps	1,397	1,343	1,331

National Interests:

The United States seeks to promote peace and stability in the Caucasus and to help the three Caucasus countries fulfill their potential as gateways from the Caspian Basin to the West. In connection with these efforts, the United States supports the transformation of Armenia into a democracy based on the rule of law and an active civil society that functions on free-market principles, at peace with its neighbors, integrated into the world economy, and with the capability to provide for the welfare of its citizens. In pursuit of this goal, U.S. assistance to Armenia supports private sector development, economic and energy reform, democracy and good governance, social sector reform, education and agriculture. Humanitarian programs seek to ease the plight of a country in transition that carries the additional burdens of national disaster (e.g. the 1988 earthquake) and regional conflict.

Objectives & Justification:

Achieving a durable and mutually acceptable resolution to Armenia's conflict with Azerbaijan over Nagorno-Karabakh is key to several U.S. interests. A durable peace settlement would eliminate a major cause of instability in the Caucasus region. It would facilitate Armenia's economic cooperation with its Caucasus neighbors and remove a major impediment to normal relations between Armenia and Turkey. It would free Armenia to concentrate more of its political energy and economic resources on domestic reforms and development and on improving the social well-being of its citizens. The United States is working with the parties to the conflict, both bilaterally and as a Co-Chairman of the OSCE Minsk Group, to assist them to reach a mutually acceptable peace agreement. The United States also has initiated efforts to assess post-agreement resettlement and reconstruction needs and to begin preparing to meet those needs. Requests for FY 2002 FREEDOM Support Act (FSA) funds and other funding are designed to support that effort.

The Armenian government demonstrated the strength of its constitutional system following the tragic events of October 1999. In the wake of the assassination of the Prime Minister and other top leaders, Armenia followed constitutional procedures and continued the normal business of government. U.S. assistance programs are working with government agencies and non-governmental organizations (NGOs) to improve election laws and procedures. FSA assistance efforts are also assisting legislators to draft appropriate laws, training judges and prosecutors, and helping to promote effective political parties. Support for NGOs and the independent media assists them to effectively articulate public interests and strengthen civil society. Exchanges and training and partnership programs provide opportunities for current leaders and the next generation of Armenians to learn about U.S. society and institutions first-hand

and to forge personal ties with individual Americans and U.S. institutions. Internet access and training programs in libraries and schools throughout Armenia provide information and connectivity to counter Armenia's isolation.

Armenia continues efforts to improve its business climate, increase investment and create jobs. The government is implementing final measures necessary for entry into the World Trade Organization. The imminent privatization of the electricity distribution network will be an important step in the transformation to a market economy. USAID and USDA programs will continue to focus on promoting the development, marketing, and export of Armenian agricultural products. At the macro-level, U.S. Treasury advisors will provide expertise in improving revenue collection and reducing budgetary deficits, insuring that the government will be able to maintain good relations with international financial institutions. Exchange programs, scholarships and other programs will help Armenia develop other sectors of its economy, including information technology and tourism.

The Armenian government has demonstrated a willingness to cooperate with the United States in preventing WMD proliferation and in fighting transnational crime. It has taken several steps to strengthen its export controls. U.S. Export Control and Related Border Security programs funded under the FSA and NADR accounts are providing equipment and training assistance to customs and border guard authorities to improve their export control capabilities and prevent WMD proliferation. Other U.S. programs promote the participation of former WMD scientists in peaceful research projects supported by the International Science and Technology Center (ISTC) and the U.S. Civilian Research and Development Foundation (CRDF). U.S. programs also help Armenia fight narcotics trafficking and financial crimes that threaten U.S. security. U.S. law enforcement agencies, working through the 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.

With substantial U.S. assistance, the Government of Armenia has successfully implemented the majority of recommendations of international experts to improve the safety of the Metzamor nuclear power plant. U.S. programs will continue to improve the near-term operational and physical safety of the plant. Rationalizing and privatizing the energy sector and finding alternative sources of energy will be key to Armenia's ultimate closure of Metzamor.

Landmines pose a significant danger in Armenia to people, productivity and socio-economic development. Through mine clearance and mine awareness efforts, Non-proliferation, Anti-terrorism, Demining and Related Programs (NADR) funds will be used to save lives and create conditions for the return of displaced persons and refugees and for increased economic growth and productivity.

Armenia continues to require assistance in providing for the welfare of citizens who lost their homes and/or providing family members during the devastating earthquake of 1988, those affected by the conflict over Nagorno-Karabakh and various other needy groups, such as orphans and the elderly. U.S. programs provide humanitarian relief to earthquake victims and refugees from the Nagorno-Karabakh conflict. Programs to address housing shortages in the earthquake

zone have proven extremely effective and have led to significant improvements in conditions in Gyumri and the surrounding area. Other programs support Armenian efforts to provide health care for disadvantaged citizens.

Azerbaijan
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
FSA/NIS	31,968	34,250	50,000
NADR-ECA	100	500	600
NADR-HD	500	850	1,200

National Interests:

U.S. national interests in Azerbaijan focus on the advancement of free market and democratic reforms and the promotion of regional stability. Economic and democratic reforms are crucial elements promoting long-term stability in a country that is critical to the achievement of U.S. goals and objectives in the Caucasus. The involvement of U.S. firms in the development and export of Azerbaijani oil is key to our objectives of diversifying world oil supplies, promoting U.S. energy security and U.S. exports. U.S. leadership, as co-chair of the OSCE Minsk Group peace process, is vital to achieving a settlement of the Nagorno-Karabakh conflict. Once a settlement has been reached, resettlement of refugees and reconstruction will be a priority. The U.S. is working with Azerbaijan to enhance its ability to prevent the proliferation of weapons of mass destruction or conventional arms and encourages efforts to halt transshipment of narcotics across its borders. Humanitarian programs seek to ease the plight of the disadvantaged and displaced and to avert crises, while democracy programs seek to strengthen civil society in Azerbaijan.

Objectives & Justification:

The Nagorno-Karabakh conflict has hindered economic and political development in Azerbaijan and limited efforts for regional cooperation. Achieving a durable and mutually-acceptable resolution to the conflict is key to several U.S. interests. A durable peace settlement would eliminate a significant cause of instability in the Caucasus. It would also enable Azerbaijan to concentrate more of its political and economic resources on domestic reforms and development and on improving the social well-being of its citizens. The U.S. is working with the parties to the conflict both bilaterally and as a Co-Chair of the OSCE Minsk Group to assist them to reach a mutually acceptable peace agreement. The U.S. will continue to actively participate in diplomatic efforts to resolve the conflict and promote cooperation and stability.

The Nagorno-Karabakh conflict has created over 750,000 refugees and internally displaced persons (IDPs) in Azerbaijan. In addition, a significant percentage of Azerbaijan's territory remains occupied by ethnic Armenian forces. To date, U.S. assistance to Azerbaijan has primarily focused on humanitarian relief to refugees and IDPs. These programs have been administered largely by NGOs and international organizations whose activities include the distribution of food, clothing and medicines; the provision of basic medical services; construction of shelters; and rehabilitation of water supply and sanitation systems. In recent years, humanitarian assistance has been augmented with U.S. support for grassroots democracy-building and small private enterprise development. The U.S. government will continue to implement activities to assist victims of the Nagorno-Karabakh conflict in FY 2002. In the event of a peaceful settlement,

the USG will extend this assistance to include support for economic restructuring and growth objectives and resettlement of refugees.

Landmines pose a significant danger in Azerbaijan to people, productivity and socio-economic development. Through mine clearance and mine awareness efforts, Non-proliferation, Anti-terrorism, Demining and Related Programs (NADR) funds will be used to save lives and create conditions for the return of displaced persons and refugees and for increased economic growth and productivity.

While Azerbaijan has made some progress towards the creation of a democratic system of government, significant problems remain, including a series of national elections since 1993 that did not meet international standards and a poor record with regard to respect for human rights. In FY 2002, the FREEDOM Support Act (FSA) funds will continue to promote the development of democratic institutions and a civil society in Azerbaijan. Assistance to the government will focus on programs that promote the development of the rule of law. The U.S. will also continue programs to assist non-government organizations, political parties and the media to help them to effectively articulate public interests and strengthen civil society. Exchanges and training and partnership programs provide opportunities for current leaders and the next generation of Azerbaijani leaders to learn about U.S. society and institutions first-hand and to forge personal ties with individual Americans and U.S. institutions. Internet access and training programs expand the availability of information to Azerbaijanis throughout the country.

While economic growth is apparent in Baku as a result of oil industry development, spillover effects into other sectors of the economy have not yet occurred. The agricultural sector, which has the potential to employ a large sector of the economy, is mired in low productivity. Recently privatized farms are small and lack reliable access to inputs, water, equipment and finance. Private business development has been hampered by complex regulations, corruption and underdeveloped financial systems. The unemployment level remains stagnant at a high level. Because Azerbaijan is a vital link in the Trans-Caspian energy corridor, it is essential that the Government of Azerbaijan develop a market-oriented, transparent and corruption-free economic, legal and regulatory system. U.S. assistance in FY 2002 will focus on accelerating growth and development of private small and medium enterprises in agriculture and other targeted areas. Training opportunities will focus increasingly on economics and business development. In addition, the USG will continue to work with the Government of Azerbaijan on oil development, and support American companies through OPIC, TDA, and U.S. Export-Import Bank activities, to continue to effectively promote American investment opportunities in Azerbaijan.

The U.S. and Azerbaijan have a mutual interest in addressing the serious dangers posed by potential trafficking in weapons of mass destruction and associated delivery systems, materials, technologies and expertise in Azerbaijan. The Government of Azerbaijan has demonstrated that it takes this issue seriously, by intercepting shipments of concern. The U.S. has responded with a growing program of FSA and NADR-funded assistance under the Export Control and Related Border Security (EXBS) program. Azerbaijan's maritime region has enormous potential for both legitimate and illegal commerce. The agencies responsible for maritime law enforcement are sorely in need of both resources to conduct surveillance and boardings in the Caspian Sea and port security training for maritime enforcement agencies in Baku. Without these resources, the

Government of Azerbaijan has an extremely limited ability to conduct any maritime operations, particularly export control and nonproliferation. In 2000, U.S. Government agencies began implementing a comprehensive program to enhance Azerbaijan's capabilities in this area. We plan to continue this heightened level of maritime export control assistance in FY 2002 and beyond. Additionally, we are developing a program to provide training and equipment to Azerbaijani customs and land border guard organizations to improve export control infrastructure and capabilities to prevent WMD proliferation at the borders. U.S. assistance also will support programs designed to redirect former Soviet WMD scientists to peaceful research.

Azerbaijan will be eligible in FY 2002 to receive Excess Defense Articles (EDA) on a grant basis under Section 516 of the Foreign Assistance Act. The provision of vessels under the Excess Defense Articles (EDA) program would greatly enhance Azerbaijan's nonproliferation capabilities in the maritime arena.

Belarus
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
FSA/NIS	8,489	10,000	11,000

National Interests:

Advancing democratic principles and economic reform will help ensure the independence and prosperity of Belarus, which will in turn contribute to regional stability. The lack of legitimate democratic institutions, increased political oppression, retrograde economic policies, and relations with rogue states threaten regional development and security, potentially undermining U.S. interests. A democratic and sovereign Belarus would result in increased Euro-Atlantic security, reinforcement of regional democratic and economic reform trends, improved human rights, increased opportunities for U.S investors and exporters, and more effective treatment of the long-term effects of the 1986 Chornobyl nuclear disaster.

Objectives & Justification:

Resolving Belarus' political and constitutional impasse – including the holding of free and fair presidential elections -- is key to a successful transition to democracy, the rule of law and market economic reform. Resolution of this crisis might also encourage Belarus to reassess its relations with rogue states and address more effectively its environmental and economic problems.

The U.S. strives to encourage a resolution of this crisis through support of independent NGOs that directly advocate human rights and actively promote democracy. FREEDOM Support Act funding provides assistance in the form of small grants, academic and professional exchanges, and USAID civil society programs. Academic and professional exchange programs provide an opportunity for Belarusian citizens, especially young people, to familiarize themselves with the day-to-day functioning of a market-based, democratic system. Recognizing the key role that independent media play in a free society as well as in transitional societies, the U.S. has made support for the independent media a top priority. Our assistance provides material and moral support to journalists and editors who struggle to keep their publications open in the face of regular harassment by the regime and competition from government-subsidized state media.

Opportunities to encourage economic reform through U.S. assistance programs are severely circumscribed in Belarus. Targeted U.S. humanitarian assistance, including support from the State Department's Operation Provide Hope, the Defense Attaché's Office and USAID, is provided by NGOs directly to assist people in the region most greatly affected by the Chornobyl disaster. NGOs receiving U.S. support also work to address public health concerns, including tuberculosis, hepatitis, HIV and women's wellness and infant care.

Georgia
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
FMF	3,000	4,478	5,650
FSA/NIS	108,533	91,798	90,000
IMET	409	475	850
NADR-HD	27	1,000	1,100
Peace Corps	334	1,118	693

National Interests:

The United States seeks to promote Georgia's development as a stable, independent, democratic, market-oriented and prosperous state, with good relations with its neighbors and strong links to the West. Georgia is an important geopolitical linchpin in the Caucasus region: as the western portal to the Great Silk Road and the newest conduit of Caspian oil to world markets, Georgia is a strategic gateway of energy and trade routes linking East and West. Georgia's neutrality in the Nagorno-Karabakh conflict puts it in position to play an important leadership role in the region. A stable, independent Georgia will reduce the chances of military conflict in a region bordering Russia, Turkey and Iran, and of the proliferation of weapons of mass destruction and the spread of international crime. U.S. national interests focus on supporting Georgia's sovereignty and territorial integrity; facilitating the resolution of ethnic separatist conflicts; advancing democratic and free-market reforms; and helping Georgia to achieve energy independence and raise revenues through the development of a competitive, market-oriented regional energy infrastructure. Humanitarian programs seek to ease the plight of a country in transition and to avert humanitarian crises.

Objectives & Justification:

The U.S. is most immediately focused on helping Georgia ensure its constitutional democracy, security, and territorial integrity. Since gaining independence from the Soviet Union in 1991, Georgia has faced a violent coup d'etat, a destructive civil war in Abkhazia, and two serious attempts on the life of President Shevardnadze. Georgia's delicate relationship with Russia is complicated by ongoing negotiations on the status of Russian military bases in Georgia, the current Russian military campaign in Chechnya, and Russian cutoffs of gas supplies during the winter. We seek to help Georgia to secure control over its borders and facilitate Georgia's efforts to resolve outstanding basing issues with Russia. The Georgian Border Security and Law Enforcement Assistance Program, which concentrated initially on port security capabilities of the Border Guard, shifted focus during the winter of 1999-2000 to the Georgia-Russian land border in the Chechnya region. The U.S. is currently providing urgently needed material assistance to aid the Georgian Border Guard to carry out its mission on this sensitive international border.

Under an agreement reached at the November 1999 OSCE Summit at Istanbul, Russia has agreed to close two of its military bases in Georgia by mid-2001. In FY 2002, the State Department will continue to use FREEDOM Support Act (FSA) funds to facilitate fulfillment of these commitments. In the medium term, border control assistance will also help Georgia develop

its ability to prevent the proliferation of weapons of mass destruction and conventional arms and narcotics trafficking across its borders. U.S. assistance also seeks to improve the readiness and capabilities of the Georgian military. Under the Foreign Military Financing Program (FMF) and International Military Education and Training Program (IMET), the U.S. will continue to help Georgia to improve its communications capacity (necessary for Georgia's participation in NATO Partnership for Peace exercises), provide support for its UH-1 helicopter program, acquire uniforms and other logistics equipment and provide badly needed officer training. Georgia will be eligible in FY 2002 to receive Excess Defense Articles (EDA) on a grant basis under Section 516 of the Foreign Assistance Act. The transfer of EDA will assist Georgia in meeting defense requirements, enacting defense reforms, and furthering interoperability.

U.S. assistance efforts will continue to support Georgian participation in the Science and Technology Centers and other weapons expertise nonproliferation programs. In addition, U.S. assistance will encourage Georgia to play a leadership role in the South Caucasus, particularly as progress toward a settlement in Nagorno-Karabakh permits greater cooperation among the states in the region.

Ethnic tensions and rivalries have effectively placed the regions of Abkhazia and South Ossetia outside the control of the Georgian government. The Ajara region is ruled by a local strongman and is in effect also outside of central government control. It has not, however, declared independence. In regard to Abkhazia, U.S. membership in the contact group "Friends of the Secretary General on Georgia" has put it at the forefront of efforts to facilitate contacts between the two sides, to move the UN-led peace process forward, and to resolve the status of the region in a peaceful manner that respects ethnic diversity while enhancing Georgian territorial integrity. The U.S. is also engaged in South Ossetia through the OSCE-led peace process. These conflicts have led to the displacement of over 300,000 individuals, and FSA funds have focused on helping Georgia to cope with the humanitarian consequences.

Landmines also pose a significant danger in Georgia to people, productivity and socio-economic development. Through mine clearance and mine awareness efforts, Non-proliferation, Anti-terrorism, Demining and Related Programs (NADR) funds will be used in Abkhazia to save lives and create conditions for the return of displaced persons and refugees and for increased economic growth and productivity.

Democracy programs in Georgia will benefit from a commitment by the GOG to tackle the difficult issues. Combating corruption will continue to be a major focus of the assistance program. FSA funds will support the Ministry of Justice's efforts to increase professionalism of law enforcement, conduct transparent and fair investigations, and improve the state of Georgia's prisons. Democracy programs in Georgia also seek to engage the next generation of Georgian leaders through exchanges, public access Internet sites and support for local educational institutions. U.S. assistance has moved beyond Tbilisi to include Georgia's regions, reaching out to Georgia's newly-elected local governments and fostering conflict resolution with young people from Georgia and Abkhazia. The program also includes robust assistance for the non-governmental sector and independent media.

In the economic sphere, U.S. assistance remains focused on supporting Georgia's ability to implement budgetary reforms and achieve fiscal stability. Georgia has put an economic team in place that has made significant progress in implementing reforms, particularly in the areas of budget deficits. To bolster their efforts, the United States will continue to provide high-level technical advisors to the Ministries of Finance and Revenue as well as economic advisors for the President to assist in addressing Georgia's revenue shortfalls and budgetary restructuring. A greater measure of financial stability will be crucial to improving the investment climate, which is key since without significant foreign investment Georgia will not be able to create new businesses and reduce chronic unemployment. Despite the successful privatization of its electrical distribution system and ongoing improvements in collection of payments, Georgia continues to suffer from chronic energy shortages and its weak fiscal position leaves it vulnerable to extreme pressure from its primary energy supplier, Russia. U.S. assistance will address the immediate effects of the energy crisis by providing winter heat support to the poorest Georgians while also touching on longer term concerns such as corruption. President Shevardnadze's creation of an independent anti-corruption commission and his recent signing of a decree to implement specific anti-corruption measures are encouraging. Among its top assistance priorities, the U.S. seeks to support effective implementation of these measures.

Georgia remains at the center of efforts to create an East-West corridor for the transport of Caspian energy resources. U.S. diplomatic efforts have been at the center of these efforts and the projects are increasingly demonstrating their commercial viability. The U.S. will now provide environmental and regulatory training to allow Georgia to responsibly and effectively fulfill its commitments under the international agreements signed over the last two years. A U.S. funded advisor is in place, providing broad strategic support to the Georgian government in the area of oil and gas development.

Kazakhstan
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
CSD	0	0	150
FMF	1,500	1,891	2,750
FSA/NIS	44,826	44,596	44,000
IMET	567	600	650
NADR-ECA	1,050	605	700
Peace Corps	2,265	2,311	3,293

National Interests:

Kazakhstan's vast hydrocarbon reserves, its size and its geographical location between Russia, China, Iran and Afghanistan give it strategic importance. The United States seeks to promote Kazakhstan's development as a stable, independent, democratic, market-oriented and prosperous state with good relations with its neighbors and strong links to the West. Key U.S. interests with respect to Kazakhstan are: (1) encouraging the development of the Caspian basin's hydrocarbon resources and means for their secure access to international markets; (2) pursuing further dismantlement of Kazakhstan's weapons of mass destruction (WMD) infrastructure, a peaceful role for weapons scientists, the safe and secure storage of nuclear materials and spent fuels, and nonproliferation cooperation; and (3) promoting Kazakhstan's long-term political stability through the development of democratic institutions, the rule of law and respect for human rights.

Objectives & Justification:

Kazakhstan's vast hydrocarbon reserves and well-developed infrastructure make it an important regional economic player, while its size and geographic location make it a key to regional security. Programs funded by the FREEDOM Support Act (FSA) will help to address trans-Caspian oil/gas export route issues, and facilitate regional cooperation on water and electricity that will help build regional stability. Funds requested for FSA programs will also assist Embassy outreach, and promote and strive to maintain an atmosphere of trust and understanding between the people of Kazakhstan and the United States.

Kazakhstan experienced flawed January 2000 presidential and flawed October 1999 parliamentary elections. The United States has serious concerns about the respect for human rights and civil liberties in Kazakhstan. FSA-funded democratic initiatives, Peace Corps programs and exchanges in FY 2002 will be carefully targeted to support the grassroots development of democratic institutions, political pluralism, civil society, and respect for human rights. Our assistance programs will increase citizen participation in economic and political decision-making and improve people's access to information. They will support exchanges to engage the next generation of leaders, work with NGOs, and help independent TV and radio stations become more professional and a viable alternative to state-run media. Our more limited work with the government promotes the rule of law and the fight against corruption, seeks to improve the preparation for and conduct of elections, promotes humane and democratic police practices and

civilian control of the military; promotes judicial reform; ensures respect for ethnic and religious diversity; and improves the legal framework for NGOs. The U.S. works closely with the OSCE to coordinate efforts to support respect for human rights.

Kazakhstan's efforts to open its markets and accede to the World Trade Organization (WTO) have slowed. Kazakhstan has made some important progress on economic reform, but has more to do to improve its climate for foreign investment, particularly in the non-oil sector. FSA programs will help Kazakhstan liberalize its commercial, legal and regulatory framework. This is critical to U.S. interests as Kazakhstan is a potential principal exporter of energy and minerals and the recipient of over $2 billion of U.S. investment. Funds requested for FSA programs such as the Commerce Department's assistance programs, USDA's Cochran Fellowships and the State Department's Public Diplomacy Exchanges will be vital to increasing U.S. trade and investment in Kazakhstan and providing expanded commercial opportunities for U.S. companies.

FSA-funded criminal justice assistance will strengthen Kazakhstan's law enforcement capability and judicial system to help prevent international crime and promote Kazakhstan's economic prosperity. FSA funds will help improve Kazakhstan's ability to fight narcotics trafficking, production, and transit, as well as support substance abuse treatment programs.

As a former nuclear weapons state possessing civilian nuclear reactors, and an inheritor of Soviet biological and chemical weapons infrastructure and expertise, Kazakhstan is a potential source or transit country for weapons of mass destruction (WMD), weapons materials, technology and expertise, as well as conventional arms transfers of concern. Funds requested under the FSA and NADR accounts will help reduce threats of proliferation, ensure the security of nuclear materials at nuclear power, research and production facilities, enhance export controls and redirect former Soviet weapons expertise into peaceful projects. Kazakhstan's cooperation on conventional weapons transfers also improved following the 1999 discovery of an illegal transfer of MiG-21 aircraft to North Korea. Kazakhstan has made major efforts to prevent WMD proliferation. U.S. Export Control and Related Border Security assistance will continue to enhance Kazakhstan's capabilities to prevent WMD, conventional and dual use weapons trafficking.

The Foreign Military Financing (FMF) and International Military Education and Training (IMET) programs will enhance regional cooperation by deepening Kazakhstan's cooperation in Partnership for Peace (PfP). FMF will be used to purchase interoperable communications equipment, night vision devices, basic individual equipment, and support for a peacekeeping battalion, including transportation, medical supplies and infantry equipment. IMET funds will help facilitate professionalization and reform of the armed forces, and help Kazakhstani officials better understand Western democracy and free markets. Kazakhstan will be eligible in FY 2002 to receive Excess Defense Articles (EDA) on a grant basis under Section 516 of the Foreign Assistance Act, allowing the country to meet its defense requirements and further NATO interoperability.

Serious budget shortfalls have reduced provision of basic services to large segments of the population, primarily the young, elderly and physically handicapped. Unemployment among Kazakhstan's youth creates a potential pool for external extremist groups to exploit. FSA humanitarian initiatives and special transport of donated humanitarian goods will allow the U.S. to

help Kazakhstan address specific, compelling social needs. 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, while Child Survival and Diseases (CSD) funds will support and HIV/AIDs program.

Kazakhstan has serious environmental challenges, including the degradation of the Aral Sea, threats to the Caspian Sea ecosystem, and the legacy of large-scale Soviet industry. FSA and Peace Corps programs will strengthen Kazakhstan's commitment to protect the earth's climate, support the conservation and sustainable use of natural resources, and reduce already serious environmental degradation.

Kyrgyzstan
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
FMF	1,000	1,841	2,000
FSA/NIS	30,064	30,355	28,000
IMET	358	400	475
Peace Corps	1,226	1,311	1,529

National Interests:

The United States seeks to promote peace and stability in Central Asia to assist the countries of the region in fulfilling their potential as a crossroads between Asia and the West. In this regard, the United States is working to encourage a renewal of Kyrgyzstan's earlier progress toward creation of a democracy based on the rule of law and civil society, one that functions on free-market economic principles, is at peace with its neighbors, is integrated into the world economy, and has the capability to provide for the welfare of its citizens. A democratic, secure and more prosperous Kyrgyzstan would be less vulnerable to Chinese and Iranian economic influence, less dependent on Russia, more capable of preventing the proliferation of weapons of mass destruction (WMD), better able to protect human rights, better prepared to halt environmental degradation, and more effective in combating transnational terrorism, narcotics trafficking and financial crime.

Objectives & Justification:

Kyrgyzstan's commitment to democratization and economic reform stood out through much of the 1990s as an example of the successes that can be achieved in Central Asia. Unfortunately, Kyrgyzstan suffers from a lack of exploitable natural resources and a remote geography that have complicated its economic transition. Kyrgyzstan's trade also suffered from 1998 Russian economic crisis and its economy was weakened in late 1999 by a three-month long incursion into the southwest of the country by armed Islamic extremists opposed to the government in neighboring Uzbekistan.

Until 2000, Kyrgyzstan had made substantial progress toward developing a democratic civil society, anchored by the rule of law. However, in the past year, flawed parliamentary and presidential elections and the political machinations surrounding them have caused great concern. The presidency remains the dominant institution in government. The newly elected parliament, despite continued questions over its legitimacy, has shown a surprising degree of independence from the presidency and debates openly many controversial issues. Though a newly reformed legal code and promises of independent budget authority had brought the hope of an empowered judiciary, judges continue to operate at the pleasure of the executive branch. FREEDOM Support Act (FSA) assistance in this area has included support for the drafting and implementation of a new electoral code, reforms in legislative drafting and management, and programs to improve citizens' access to and involvement in municipal government institutions. These and other activities, including support for NGOs, independent media, exchanges, Internet access, and educational reform will continue in FY 2002 and beyond.

Kyrgyzstan is an enthusiastic participant in NATO's Euro-Atlantic Partnership Council and the Partnership for Peace (PfP), and was an early supporter of a Central Asian Peacekeeping Battalion for regional and international deployment. The Government of Kyrgyzstan regularly attends and actively participates in regional and multilateral fora on security, including those sponsored by the UN, the OSCE and the U.S. Gvernment. U.S. security assistance has focused on peacekeeping, regional security and export control, with greater recent emphasis on the latter two in light of the armed militant incursions in southwest Kyrgyzstan in August of 1999 and 2000. Additional incursions are expected as early as June 2001.

Kyrgyzstan has cooperated closely with the U.S. government on regional and bilateral law enforcement initiatives aimed at combating serious transnational crimes such as narcotics trafficking, terrorism and weapons smuggling. In addition to law enforcement assistance, U.S. nonproliferation assistance has focused on developing and enhancing the export control and border security capabilities of Kyrgyzstan and its Central Asian neighbors, with a focus on interdicting the smuggling of weapons of mass destruction and dual-use conventional weapons. FSA funds will help reduce threats of proliferation, enhance export controls and border security, and redirect former Soviet weapons experts into peaceful civilian pursuits.

Foreign Military Financing (FMF) funding requested for FY 2002 will aid in the Ministry of Defense's ability to participate in PfP as well as counter a terrorist insurgency within Kyrgyzstan. FMF will be used to purchase basic counterinsurgency equipment, which includes mountain and cold weather gear and communications equipment. International Military Education and Training (IMET) funds will help facilitate professionalization and reform of the armed forces, and help Kyrgyzstan officials better understand Western democracy and free markets. Kyrgyzstan will be eligible in FY 2002 to receive Excess Defense Articles (EDA) on a grant basis under Section 516 of the Foreign Assistance Act. Transfer of EDA will assist Kyrgyzstan to meet its defense requirements and further NATO interoperability.

Kyrgyzstan acceded to the World Trade Organization (WTO) in December 1998 and graduated from the provisions of the Jackson-Vanik Amendment in June 2000. Economic reforms to date included the ongoing restructuring and rationalization of the fiscal management system, which has included often-painful exercises in budgetary restraint. The Government is in the process of overhauling its commercial regulatory structure, including a USAID-assisted rewriting of the commercial code. U.S. government assistance continues to focus on commercial law reform, fiscal reform, privatization, and small business formation.

One of the greatest challenges for the Kyrgyz government (and for U.S. assistance to Kyrgyzstan) has been, and continues to be, creating concrete improvements in living standards. Recent initiatives aimed at improving government-supplied social services and improving health care are key to this effort. As one of the poorest countries in the former Soviet Union, Kyrgyzstan continues to need humanitarian assistance for society's most vulnerable members. The U.S. intends to continue FSA funding for the delivery of such targeted assistance, including emergency pharmaceuticals, medical supplies/equipment, clothing and vaccines.

Moldova
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
FMF	1,250	1,493	1,800
FSA/NIS	50,436	43,710	44,000
IMET	487	600	850
NADR-ECA	50	325	0
Peace Corps	1,533	1,579	1,589

National Interests:

U.S. national interests in Moldova include promotion of a democratic government, a free market economy and regional stability and security. Transnistrian separatism threatens regional security and Moldova's prospects for success as an independent state, a fact exacerbated by the continued presence of Russian military in Transnistria. U.S. assistance is aimed not only at regional security but also at strengthening democracy and free enterprise through continued political and economic reform, combating transnational crime, preventing weapons proliferation and averting humanitarian crises.

Objectives & Justification:

Moldova has generally outpaced its neighbors in terms of democratic development and human rights observance. Moldova's progress in democratic reform provides a positive example for other neighboring states to follow in their democratic development. Following its victory in this spring's parliamentary and presidential elections, the Communist party's rhetoric has remained supportive of reform. The Communists are currently forming a new government. Its actions will bear close scrutiny.

USAID programs and other technical assistance will help strengthen Moldova's economy through continued support for land reform, strategic privatization, energy sector restructuring, and post-privatization economic development. FREEDOM Support Act (FSA) funds directed at NGOs, independent media and through exchanges bringing more Moldovans to the U.S. will foster the development of civil society and promote stability internally and in the region. 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 will continue to support cooperative efforts between U.S. law enforcement agencies and Moldovan Government and local government officials to combat organized crime, including trafficking in women and children and narcotics.

In recognition of the hardships associated with Moldova's ongoing reform efforts, the U.S. intends to continue to provide FSA funding to facilitate the delivery of targeted humanitarian assistance, including emergency pharmaceutical and vaccine supplies to those in most need. Additionally, in an attempt to improve healthcare for vulnerable groups of Moldova's population, the funding will provide continued assistance to support health care reform including health partnerships, women's health/family planning activities and hospital assistance.

Funding from the FSA account will support programs to prevent the proliferation of weapons of mass destruction and related materials, technologies and expertise in Moldova. 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. Under the Export Control and related Border Security program, U.S. assistance will strengthen Moldova's export control system by assisting Moldovan Government officials and legislators in developing legal authorities and provide training and equipment to border control agencies to enable them to better deter, detect and investigate incidents involving trafficking weapons, related materials and technologies. In addition, U.S. assistance will help redirect former Soviet weapons scientists and defense industries to peaceful civilian activities.

Transnistrian separatism, coupled with the continued presence of Russian troops and massive stockpiles of conventional arms, threatens the stability of the entire region. FSA funding will be provided to assist OSCE efforts to facilitate implementation of Russian commitments to withdraw its forces and dispose of arms stockpiles. Specifically, assistance will support the withdrawal or destruction in place of the large stockpile of weapons and ammunition at the Colbasna base and other facilities in Transnistria as well as military equipment located at the main Russian base in Tiraspol, all under close monitoring and observation by U.S. inspectors. Withdrawal of the Russian military from Transnistria, in accordance with their commitments made at the 1999 Istanbul CFE Summit, will mitigate the threat to regional stability posed by Transnistrian separatism. The continuing efforts of the OSCE Mission in Moldova to negotiate a resolution to the separatist conflict will be supported. Peaceful settlement of this conflict will not only aid in stabilizing the region, but could serve as a model for settlement of other conflicts in the region.

Despite financial limitations, Moldova is active in the Partnership for Peace (PfP) program and is committed to reforming its military along the lines of the Western model. The country has decided to establish a peacekeeping battalion with U.S. assistance that will form the core of its reformed military. Moldova has engaged in an extensive defense/military contacts program with the United States, expanded its participation in PfP exercises, and made effective use of its modest International Military Education and Training (IMET) program. Moldovan graduates of programs funded under IMET have consistently moved into positions of greater responsibility. Additionally Moldova has developed a robust program with its State Partner, the North Carolina National Guard. FY 2002 Foreign Military Financing (FMF) and IMET funds will be used to further develop and reform Moldova's armed forces, enhance the capability of its peacekeeping battalion to operate alongside NATO forces with common, interoperable equipment, and promote the integration of Moldova into Euro-Atlantic security structures. Moldova will be eligible in FY 2002 to receive Excess Defense Articles (EDA) on a grant basis under Section 516 of the Foreign Assistance Act. Transfer of EDA will assist Moldova to meet its defense requirements and further NATO interoperability.

Russia
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
CSD	0	3,550	3,450
FSA/NIS	186,631	167,845	167,000
IMET	717	800	800
NADR-ECA	4,125	1,500	1,500
Peace Corps	3,957	4,049	4,432

National Interests:

The United States has an overriding national security interest in working with Russia to reduce the threat posed by weapons of mass destruction through arms control, threat reduction efforts, and cooperation on other nonproliferation activities. The United States also has an interest in helping further Russia's development into a stable democratic country with a market-based economy, 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 large export market. We also have strong national security interests in protecting Americans from the threat of transnational organized crime originating in Russia, in cleaning up the environmental degradation from the Soviet period, and in working with the Russians on counterterrorism initiatives.

Objectives & Justification:

A successful transition in Russia depends on the strength of democratic institutions and civil society. Establishing democracy and rule of law on a more solid footing will require long-term, generational change. FREEDOM Support Act (FSA) democracy programs, therefore, are increasingly focused on the grassroots level, providing funding for exchange programs, as well as small grants, legal support and training for NGOs and the independent media. FSA programs also seek to increase the availability of information for Russians throughout the country by establishing public access Internet sites and offering training. FSA funding will support this type of long-term democratic change in FY 2002.

Despite efforts at recentralization, Russia's future will more and more be determined at the grassroots level. In recent years, U.S. economic and democratic assistance has moved away from the national government and toward the regions. This will continue in FY 2002. This movement to the regions is exemplified by the "Regional Initiative" (RI). Under the RI, the U.S. Government develops partnerships with reform-minded Russian regions in an effort to help them establish favorable conditions for economic growth, and then enlists their help in disseminating the lessons of their experience to other regions. Efforts will continue in FY 2002 in the current RI regions – Samara, the Russian Far East and Tomsk – to put in place the building blocks of a market system (with particular emphasis on small business development), to attract both foreign and domestic investment, and to strengthen civil society.

The success of democratic and economic reform in Russia also depends on individual Russians' belief that their day-to-day lives will improve. The engine of future economic growth in Russia will be private business, especially small and medium enterprises. The private sector development program will receive FSA funds in FY 2002, with a significant portion going to capitalize micro-credit and small loan funds, primarily in the regions outside Moscow. Other programs will provide training to thousands of entrepreneurs in basic business skills, both in Russia and in the U.S., and support efforts by regional governments to improve conditions for small business by removing regulatory and administrative barriers.

Russia must build a positive investment climate to attract the capital flows needed to bring about long-term economic growth. Under certain conditions, FSA programs could help provide training and expertise to modernize the Russian tax system, improve fiscal management, and tighten regulation of the banking sector. At the same time, although Russia's investment policies need significant improvement, opportunities already exist for U.S. exporters and investors in the vast Russian market. FSA-funded programs run by the Department of Commerce provide U.S. companies with information about these opportunities, and facilitate direct linkages with Russian partners.

Russia's growing problems in the field of public health could have an impact on the world at large. FSA funds will support partnerships between U.S. and Russian hospitals. In addition, both FSA and Child Survival (CSD) funds will help address the spread of multi-drug-resistant strains of tuberculosis, and of HIV/AIDS. Humanitarian programs funded through the Department of State will continue to facilitate the delivery of assistance donated through U.S. private volunteer organizations (PVOs) to target groups within Russia. In addition to addressing genuine humanitarian needs, FSA funding will do much to engender good relations between U.S. and Russian NGOs. FSA funds will also ameliorate the effects of regional conflicts, which have displaced thousands and created refugee flows, particularly in the North Caucasus and Central Asia. The USG contributes to international efforts coordinated by the UNHCR and other international organizations.

Russian authorities 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, computer fraud and others, presents new challenges for Russian law enforcement. U.S. law enforcement agencies will work with their Russian counterparts to improve Russia's capacity to combat transnational crime, focusing on counternarcotics, border security, alien smuggling/trafficking and export controls. FSA funds will also support more grassroots, regional efforts to combat crime through grants to U.S. organizations to work with their Russian counterparts to promote community policing and combat domestic violence. With FSA funds, the USG will provide training, equipment and expertise to Russian law enforcement authorities to help them deal with these issues and to promote respect for human rights.

The U.S. continues to provide assistance through programs of the Departments of State, Defense and Energy to prevent the proliferation of weapons of mass destruction (WMD), related materials, technologies and expertise. Currently, the future structure of these programs is undergoing interagency review. In FY 2002, Nonproliferation, Anti-terrorism, Demining and

Related Programs (NADR) and FSA funds will continue to provide assistance to enhance Russian export control regime and capability to deter, detect and interdict illicit trafficking. Scientific collaboration programs supported by NADR and FSA funds will help prevent proliferation of weapons expertise and redirect former Soviet weapons experts to peaceful pursuits.

Under the International Military Education and Training (IMET) program, the U.S. will continue to provide English language instruction, professional military education and military legal instruction for the Russian military and officials of the Ministry of Defense. Russia will be eligible in FY 2002 to receive Excess Defense Articles (EDA) on a grant basis under Section 516 of the Foreign Assistance Act. Transfer of EDA could assist Russia to meet its defense requirements and further NATO interoperability.

Tajikistan
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
FSA/NIS	9,926	11,230	11,000
IMET	0	0	75
NADR-ECA	50	0	0

National Interests:

Tajikistan is the poorest of the former Soviet republics. Its borders with Afghanistan and China give it special importance in the region. U.S. assistance addresses dire humanitarian needs and fosters democratic and market economic reforms and post-civil war reconciliation, thereby promoting stability in a volatile and strategically important region. A stable, peaceful Tajikistan will also minimize opportunities for interference by outside powers, and will help to curb international crime, narcotics trafficking and terrorism.

Objectives & Justification:

With the completion of a UN sponsored peace process in Tajikistan, attention will now turn towards the country's reconstruction and economic revitalization. The creation of sustainable democratic institutions now has even greater importance. FREEDOM Support Act (FSA) assistance can be most effective by pursuing a long-term strategy focused on training and exchanges that provides opportunities for future leaders and professionals and lays the groundwork for the creation of a civil society and a market based economy.

In FY 2002, the U.S. will continue to provide some support in the area of micro-economic development to continue to address the needs of the population, particularly women, in areas hardest hit during the civil war period. Humanitarian assistance remains central to U.S. programs, and is targeted through private volunteer organizations.

Tajikistan has only recently applied for membership in the Partnership for Peace and is not yet eligible for support under the Warsaw Initiative. Tajikistan has committed to cooperating with the U.S. on countering the proliferation of weapons of mass destruction and receives modest FSA assistance primarily for strengthening its legal structure of export controls and facilitating regional communications.

Tajikistan's International Military Education and Training (IMET) program, new in FY2002, will be used to educate and expose the armed forces and civilian officials to Western concepts of democracy, civil-military relations, rule of law, and human rights.

Turkmenistan
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
FMF	600	697	700
FSA/NIS	6,195	6,200	5,500
IMET	313	325	300
NADR-ECA	235	0	0
Peace Corps	1,439	1,583	1,529

National Interests:

The United States has strategic and economic interests in helping Turkmenistan achieve political stability and independence, as well as integration into the global economy. Turkmenistan is a traditional transit route for the movement of people and goods (including illicit goods) between Southwest Asia and the North Caucasus. The current security situation in those two regions puts these routes at risk of exploitation by terrorists and smugglers of narcotics and weapons of mass destruction. Turkmenistan has the world's fourth largest gas reserves and significant oil reserves. The United States has a keen interest in seeing these important resources reach world markets, preferably via secure pipelines that do not transit the territory of regional powers that might shut off the flow for political purposes.

Objectives & Justification:

Turkmenistan remains a one-party state on the Soviet model, dominated by its president, Saparmurat Niyazov, and his pervasive cult of personality. This power was consolidated even more by a parliamentary vote on December 28, 1999, which extended Niyazov's term indefinitely. The parliament itself was seated following severely flawed elections held on December 12, 1999, in which only government-selected candidates were allowed to run and turnout was announced at 98.9 percent despite reports that many polling places stood empty throughout the day.

Attempts to target U.S. assistance toward fostering democracy, expanding the rule of law, and increasing community activism in Turkmenistan are severely hampered by the government's repressive policies. Assistance in the democracy area has focused on exchanges for young people from Turkmenistan to expose them to Western ideas and practices. The Niyazov government actively controls and censors all print and broadcast media, refuses to allow the formation of opposition political parties or independent trade unions, and completely dominates the judicial branch. While non-governmental organizations (NGOs) with explicitly non-political agendas (e.g. health care, environmental protection) are given some latitude to operate in Turkmenistan, the government is leery of foreign involvement in such activities. As a result, U.S. private voluntary organizations (PVOs) and community-based organizations receiving U.S. assistance have had difficulty gaining registration with the Government of Turkmenistan.

Assistance in the economic sphere has also met with very limited success. The Government of Turkmenistan has avoided any significant privatization of the state-run command economy, claiming that rapid liberalization would cause instability and diminish the living

standards of the labor force. Turkmenistan's economy has experienced difficult times of late. Export revenues remain low, while the budget deficit and underlying trade deficit continue to worsen. Despite frequent urging from the U.S., the World Bank and IMF and other financial institutions, Turkmenistan so far has chosen not to reform its budgetary system. In fact, a significant portion of government expenditures (including entire ministries) remains outside the control of the Ministry of Finance. In addition, the greater part of Turkmenistan's foreign exchange reserves are held in a fund controlled by President Niyazov personally, and are not at the disposal of the Central Bank of Turkmenistan (which already has little independence). U.S. assistance to the government has focused on institution-building and legislative reform. With the exception of an improvement in fiscal and budgetary management, there has been little change in the structure of government, essentially a system of presidential management by decree overlaying bureaucratic sprawl and gridlock. Attempts to provide expert assistance in support of agricultural reform and sector privatization have gone nowhere.

The Government of Turkmenistan has repeatedly sought ways to link its cooperation on U.S.-led Caspian Basin energy initiatives to increased U.S. financial assistance for otherwise unrelated economic activities in Turkmenistan. However, aside from a TDA grant for a feasibility study on the proposed Trans-Caspian Gas Pipeline (TCGP), to date there has been no directly related U.S. financial assistance. Although the U.S. remains willing to support a TCGP, the project is at an apparent standstill because the Government of Turkmenistan has chosen not to accept repeated commercially viable offers from private companies. The Governments of Turkey, Georgia and Azerbaijan appear ready to proceed with a pipeline that would ship Azerbaijan's Caspian gas reserves to the Turkish domestic energy market.

In FY 2002, the U.S. will continue to provide limited FREEDOM Support Act (FSA) assistance in the area of law enforcement, including efforts to combat serious transnational crimes such as narcotics trafficking, terrorism and weapons smuggling. In addition to law enforcement assistance, U.S. nonproliferation assistance has focused on developing and enhancing the export control and related border security capabilities of Turkmenistan and its Central Asian neighbors, with a focus on interdicting the smuggling of weapons of mass destruction (WMD) and regional communications. This is a particular concern in Turkmenistan, which lies along centuries old trade and smuggling routes between the North Caucasus and Southwest Asia.

Foreign Military Financing (FMF) funds requested in FY 2002 for Turkmenistan will be used for airfield survey improvement, EDA support, and to allow the U.S. to remain engaged with the Turkmenistan military. The FY 2002 International Military Education and Training (IMET) program will be used to educate and expose the armed forces and civilian officials to Western democracy, and the concepts of rule of law, civil-military relations, human rights and free markets. Turkmenistan will be eligible in FY 2002 to receive Excess Defense Articles (EDA) on a grant basis under Section 516 of the Foreign Assistance Act. Transfer of EDA will assist Turkmenistan to meet its defense requirements and further NATO interoperability.

Ukraine
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
CSD	0	1,025	980
FMF	3,250	3,980	4,800
FSA/NIS	174,154	169,630	169,000
IMET	1,338	1,500	1,700
NADR-ECA	1,090	770	800
Peace Corps	2,838	3,212	3,419

National Interests:

The United States has a strong national security interest in supporting Ukraine's successful transformation into a stable, independent, democratic, market-oriented and prosperous state, with good relations with its neighbors and strong links to the West. Ukraine is important for building a secure and undivided Europe and its successful transition may assist similar transitions elsewhere in the region. A stable, independent and democratic Ukraine can also be a key partner of the United States in tackling major post Cold War challenges, such as the proliferation of weapons of mass destruction, the expansion of mutually beneficial trade and investment and the shaping of a more stable and secure Europe. The most critical national interests guiding U.S. Government policy are national security, economic prosperity, and promoting democratic reform. The domestic political upheaval and policy gridlock in Ukraine over allegations of Presidential involvement in the disappearance of Internet journalist Gongadze have made U.S. assistance promoting democracy building and economic reform more essential than ever to protect our national security interests.

Objectives & Justification:

Furthering democratic and economic reform in Ukraine is a key U.S. objective, as a result of which Ukraine and has been a primary beneficiary of FREEDOM Support Act (FSA) funding. In FY 2002, FSA programs will continue in a number of priority areas such as economic reform, privatization and private sector development, and nuclear safety. We will also continue the trend of recent years to focus increased attention and resources on grassroots activism and local reforms as well as on expanding programs oriented toward the next generation of Ukrainian leaders. We are increasing the number of students, policy makers and other young leaders coming to the U.S. for practical and academic programs. These exchanges enhance the linkages between individuals, businesses, institutions and communities in the U.S. and Ukraine. In FY 2002, FSA funds will also be used to strengthen local non-governmental organizations and independent media that can serve as watchdogs over the government's activities and articulate public interests. In FY 2002, funding will continue for legal and financial support and training for independent media. FSA funding will also expand public access Internet sites throughout Ukraine. If the Ukrainian government passes a law on the Judiciary, we will provide support for newly established courts and training for the legal profession.

Ukraine's long-term political stability is closely linked to its economic prosperity. Achieving that prosperity will require significant economic reform to foster long-term sustainable economic growth. To this end, some funding for technical assistance to the Government of Ukraine's economic ministries will be provided to assist in the preparation of legal and regulatory codes required to move the country to a free market system and to open its markets to foreign goods. Funds for loans to small and medium businesses—the most likely source of long-term sustained innovation and growth—and for the development of a micro-credit program will also be made available, including in rural areas. FSA assistance programs will also support efforts to expand land titling. The U.S. will continue to serve as a catalyst for economic reform by encouraging partnerships with neighboring countries, such as through the Poland-America-Ukraine Cooperative Initiative (PAUCI), and with other international institutions.

The Soviet-era energy and industrial infrastructure of Ukraine is a source of significant environmental problems. The U.S. has played an important role in helping the Government of Ukraine fund the closure of Chornobyl, which took place in December 2000. In FY 2002, FSA funds will be used to contribute to the construction of the Chornobyl sarcophagus, to continue safety upgrades at other nuclear power plants, and to assist local NGOs develop environmental expertise.

As in other NIS countries, segments of the Ukrainian population, including the victims of Chornobyl, are in dire need of humanitarian assistance. FSA-funded humanitarian programs have traditionally delivered a substantial amount of such targeted assistance to those in greatest need in the form of medical supplies and equipment, pharmaceuticals, food and clothing. In FY 2000, the State Department-funded program Provide Hope delivered over 46 million dollars in humanitarian commodities provided through U.S. private volunteer organizations or through the Department of Defense Excess Property Program. In FY 2002, FSA and Child Survival (CSD) funds will support programs to help fight HIV/AIDS and tuberculosis.

Ukraine is home to a large number of scientists who have experience working on weapons of mass destruction (WMD). The U.S. and the Ukrainian Governments have strong interests in providing alternative peaceful employment to prevent the proliferation of this expertise. In FY 2002, State Department-funded assistance programs will continue to reduce the risks of proliferation of weapons of mass destruction, related materials and technologies and conventional arms. State funds for the U.S. Civilian Research and Development Foundation, the Science and Technology Center in Ukraine and other nonproliferation programs will help redirect former WMD scientists to civilian research, development and commercial activities. Finally, the Export Control and Related Border Security program funded by FSA and NADR will provide equipment, training and services to enhance Ukrainian export control regulatory and enforcement capabilities to deter, detect and interdict illegal trafficking in sensitive materials and technologies.

The International Military Education and Training (IMET) Program will provide English language training, professional military education, and training for non-commissioned officers to enhance Ukraine's ability to participate in Partnership for Peace (PfP) activities. Ukraine's Foreign Military Financing (FMF) Program will support procurement of items such as utility vehicles, communications systems, search and rescue equipment, and other support items that will enable Ukrainian forces to operate more effectively alongside those of NATO and PfP partners in real

world peacekeeping operations and exercise activities. Ukraine will be eligible in FY 2002 to receive Excess Defense Articles (EDA) on a grant basis under Section 516 of the Foreign Assistance Act. Transfer of EDA will assist Ukraine to meet its defense requirements and further NATO interoperability.

Uzbekistan
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
CSD	0	0	650
FMF	1,750	2,438	2,950
FSA/NIS	20,042	23,565	22,000
IMET	547	550	800
NADR-ECA	0	330	300
Peace Corps	1,703	2,247	2,293

National Interests:

The United States has significant national interests at stake in seeing Uzbekistan develop into a stable and prosperous society with a democratic government and an open, market-based economy. 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. Uzbekistan has also failed to move toward a market economy, hurting the country's prospects for economic success and stability and impeding U.S. trade and investment. The recent withdrawal of the IMF's local representative underscores Uzbekistan's lack of economic reform, but the U.S. will continue to press Uzbekistan to pursue policies that will contribute to the commercial and economic expansion of the region.

Objectives & Justification:

The United States wants to help Uzbekistan play a key role in fostering cooperation and stability in Central Asia. The U.S. encourages Uzbekistan's commitment to nonproliferation and will continue assistance programs to help prevent the proliferation of weapons of mass destruction (WMD), weapons technology and experts, including work to dismantle facilities reported under the Chemical Weapons Convention. Through FREEDOM Support Act (FSA) and Nonproliferation, Anti-terrorism, Demining and Related Programs (NADR) funds, the U.S. Government will continue to work with Uzbekistan to develop effective export controls and border security. Projects approved by the Science and Technology Center in Ukraine (STCU) will keep former Soviet weapons experts employed in peaceful research.

The U.S. seeks to support the development of democratic institutions in Uzbekistan by focusing on three elements: (1) a transparent legal system to complement market reforms; (2) growth of independent local media and unhindered access to Western media; and (3) development of domestic non-governmental organizations (NGOs), particularly in the human rights field. Technical assistance will continue to emphasize the rule of law through drafting of necessary civil and criminal legislation and training judges and attorneys, and to seek ways to reduce official corruption. The small but growing independent media sector will continue to receive U.S. support. Several small grant mechanisms will continue to provide direct assistance to Uzbekistani NGOs. Exchange and training programs will continue to offer the next generation of leaders exposure to democratic values. Internet access and training programs expand the availability of information for people throughout the country.

The spread of organized crime and drug trafficking threatens Uzbekistan, which sits astride trafficking routes between Afghanistan and Europe. FSA funding enables the U.S. to train Uzbekistani law enforcement and border officials to keep this problem from growing further. As a direct complement to counter-narcotics enforcement training, FSA funding also attempts to address the economic underpinnings that support narco-trafficking and its socio-economic impact in Uzbekistan.

U.S. economic assistance programs support and encourage a shift to free-market economics and strengthening of the legislative foundation and commercial infrastructure needed to encourage investment. However, the scope of U.S. economic assistance will continue to be limited by Uzbekistan's continued lack of commitment to economic reform. The departure of the IMF from Uzbekistan underlines the economic stalemate the Uzbeks have reached regarding reform. The USG is working with Uzbekistan to 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. is providing technical advice to draft a new budget law, reorganize budgetary classification systems, and strengthen budgetary planning and execution.

FSA-funded humanitarian programs have delivered targeted assistance to the most vulnerable segments of Uzbek society, primarily by providing scarce medical supplies and pharmaceuticals, clothing and some food, much of which is provided directly to institutions such as orphanages, retirement homes, etc. High rates of rural unemployment and decayed water supply and sanitation infrastructure leave many citizens vulnerable, and in need ofaid. Uzbekistan's high rate of population growth and young population pose a major demographic and economic challenge; the U.S. is helping to ensure access to family planning, which should serve to decrease abortions and improve maternal and neo-natal 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. Child Survival (CSD) funds will support programs to help fight both tuberculosis and HIV/AIDS.

The U.S. seeks to enhance military cooperation between Uzbekistan as well as with NATO and its 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 joint peacekeeping initiatives with Kazakhstan and Kyrgyzstan, including equipment and training to enhance Uzbekistan's capability to operate jointly with NATO forces in peacekeeping, search and rescue, humanitarian counterinsurgency efforts and other operations. International Military Education and Training (IMET) is designed to foster the professionalization of Uzbekistan's military leadership, greater respect for and understanding of 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 2002 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 as well as further inter-operability with NATO.

Regional FSA
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
FSA/NIS	61,998	85,237	96,500

National Interests:

FREEDOM Support Act (FSA) regional programs promote regional cooperation and stability in the Independent States of the former Soviet Union by providing technical assistance, funding exchange programs, and providing opportunities for citizens of the Independent States to work together to promote economic restructuring and democratic reform. These programs contribute to regional security by enhancing the ability of the Independent States to address issues of mutual concern, such as reducing the risk of proliferation of weapons of mass destruction (WMD) and combating the spread of narcotics trafficking and other transnational crimes.

Objectives & Justification:

U.S. national security depends on the successful transformation of the Independent States into democratic, law-based, pluralistic societies functioning on market principles and integrated into the world economy. Several U.S. national interests in this region are pursued through assistance projects that involve more than one country. Examples include the pursuit of a peace settlement in Nagorno-Karabakh, promoting energy-sector reform in Central Asia, enhancing border security throughout the region, and providing support for refugees and displaced people who are the victims of regional conflicts.

Caucasus regional programs focus on responding to urgent humanitarian needs and other special initiatives. Central Asian regional programs focus on energy and environmental issues. The Peace/Reform Fund enables the U.S. Government to respond quickly to targets of opportunity such as peace settlements and the appearance of signs of genuine commitment to reform on the part of the IS governments. The Peace/Reform Fund is also used to augment projects that perform very well during the year and require additional support.

Independent States regional programs address the entire range of the U.S. Government's assistance objectives, including increased trade and foreign investment, greater regional cooperation, combating crime and corruption, and promoting economic restructuring and democratic reform. Independent States regional funds can also be used to support programs that redirect former Soviet WMD expertise to peaceful activities and enhance the ability of the Independent States to prevent the proliferation of WMD (and associated delivery systems, materials and technologies) across their borders.

Independent States regional funds also help provide for the physical welfare of the citizens of the Independent States. The conflicts in various parts of the IS, particularly in the Caucasus, have created refugees and internally displaced people in great need. FSA-funded humanitarian assistance plays a crucial role in responding to regional humanitarian crises.

In addition, Independent States regional funds support the activities of several U.S. agencies active in the region, including U.S. Trade and Development Agency feasibility studies, Treasury Department technical assistance, Department of State and Department of Agriculture training and exchange programs, Commerce Department training programs and trade and investment support activities, and State and Justice Department regional law enforcement training programs that help the Independent States combat narcotics trafficking, reduce the likelihood of international terrorist operations, and improve human-rights practices in criminal justice institutions.

Science Centers
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
NADR-SC	0	35,000	37,000

National Interests:

The Science Centers program seeks to prevent diversion of scientific expertise and technologies related to weapons of mass destruction (WMD) from weapons complexes of the former Soviet Union. The two Science Centers, in Moscow and Kiev, operate under international agreements, with financial support from the United States, Canada, the European Union, Japan, Norway, and South Korea. The Centers help former Soviet weapon scientists and engineers to redirect their expertise to peaceful activities and provide incentives for them not to market their capabilities in weapons technology to potential proliferators. Unlike the Department of Energy's Nuclear Cities Program, the Science Centers focus on all categories of the former Soviet WMD scientists - nuclear, chemical, biological, and missile - located in the eight independent republics of the former Soviet Union that are currently participants in the program.

Objectives & Justification:

The Science Centers program has evolved from an exclusive "stop-the-brain-drain" strategy for weapons scientists to a program supporting the long-term civilian transition of former Soviet WMD scientists to sustainable endeavors in applied and basic research. In addition to engaging over 40,000 scientists and engineers since 1993, the program has provided patent and technology commercialization support, western-style professional and business management training, communication technology upgrade support, and travel support, giving scientists and engineers the foundation to move to industrial partnering efforts through other U.S. programs.

For FY 2002, the Administration is requesting $37 million to sustain existing Science Center activities, to support a modest increase in Science Center initiatives, and to respond to a continuing backlog of interagency reviewed and approved project proposals. Specifically, NADR funds will be used to:

Increase program support for the successful Biological Weapons Redirection effort, which is engaging additional institutes and starting major project work. This program originated with one Russian institute and now involves 25 institutes in the independent republics of the former Soviet Union. During FY 2001, the Department expanded this initiative to include the full range of Russian biological weapons-related facilities, as well as those inherited by Kazakhstan, Uzbekistan, Armenia, Georgia, Belarus, and Ukraine.

Initiate an effort that targets institutes of special proliferation concern, such as the Russian chemical weapon (CW) complex in the area of CW demilitarization technology.

Continue activities that foster commercial development (particularly outside the security perimeter in the Russian closed nuclear cities) using mechanisms such as the Moscow Center's

business career training program (a program developed in coordination with DOE's Nuclear Cities Initiatives) as well as commercialization projects financed by DOE's Initiatives for Proliferation Prevention.

The $37 million requested is $2 million above the FY 2001 level. The increase will augment activities in Ukraine, Uzbekistan and Kyrgyzstan, and will allow us to engage approximately 170 additional former weapons scientists in civilian activity.

Approved projects are funded directly by the Science Centers in Moscow and Kiev, and are subject to routine oversight and monitoring, as well as financial and technical audits to ensure proper use of funds. Consistent with past practice, a small amount of NADR funds also will be used for administrative support and oversight of the Science Centers program.

Note:
In FY 2000, Science Centers was funded in the FREEDOM Support Act (NIS) account at $59 million.

SOUTH ASIA

Afghanistan
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
NADR-HD	3,000	2,800	2,900

National Interests:

While ending the fighting among Afghan factions and bringing a political settlement to the conflict, including the establishment of a broad-based, representative government, is paramount, interim assistance to the Afghan people is essential to prevent starvation, the spread of disease, and total disruption of social services. Despite the USG opposition to Taliban policies, we continue to promote and contribute to UN and other international initiatives support for Afghan humanitarian needs and eventual reconstruction, including food and demining programs. Efforts to support non-warring Afghan groups and women's empowerment may be possible through the South Asian Regional Fund (see program page for description and funding request).

Objectives & Justification:

International efforts to provide humanitarian assistance to Afghanistan 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 thereby ensuring adequate, cost-effective, and non-duplicative UN programs in Afghanistan. Funding under the Nonproliferation, Anti-Terrorism, Demining, and Related Programs (NADR) account support humanitarian demining efforts, which seek to ensure the safety of innocents and restore land to productive economic use. NADR funds are provided either directly to UNOCHA or through non-governmental organizations (NGO's) working on mine clearance or mine awareness in Afghanistan. U.S. support for UNOCHA and NGO activities demonstrates our commitment to a multilateral, humanitarian assistance strategy for Afghanistan.

Bangladesh
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
CSD	14,836	15,500	14,500
DA	31,063	42,300	38,300
ESF	0	0	3,000
IMET	456	475	525
Peace Corps	977	1,088	1,194

National Interests:

Bangladesh's democracy, now over a decade old, has seen one peaceful transition of power in 1996 and is preparing for a parliamentary election to be held sometime before October 15, 2001. Bangladesh is one of the poorest and most densely populated countries in the world, yet it is pursuing economic reforms consistent with the aims of an emerging industrialized democracy. The U.S. has assisted Bangladesh in its development of a stable democracy. U.S. assistance has also helped provide investment and export opportunities for American firms, and helped to prevent humanitarian crises due to annual flooding. Bangladesh's natural gas reserves allow it the opportunity to become a regional energy hub, to earn hard currency to contribute to national development, and to provide a cleaner alternative to other fuels. Bangladesh's military now supports the country's democratic system and makes a leading contribution to global peacekeeping efforts.

Objectives & Justification:

While the government of Bangladesh has demonstrated its ability to hold free and fair elections, the opposition party and government generally refuse to cooperate or seek compromise. The U.S. government will continue to assist the government of Bangladesh in constructing a civil society and in preparing for free and fair elections. Where party politics often leads to immobilizing, country-wide strikes, ESF funded programs will assist in promoting parliamentary professionalism, including efforts to reduce partisan tension and clarifying MP roles and responsibilities.

In addition, funding will go toward a limited number of election reform and monitoring efforts, including training programs for election officials and party polling agents, as well as education programs for voters. Election rigging and violence often threaten to disrupt the democratic process in the region, programs that promote free and fair elections are crucial to legitimizing democratic transitions of power. ESF funds will be used to support programs that address public sector corruption and mismanagement in Bangladesh. Funds will also be used to promote reform of Bangladesh's judicial system to make it more efficient and transparent.

The U.S. Department of State, U.S. Agency for International Development (USAID) and the Department of Labor, through International Labor Organization (ILO) projects, coordinate efforts to assist worker education, organization, and monitoring of core labor standards, and to help eliminate child labor, especially in the garment factories producing for export. These

programs help women and girls to escape the vicious cycle of poverty and abusive work environments and to avoid being sold into prostitution and domestic servitude in Bangladesh and abroad. The United States will support efforts to educate villagers, to focus on prevention and to build the capacity of local NGO's to fight this scourge.

In order to help Bangladesh meet its World Trade Organization (WTO) commitments on intellectual property rights, technical barriers to trade, customs regulations, anti-dumping rules, and other regulatory changes, ESF will be used to provide technical assistance and training to relevant government entities.

A lack of general environmental awareness, degradation of productive ecosystems as a result of poor resource management, and demands by an expanding population have placed severe stress on the sustainable natural resources of Bangladesh. The United States will provide experienced advisors to assist communities in improving floodplain resource management in order to sustain open water fish production and improve conservation and management of tropical forest resources. Bangladesh also benefits from the use of South Asia ESF regional funds to support USAID's South Asian Regional Initiative for Energy.

Bangladesh could become in 2001 the world's largest contributor of troops to international peacekeeping operations. It has, with U.S. assistance, opened its own peacekeeping training center, and Bangladesh's military has become a firm supporter of democracy. Past IMET training programs contributed to this positive transition. Future IMET programs will further boost professionalism, enhance interoperability, improve performance, and enhance the military's ability to fight drug and arms smuggling. Bangladesh will be eligible in FY 2002 to receive Excess Defense Articles (EDA) on a grant basis under Section 516 of the Foreign Assistance Act. The transfer of EDA will assist Bangladesh in meeting defense requirements, enacting reforms, and furthering interoperability. Bangladesh's fledgling Coast Guard is still in need of training and equipment to counter the growing threats of piracy and fish poaching and to respond to emergencies in the cyclone-prone Bay of Bengal.

USAID implements family planning and health and child survival activities aimed at reducing fertility and improving family planning. USAID will continue to emphasize polio eradication, as well as HIV/AIDS prevention for high-risk groups to contain its still limited incidence in Bangladesh. USAID support for economic growth activities will continue. These include improving the enabling environment for agribusiness, aquaculture, small and medium enterprises, and micro-finance as well as assisting individual entrepreneurs and businesses to improve their products, services, and market access. In the energy sector, USAID will continue its long-standing support for Bangladesh's rural power program while implementing new activities to foster deregulation of the power sector and development of the nascent natural gas sector. The PL 480 regular Title II program assists Bangladesh's poorest families, while other activities will ensure food availability through the government's safety net and promote policy changes to minimize the public sector's role in grain import. Democracy and Governance activities seek to strengthen civil society, local government, parliament, and human rights.

Peace Corps volunteers in Bangladesh are helping teachers to improve their English language proficiency; collaborating with UNICEF to train Bangladeshi teachers about the use and maintenance of donated computers, and addressing women's health issues.

India
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
CSD	22,750	23,600	25,840
DA	28,700	29,950	32,710
ESF	0	4,983	7,000
IMET	480	500	650
NADR-ECA	285	637	900

National Interests:

The national interests guiding U.S. policy toward India include national security, economic prosperity, law enforcement, democracy and global issues. The United States supports the strengthening of democratic systems, respect for human rights, and the rule of law in India, the world's largest democracy and soon to be its most populous nation. India's unsettled relationship with Pakistan remains a concern, especially now that both have demonstrated possession of nuclear weapons. The Indo-U.S. bilateral relationship has been growing steadily in both the political and economic arenas, but there is still enormous untapped potential. India's government has begun to enact a "second generation" of economic reforms, and India is exploring how it will fit into the international trade regime. Economic growth, along with growing population, means that India will have an increasing impact on the world's economy and environment.

Objectives & Justification:

India tested nuclear devices in 1998 and tensions with Pakistan have remained high since the 1999 armed conflict along the Line of Control near Kargil. The United States is actively engaged in efforts to reduce regional tensions, help India and Pakistan address their disputes, and dissuade them from embarking on a nuclear arms race. The Indian military is a significant contributor to international peacekeeping efforts. IMET has played an important role in fostering U.S.-India military-to-military contacts and promoting shared goals. Increased IMET assistance will further develop important U.S.-Indian military relationships at a time when U.S. cooperation with India is expanding in a number of other areas.

Despite sanctions imposed in the wake of the nuclear tests, the United States is India's leading trading partner and source of foreign investment. We will continue to encourage the government of India to implement and expand market-oriented reforms, using both bilateral dialogue and the World Trade Organization (WTO), and to encourage India's responsible participation in the global marketplace. We will consider expanding ESF support to USAID's Financial Investment and Economic Reform (FIRE) program in India, which assists in improving the efficiency and transparency of the capital markets, insurance regulatory structures, and pension fund management, if conditions permit. Some resources could also be used to facilitate power sector reform.

As part of its efforts to prevent the proliferation of weapons of mass destruction, their delivery systems, related technologies, and other weapons, the United States is providing NADR

Export Control and Related Border Security assistance funds for a cooperative program to help establish effective export controls in India. FY 2002 funding is focused primarily on helping India to enhance its legal and regulatory infrastructure and enforcement capabilities (including through the provision of equipment) consistent with international standards, and to promote productive government industry regulations.

Degradation of productive ecosystems and demands by an expanding population have placed severe stress on the sustainable natural resources of India. In FY 2002, we will also consider supporting an expanded dialogue with India on environmental issues critically impacting sustainable development such as biodiversity, water, desertification, forestry, marine resources, and environmental governance. India also benefits from the use of South Asia ESF regional funds to support USAID's South Asian Regional Initiative for Energy.

To further strengthen democratic institutions in India, the ESF will provide resources to train members of parliamentary committees, train journalists reporting on democratic systems, strengthen governance in three States and train women representatives. These funds will support legal advocacy for women and girls, skills development and educational opportunities. They will also support human rights and legal aid organizations in their efforts to protect the victims of violent conflict, strengthen governmental human rights institutions, and facilitate judicial reform.

Much needs to be done to alleviate the growing human rights problem of trafficking in women and children. ESF will be used to address this modern-day slavery in accordance with the South Asia Regional Strategy to Combat Trafficking in Women and Children. These funds will also support measures to address the widespread problem of child labor in India, helping women and girls to escape the vicious cycle of poverty and abusive work environments.

USAID will address the key areas of stabilizing population growth, cutting pollution in power generation and cities, reducing the transmission of HIV/AIDS and other infectious diseases, empowering women, accelerating economic growth and meeting the food needs of India's poorest populations. Other programs are designed to demonstrate educational and medical technologies and practices, train trade unions and employers about sexual harassment and HIV/AIDS prevention in the workplace, and eliminate child labor. The United States-Asia Environmental Partnership promotes a clean environmental revolution.

On counter-narcotics issues, U.S.-India cooperation continues to improve. The President fully certified India for narcotics cooperation in 2000, adding momentum to our relationship. We will continue to work with India to prevent the diversion of opium from its licit opium program and to build its capabilities to curb illicit drug production and trafficking.

Maldives
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
IMET	100	110	125

National Interests:

The Maldives provides important access for U.S. vessels and allows aircraft transit rights (permitting U.S. access to its airport during the Gulf War, for example). The Maldives is also supportive of USG positions in international fora and is a moderate Islamic voice in the region. It is in the U.S. national security interest to maintain stability in this small archipelago nation by strengthening its democratic institutions and working with the Government of Maldives to coordinate policies in international organizations, especially on such issues of shared interest as drug trafficking, nonproliferation, and international crime and terrorism. Since we have no resident Mission in Maldives, we will continue to pursue our interests there through regular diplomatic exchanges managed by our embassy in Colombo, through our IMET training programs, and proposed program activity (please see section on Sri Lanka for proposed programs).

Objectives & Justification:

The U.S. IMET training program encourages more professionalism in the Maldives military, while promoting human rights as part of military training. We will foster increased awareness of human rights concerns, greater participation of citizens in the political and economic life of the country, and freedom of religion and the press through public diplomacy, proposed program activities channeled through Embassy Colombo, and the Department's International Visitor's program, as well as IMET training. In Maldives, ESF will be used to support programs designed to offer training and education opportunities to legislative staff and elected officials, and to assist human rights and legal aid organizations in their efforts to strengthen governmental human rights institutions.

Nepal
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
CSD	7,000	9,250	9,750
DA	9,900	11,300	10,300
ESF	0	0	3,000
IMET	216	220	225
Peace Corps	1,754	1,988	1,859

National Interests:

Nepal's progress in consolidating its young democratic institutions and achieving sustainable economic development supports the U.S. national interest 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, slowing population growth, resolving refugee problems, promoting market-oriented economic development, engaging South Asian military forces in international peacekeeping, combating international crime and trafficking, 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 our relations with Nepal.

Objectives & Justification:

In the face of severe poverty and Maoist insurgency, Nepal continues to make progress in consolidating its democratic institutions and practices. In FY 2002, Economic Support Funds (ESF) will support continued efforts to strengthen Nepal's democratic institutions, fight corruption, and promote the development of civil society through non-governmental organizations. Support for Nepali democracy contributes to stability and security in South Asia, and complements U.S.-Nepal cooperation on global issues. These programs are intended to support the continuation of democratic reforms in South Asia's newest democracy. They will promote training for development of effective anti-corruption mechanisms in the parliament and in the Constitutional Commission to Combat Abuse of Authority. Funded programs will also assist human rights groups, media-rights advocates, legal aid organizations, and other grassroots NGOs in efforts to promote democracy, protect victims of violent conflict, strengthen governmental human-rights institutions and facilitate judicial reform. ESF will also be used to promote civic education in Nepal and train women elected officials to increase their effectiveness in the democratic system.

In addition, ESF in Nepal will fund bilateral and regional activities to combat trafficking in women and children, particularly in the areas of protection and prosecution, law enforcement cooperation, development of effective legislation against trafficking, data collection, extradition of offenders, and repatriation of victims. ESF resources will also provide for access to legal advocacy, and provide skills development and educational opportunities for women. USAID assistance programs will also support training in basic literacy and business skills for women at risk of trafficking or repatriated from trafficking.

International Narcotics and Law Enforcement (INCLE) funds will be used to train Nepali police, customs, immigration, and other law-enforcement officials to become more professional in dealing with international crime issues; to strengthen the capabilities of Nepal's police units which focus on crimes against women and children; and to augment awareness and training in the law enforcement and legal communities regarding trafficking in women and children.

USG efforts will also help Nepal meet its targets to eliminate child labor per its agreement with the U.S. Department of Labor (DOL) under the "time-bound" program. DOL's program will be implemented in Nepal in conjunction with the International Labor Organization's (ILO) International Program to Eliminate Child Labor.

Degradation of productive ecosystems as a result of poor resource management and demands by an expanding population has placed severe stress on the sustainable natural resources of Nepal. ESF may be used to provide experienced advisors to assist communities in improving conservation and management of wilderness preserves. Nepal also benefits from the support of South Asia's regional ESF funds for USAID's South Asian Regional Initiative for regional energy cooperation.

Nepal remains one of South Asia's leading contributors to U.N. and U.S.-led peacekeeping missions in trouble spots around the globe. It operates a successful peacekeeping training center, which has received significant U.S. funding, and in January 2000, co-hosted a multinational peacekeeping exercise with the U.S. Army Pacific Command. In FY 2002, IMET funds will continue to enhance Nepal's considerable contributions to international peacekeeping. Nepal will be eligible in FY 2002 to receive Excess Defense Articles (EDA) on a grant basis under Section 516 of the Foreign Assistance Act. The transfer of EDA will assist Nepal in meeting defense requirements, enacting defense reforms, and furthering interoperability.

In FY 2002, USAID will focus on Nepal's needs in health and family planning, hydropower development, and strengthening democratic processes to ensure the wise use and equitable distribution of wealth in the future. In the health sector, USAID supports nationwide vitamin A distribution for children; contraceptive purchasing and distribution; the training and deployment of community health workers; the control of infectious diseases including such vector borne diseases as malaria; public awareness campaigns aimed at HIV/AIDS prevention; training of rural women; and the development of birth preparedness packages to combat maternal deaths. In the hydropower sector, USAID will strengthen the Department of Electricity Development's institutional capacity to promote private sector development of hydropower. In addition, technical assistance will be provided to improve local capability to conduct and assess environmental and social impacts of proposed hydropower projects and increase public participation in these processes. In the democracy and governance sector, the U.S. will strengthen targeted natural resource user groups, advocate for women's rights, strengthen selected institutions, and prevent trafficking in girls.

Peace Corps volunteers in Nepal are engaged in the both the education and health sectors. Volunteers also work on the environment, with a focus on natural resource development through

community improvement, and to improve sanitation practices, access to potable water, basic urban services, village development planning, and youth development.

Pakistan
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
ESF	0	0	7,000
INC	3,250	3,500	3,500

National Interests:

Pakistan faces severe civil, economic and political problems. We are encouraging and supporting a prompt return to democracy in Pakistan. We are also working with Pakistan to address regional stability, counter-terrorism, and nuclear non-proliferation. The military government that assumed power in a bloodless coup in October 1999 has shaken Pakistan's already weak democratic institutions. While the government is allowing for local elections as part of its plans to decentralize the government, it has not presented concrete plans for provincial and national elections, which the Pakistan Supreme Court has mandated occur before October 2002. Creeping religious extremism coupled with a vacuum in political activity continue to handicap the country's democratic development. The restoration and strengthening of civilian and democratic government are U.S. foreign policy priorities in Pakistan. They are priorities not only for human rights reasons, but because a representative and accountable government in Pakistan can best ensure the necessary economic reform and political stability to improve the quality of life and access to basic human rights of its citizens.

Efforts the Government of Pakistan has taken so far to restore democracy have prompted the United States and other countries to offer assistance to Pakistan for this transition. The United States has a clear interest in maintaining stability and promoting democratic values in a region where nuclear weapons have appeared and where political unrest could stymie any attempts at improving the quality of life in the region. The United States will continue to promote an easing of tensions between India and Pakistan, cooperation with Pakistan in counter-terrorism and counter-narcotics, and advancement of our nuclear non-proliferation objectives. We will also continue to work with Pakistan to address threats of terrorism and instability emanating from Afghanistan. Given the imposition of both non-proliferation and democracy-related sanctions against Pakistan, our tools for achieving these objectives are limited.

Objectives & Justification:

Maintaining and strengthening democracy in South Asia is one of our most challenging U.S. foreign policy objectives. While U.S. assistance to the Government of Pakistan is limited by sanctions, other programs can be used there to promote political party reform, and to improve the effectiveness and probity of civil institutions. ESF will be used to assist NGOs, the media, and community-based organizations to promote greater accountability and transparency in government and to build a culture of democracy in Pakistan, as well as to strengthen human rights organizations.

In FY 2001, the U.S. government received specific legislative authority to provide direct assistance to the Government of Pakistan in basic education. This authority was in response to the

grave state of the public education system and the belief that a poorly educated populace impedes economic development and more readily supports extremists. Given the weak state of Pakistan's political and civil society organization, we will work with the Pakistan government to become more responsive to the education needs of its citizens.

Recognizing the severe financial crisis in Pakistan, the IMF began negotiations to resume Pakistan's program of macroeconomic stabilization efforts and structural reforms. Pakistan is expected to adhere to a strict regime of economic reform and sound management. Stagnant economic growth coupled with the inability of the Musharraf government to provide social services to most of the country has most directly affected women and children. ESF resources will assist children -- especially girls -- gain access to basic and civic education in order to escape the vicious cycle of poverty and abusive work environments. Funds will also address violence against women and strive to increase women's political participation. ESF resources will also address the widespread problem of child labor in conjunction with the International Labor Organization's (ILO) International Program to Eliminate Child Labor. In addition, the ILO (with U.S. funding) will continue to implement a program begun last year to eliminate child laborers from the soccer ball industry. ILO also began in FY 2001 a multi-year program to reduce child labor in the hand-woven carpets' industry.

In counter-narcotics, the United States will work with the Government of Pakistan to complete the elimination of opium poppy cultivation in Pakistan and to integrate former poppy-growing areas into the national economy. Opium production and heroin processing dropped dramatically (68%) following increased U.S.-Pakistani cooperation on counter-narcotics last year. While Pakistan is no longer a source country of heroin, large quantities of opiates still transit Pakistan. The United States and Pakistan are working to reduce this drug flow, some of which comes to this country. U.S. assistance will build law enforcement capacities to prevent the re-emergence of heroin processing labs, improve drug interdiction efforts and seizures, increase narcotics-related arrests and convictions, freeze trafficker assets, and tighten money-laundering regulations.

Sri Lanka
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
CSD	700	300	300
DA	3,650	3,000	3,000
ESF	0	0	3,000
IMET	203	245	275

National Interests:

Sri Lanka has a long tradition of democracy. It was the first country in South Asia to liberalize its economy and has impressive social indicators. The primary U.S. national interests in Sri Lanka are to sustain democracy-building, improvement of human rights, and economic growth through liberalization and investment. These goals not only reflect our humanitarian interest, but would also help facilitate an end to Sri Lanka's 18-year civil war, thereby reducing the threat of terrorism and improving regional stability. As of April 2001, the government and the Tamil insurgents are again moving toward peace talks that could provide an important opportunity for resolution of the conflict.

Objectives & Justification:

Sri Lanka's civil war has left an estimated 60,000 dead and a legacy of terrorism, human rights abuses, and around 600,000 internally displaced people. The war is a destabilizing element in the region and has had a detrimental impact on Sri Lanka's economy. The current government has taken some steps to reduce human rights abuses. Nonetheless, serious abuses continue, especially by the police. While Sri Lanka has a long democratic tradition, recent elections were marred by serious violence and fraud. Press censorship and intimidation is a serious problem.

Economic Support Funds (ESF) are key to our continued ability to strengthen human rights, peaceful conflict resolution and democracy in Sri Lanka, through the Human Rights Commission, electoral reform efforts, and programs to strengthen civil society. Assistance will also strengthen Sri Lanka's judiciary and other democratic institutions. The use of ESF in Sri Lanka will provide resources to assist NGOs, the media, and community-based organizations to promote greater accountability and transparency in government and to build a culture of democracy while trying to blunt the impact on children of the civil war. In addition, these funds will assist human rights and legal aid organizations in their efforts to protect the victims of violent conflict as well as to strengthen governmental human rights institutions.

USAID's democracy programs will continue to support efforts of the Sri Lankan Government and the NGO community to improve the protection of human rights and the ability of the judiciary to resolve complaints efficiently and effectively. USAID will extend humanitarian assistance through NGOs, to reach children and families most affected by the conflict and related violence in Sri Lanka to help them return to a normal life. USAID's economic-growth program will continue to provide technical assistance to industry clusters to improve their competitiveness,

and USAID will continue dialogue with the government on competitiveness issues facing Sri Lanka.

IMET, in concert with other military-military cooperation, including Joint Combined Exercise Training, contributes to the effectiveness of the Sri Lankan military in its fight against a designated terrorist organization, the Liberation Tigers of Tamil Eelam (LTTE). Our military cooperation with Sri Lanka has helped improve the Sri Lankan military's professionalism and sensitivity to humanitarian law, reducing civilian casualties and human rights abuses. Sri Lanka will be eligible in FY 2002 to receive Excess Defense Articles (EDA) on a grant basis under Section 516 of the Foreign Assistance Act. The transfer of EDA will assist Sri Lanka in meeting defense requirements, enacting reforms, and furthering interoperability.

The United States will continue to provide Anti-Terrorism Assistance (ATA) training to help the Sri Lankan government to counter terrorist threats, especially in urban areas. Although the LTTE declared a unilateral cease-fire in late 2000, the risk of a resumption of terrorist attacks remains. The United States will continue to support efforts by the Norwegian Government to facilitate negotiations between the Government of Sri Lanka and the LTTE.

Embassy Colombo will be responsible for implementation of programs funded with ESF resources for the Maldives. Funded programs will assist in strengthening rule of law in the Maldives, building capacity among NGOs to help assure human rights protections, seeking to increase the political empowerment of women, and supporting efforts to enforce labor rights in the country.

South Asia Regional Funds
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
ESF	3,000	0	7,000

National Interests:

Promoting stability in South Asia enhances the security of the United States by ensuring that the newly acquired nuclear capability of India and Pakistan is not utilized. Critical to this objective is resumption of high-level bilateral talks between India and Pakistan. Better relations between these 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 is also concerned about civil strife and instability hampering economic growth and impeding the maturation of civil society and fragile democratic institutions in Nepal and Sri Lanka. Diplomatic efforts by the United States in conjunction with our allies could help these societies resolve the conflicts.

The region is further destabilized by the continuing civil war in Afghanistan. Ending the conflict that has devastated Afghanistan's infrastructure, economy and society, and that prevents any meaningful reconstruction, is a long-term goal of U.S. policy in South Asia which will require active U.S. diplomatic leadership in the region, at the United Nations, and with our allies. The United States seeks to end the fighting among Afghan factions and bring a political settlement to the conflict, including the establishment of a broad-based, representative government. This unstable, Taliban-dominated country provides fertile ground for extremism and terrorism, including the activities of terrorist organizations operating on Afghan territory. The long civil war has also spawned a massive drug trade. Three consecutive years of the world's highest opium production levels have made inexpensive, high quality Afghan heroin available throughout the world, including North America. The Afghan drug trade adversely affects U.S. interests. It is linked to international terrorism, rising crime, corruption, drug addiction, and HIV infection in Central, Southwest, and South Asia, and is a source of income for organized crime groups stretching across Russia into Europe and the United States.

The United States is also addressing human rights abuses in South Asia. Women in particular endure some of the most severe forms of abuse, including the repressive policies of the Taliban in Afghanistan. In response to the growing problem of trafficking of women and children, widespread in most of South Asia, funds may be used to support local efforts to combat the problem. In Bangladesh, Pakistan and India, NGOs, private attorneys and government agencies are beginning to deal with abuse against women -- particularly honor killings and dowry-related attacks -- but these local efforts are seriously underfunded and require financial support.

Opening markets, encouraging reform, and improving the business climate are essential to accelerating the region's economic growth rate and increasing U.S. exports to and investment in South Asia. Meeting future energy needs is one of the greatest challenges India, in particular, faces today. Harnessing extensive natural gas and hydropower resources in Bangladesh and Nepal could raise these countries out of poverty and foster greater regional cooperation and prosperity through

energy trade. U.S. assistance in developing this potential will also create significant investment opportunities for U.S. companies, promote clean energy resources in the region, and encourage greater regional stability by building strong, shared economic interests.

Objectives & Justification:

The South Asia Regional Funds support confidence-building measures (CBMs), particularly between the civil societies of India and Pakistan. The primary focus will be on academic centers and trade and business associations in the region. The Fund will also provide technical assistance to regional entities to promote regional cooperation. These types of programs will not only promote cooperation and build positive relationships between sectors of Indian and Pakistani society, but will also help address cross-border problems such as trafficking in women and children, water management, and cooperation in the energy sector. In addition, these funds will support CBMs in Sri Lanka between the ruling party and Tamil opposition parties. In FY 2000 and FY 2001, these projects -- and others -- were funded under ESF South Asian Regional Funds for Democracy, Energy and the Environment, and Support for Women and Children. In FY 2002, as noted above, the Bureau is requesting most ESF on a country-specific basis in order to address particular issues more effectively .

The South Asia regional ESF funds will also promote U.S. efforts to address the conflict in Afghanistan. While the U.S. supports UNSC sanctions designed to persuade the Taliban to end their support for international terrorists, we continue to promote and contribute to U.N. and other international support for Afghan humanitarian needs. These funds promote efforts to strengthen the capacity of Afghans, especially women, and of Afghan NGOs to advocate for protection of human rights and to foster a healthy civil society.

The South Asia regional funds will bring more focus and resources to regional cooperation in rehabilitating individuals who have been trafficked for prostitution and other forced labor. These programs will provide training and educational opportunities to give women and girls the means to earn their own living. The Bureau's Regional Strategy to Combat Trafficking in Women and Children contains bilateral and regional programs to address this widespread human rights violation. The Strategy envisions a U.S. interagency effort to address all aspects of the problem.

Bangladesh has rich deposits of natural gas which can provide the greatest economic benefit through export. Nepal could be an important source of hydropower for the region. South Asia regional ESF and USAID's Development Assistance funding of the regionally-focused South Asian Regional Initiative for Energy -- a program begun in FY 2000 -- will continue to benefit the governments of South Asia in improving the efficiency of the energy sector, while also promoting overall economic development in Bangladesh, India, and Nepal. This initiative will promote energy resource development, U.S. trade and investment in energy and environmental technologies, and regulatory reforms to build private sector participation in the energy market.

These funds will support expanding clean-energy programs in India, Pakistan, Sri Lanka, Maldives, Bangladesh, and Nepal. The programs will maximize the use of clean fuels such as natural gas and help predict and minimize the adverse impact of industrial growth and greenhouse gas emissions. Effective regional energy cooperation requires technical assistance that will also

encourage investment by U.S. businesses. Funds will also be used in the Bengal Basin to support environmental governance activities and to address the arsenic contamination of drinking water supplies.

WESTERN HEMISPHERE

Argentina
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
FMF	450	995	2,000
IMET	740	800	850

National Interests:

Maintenance of international security and regional stability, and building economic prosperity through enhanced trade are the leading U.S. interests in Argentina. The Government of Argentina (GOA) has actively supported U.S. security goals by playing a leading role in international peacekeeping. Argentina has also cooperated with the U.S. in counter-terrorism and counter-narcotics activities, which are centered in the tri-border area with Brazil/Paraguay. We are assisting the GOA with judicial reform and anti-corruption programs as well. Since the open-market economic reforms of the early 1990s, U.S. exports to Argentina have increased seven-fold and direct investment ten-fold; opportunities exist for further expansion despite the current Argentine recession.

Objectives & Justification:

FMF funding enables Argentina's armed forces to improve their peacekeeping capacity through purchases of up-to-date communications and transport equipment, at a time of severe budget austerity. Argentina has also been Latin America's largest user of U.S. Excess Defense Articles (EDA). Argentina will be eligible to receive Excess Defense Articles (EDA) on a grant basis under § 516 of the Foreign Assistance Act (FAA). Transfer of grant EDA to Argentina continues our policy of supporting Argentina, as a major non-NATO Ally, at a time when fiscal austerity has drastically shrunk Argentine defense spending. It enables Argentina to continue its productive cooperation with the U.S. and NATO in international peacekeeping operations. Receipt of grant EDA helps Argentina obtain NATO-compatible equipment, such as transport and communications equipment, which improves its interoperability with NATO forces in peacekeeping operations.

In FY 2002, FMF will be used to increase Argentina's ability to participate in peacekeeping missions. Funds will be used to support increases in training, interoperability, and purchase needed equipment. International Military Education and Training (IMET) courses increase Argentine inter-operability with U.S. and NATO forces, which bolsters its strong participation in worldwide peacekeeping activities. IMET also plays a key role in developing civilian experts who can administer the Argentine defense establishment effectively. With 544 UN peacekeepers serving in E. Timor, W. Sahara, Ethiopia-Eritrea, Iraq-Kuwait, Cyprus, Bosnia and Kosovo, Argentina ranks first in Latin America. The GOA has also been a leading recipient of Enhanced International Peacekeeping Capability (EIPC) funding ($2.25 million in FY1998-1999), with military personnel from other Latin American nations attending the GOA's peacekeeping training academy.

In the aftermath of the 1990s bombings in Buenos Aires that killed over one hundred people, our Anti-Terrorist Assistance programs (NADR) brought Argentine officials to the U.S. for valuable counter-terrorism briefings and training. The tri-border area and Argentina's northern border with Bolivia are transshipment routes for illegal drugs bound for the U.S.; regional INC funding provides police training for interdiction activities. In addition, the U.S. continues to promote training and exchange programs with Argentine law enforcement and judicial authorities in support of GOA efforts to reduce international criminal activity.

Bahamas
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
FMF	50	139	100
IMET	112	115	140
INC	1,000	1,200	1,200

National Interests:

Because of 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 bilateral, regional, and multilateral issues. Principal U.S. interests in The Bahamas include providing assistance to American residents of the country and to the more than three million American tourists who visit annually, stopping the transshipment of illicit drugs and smuggling of unlawful migrants through the Bahamian archipelago, and combating money laundering.

Objectives & Justification:

Only 50 miles from the United States at its closest point, the Bahamian archipelago is a major transshipment point for illegal narcotics trafficking and illegal migration to the U.S. After tourism, financial services represent the biggest industry. For the sake of regional and U.S. security concerns, it is important that the Bahamian government be strong enough to combat the threat to its sovereignty and its banking industry represented by illegal drug trafficking, money-laundering, corruption, and other crimes. The Bahamas, the Turks and Caicos Islands, and the United States are partners in Operation Bahamas and Turks and Caicos (OPBAT) to combat illegal narcotics trafficking. In this joint operation, under the bilateral maritime agreement, Bahamian and Turks and Caicos police and U.S. Drug Enforcement Administration (DEA) personnel cooperate with U.S. Coast Guard and U.S. Army helicopter crews in missions against suspected drug smugglers.

The Bahamas will be eligible to receive Excess Defense Articles (EDA) in FY 2002 on a grant basis under Section 516 of the Foreign Assistance Act (FAA). EDA will be used to promote counter-drug efforts, maritime support, inter-operability and modernization of equipment. International Military and Education Training (IMET) and Foreign Military Financing (FMF) funds are used to educate, train, and equip the Bahamian Police and Defense Forces to increase their effectiveness. FMS will be used to develop command, control and communications (C3) architecture capable of supporting conduct of joint/multi-national counter-drug (CD) operations and conduct CD interdiction operations. U.S. military interaction includes Joint Combined Exercises and Training deployments, construction and humanitarian deployments, demand reduction campaigns of Military Information Support (MIST) teams, and disaster relief exercises.

U.S. INC funding supports Bahamian government efforts to carry out drug enforcement operations and investigations by providing operational support, training, and equipment. It also supports institution-building efforts by the Bahamian government through its multi-year projects to reform the Bahamian courts by promoting procedural changes and more efficient management

of drug cases and to computerize all Bahamian courts and install a court case management software system. The U.S. Embassy also works closely with Bahamian officials to support anti-money-laundering efforts and to encourage the Bahamian government to act more effectively to seize drug traffickers' assets.

More than three million U.S. citizens visited The Bahamas in 2000 and approximately 8,000 reside there. Consequently, the safety and security of American citizens is a principal U.S. objective. U.S. officials in The Bahamas maintain close liaison with the Bahamian police, keep U.S. citizens informed of threats from crime and hurricanes, maintain registration and warden systems, and work with Bahamian officials to improve aviation safety and airport security. Another important U.S. objective is to work with Bahamian officials to deter unlawful migrant smuggling and to maintain international standards of treatment for migrants held in detention or repatriated. Other important objectives include working with The Bahamas to eliminate barriers to foreign investment and trade and participate fully in the Free Trade Area of the Americas and the World Trade Organization.

Belize
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
FMF	100	199	300
IMET	161	275	275
Peace Corps	1,277	1,351	1,502

National Interests:

The United States seeks to staunch the flow of illicit drugs through Belize and to make it a less attractive location for other criminal activity, such as money laundering, trafficking in stolen vehicles, and smuggling of artifacts and wildlife. Improving the administration of justice and making the police more effective will improve conditions for U.S. investors and traders and for the 110,000 U.S. citizens who visit Belize each year. The United States also has an interest in assisting Belize in protecting the 40% of its territory that consists of national parks and nature preserves, which shelter extensive rainforests and diverse wildlife, and its barrier coral reef, the second longest in the world.

Objectives & Justification:

Because of its proximity to the United States and its position linking vulnerable Central American and Caribbean states, Belize is an ideal transit point for illicit drugs headed for the United States. Easy access to the United States and Mexico makes Belize an attractive staging area for other international crimes as well. It is a market for vehicles stolen in the United States, a potential site for money laundering, and an origin point for smuggled wildlife and artifacts. Although there is no International Narcotics Control and Law Enforcement (INCLE) funding specifically for Belize, programs for Belize are funded out of the Latin American Regional Budget. INCLE programs provide training and assistance to disable drug organizations, improve the collection and dissemination of counternarcotics intelligence, increase interdiction of illicit drugs, and improve Belize's ability to deter and detect money laundering. INCLE funding also seeks to improve the professionalism and performance of police and prosecutors, provide technical support for the judicial system, and reduce the flow of stolen vehicles from the United States to Belize. The United States is the largest foreign investor in Belize and its biggest trading partner, and U.S. citizens account for the majority of Belize's tourists. Improvement of the police and the judicial system would make it safer and easier for American tourists and business.

In 2000, the United States and Belize signed a new extradition treaty, a mutual legal assistance treaty, and an overflight and landing protocol to an existing maritime counternarcotics cooperation agreement. The extradition treaty came into force early in 2001 and a stolen vehicles treaty is expected to come into force later in the year. These legal instruments should greatly enhance the ability of the United States and Belize to cooperate effectively to combat crime.

International Military Education and Training (IMET) and Foreign Military Financing (FMF) programs provide training and equipment to maintain a small but disciplined Belize Defence Force (BDF). BDF troops served with the CARICOM Battalion during peacekeeping

operations in Haiti, and participate in regional training exercises with U.S. and Caribbean forces. IMET training improves the professionalism and competence of the BDF, making it a more effective partner when operating with U.S. forces in joint exercises and enabling it to protect Belize's national parks, nature preserves, and barrier reef. Belize will be eligible in FY 2002 to receive Excess Defense Articles (EDA) on a grant basis under Section 516 of the Foreign Assistance Act (FAA). The provision of excess defense articles promotes inter-operability and modernization of equipment.

Bolivia
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
CSD	7,583	6,248	6,400
DA	25,388	26,071	25,080
ESF	0	1,993	10,000
FMF	0	0	2,000
IMET	548	650	700
INC	158,000	52,000	101,000
Peace Corps	2,865	3,080	3,122

National Interests:

The Andean region represents a significant challenge and opportunity for U.S. foreign policy, with important national interests at stake. None of the region's challenges --supporting democracy, fostering economic development, combating narcotics trafficking --can be addressed in isolation. Under the Andean Regional Initiative, in Bolivia the most urgent U.S. interest is to stop the illicit production of coca and the export of cocaine and other illicit products to the world market. The U.S. is encouraging Bolivia's transition to a free market economy as the most promising avenue to growth. U.S. firms have invested extensively in privatized industries and the U.S. seeks to increase exports to Bolivia. Bolivia's effective implementation of judicial reforms is critical tocounternarcotics, investment, human rights and social stability efforts. Increasing and sustaining Bolivia's capabilities in peacekeeping is vital to ensuring that they continue in their role as peacekeepers in crises around the world. The preservation of Bolivia's biodiversity is vital to global environmental needs. Improving health conditions will alleviate the burden of poverty and decrease the pressure for emigration.

Objectives & Justification:

Bolivia, long considered one of the least democratic countries in the Andean region, has had an uninterrupted succession of elected governments since 1981. Market reforms and sound macroeconomic policies have resulted in steady if unspectacular growth, until recession in the region caught up with Bolivia in 2000. And although Bolivia has been the world's third largest producer of illicit coca, the government is on track to fulfill its commitment of eradicating all illicit coca by the time it leaves office in 2002. Assistance efforts are aimed at consolidating these gains while combating the poverty and corruption that threaten them in what is still the poorest country in South America.

Development Assistance (DA) funds will promote economic development by underwriting microenterprise programs and technical assistance to small business groups and agricultural cooperatives; promote democracy by helping to train judges, prosecutors and others to implement judicial reforms; support sustainable management of renewable natural resources; stabilize population growth by encouraging increased use of family planning services; and support other health sector initiatives. Child Survival and Disease (CS&D) will support AIDS prevention

and awareness, integrated health care, nutrition and vaccination programs for children, and decentralization of public health care services to the primary care level.

Half of the Economic Support Funds (ESF) will be used to strengthen civil society organizations and law schools, increasing the capacity of individuals to access the justice system and consolidating democratic values and practices. The other half of the ESF will be used for economic growth activities, such as financial services to the rural and urban poor. Bolivia is also a recipient of funds from the International Criminal Investigative Training and Assistance Program (ICITAP) for support of police training and judicial system reforms.

International Narcotics and Crime (INCLE) funds will support coca eradication, narcotics law enforcement programs and alternative development projects.

Foreign Military Financing (FMF) funds will be used to educate, train and equip the Bolivian security forces to increase their effectiveness both within their traditional national security role, which will help ensure regional stability, and in their multilateral role as international peacekeepers. Of these funds, $1 million will be spent to increase Bolivia's peacekeeping capabilities and to ensure that they continue to remain engaged in peacekeeping operations around the world. Bolivia currently has forces deployed in Angola, Guatemala, Kuwait and the Western Sahara. The GOB has also committed a reinforced battalion to the UN's "standby" force.

International Military Education and Training (IMET) funds will provide professional military education to key Bolivian military personnel, principally through attendance at U.S. military command and staff colleges.

Bolivia will be eligible to receive Excess Defense Articles (EDA) on a grant basis under § 516 of the Foreign Assistance Act. Transfer of grant EDA to Bolivia will support our foreign policy goal of reducing the international supply of narcotics, by helping to equip units engaged in narcotics interdiction and coca eradication. It will help supply Bolivia's peacekeeping unit with NATO-compatible equipment, and enhance U.S. influence on the development of Bolivia's armed forces.

Brazil
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
CSD	4,150	7,883	7,800
DA	8,491	7,500	3,380
IMET	223	250	440
INC	5,000	2,000	15,000

National Interests:

Our national interests in Brazil are: regional stability, control of crime, terrorism, and infectious disease, and economic prosperity. Brazil is playing an increasingly active role in the Western Hemisphere as it seeks to establish its own "South American space." This more activist approach provides opportunities for greater cooperation on issues of mutual concern including promotion of democratic values in the region. Brazil is the only country that borders on the three major coca producing countries in the hemisphere. As a result, it is an important transit country for illegal narcotics flows to the United States and Europe. Brazil's own recognition of the threat posed by narcotics trafficking prompts greater bilateral cooperation. The tri-border region of Brazil receives attention from U.S. counter-terrorism officials. U.S. and Brazilian officials work closely on control and eradication of infectious diseases through research programs in both countries.

As the largest economy in South America, Brazil's participation in the global economy, and particularly in the Free Trade Area of the Americas (FTAA) process, is critical to our own economic prosperity. The FTAA negotiations will help us advance our goals of encouraging the further opening of Brazil's market to U.S. products, promoting U.S. exports, coordinating policies encouraging fiscal stability and structural reform, and supporting GOB policies leading to broad-based economic growth.

Objectives & Justification:

Brazil's increased emphasis on containing spillover of crime and violence from Colombia has contributed to broader engagement with the United States on counternarcotics cooperation. While there is little likelihood at present that Brazil will become a major narcotics producer, it is a major transit country for illicit drugs shipped to the United States and Europe. Brazil's domestic drug abuse problem is second only to that of the United States in this hemisphere. United States counternarcotics assistance will be used to address narcotics use and trafficking in our countries through: 1) provision of equipment and training to improve the capability of Brazilian law enforcement agencies to combat trafficking; and 2) assisting drug education, awareness, and demand reduction programs. Greater emphasis will be placed on Brazil's efforts to strengthen control of its 1000 mile border with Colombia.

Politico-military cooperation continues to deepen between our countries. The Brazilian government recently combined separate Ministries of the Army, Air Force and Navy into a single Ministry of Defense that is, for the first time, under civilian control. The International Military

Education and Training (IMET) program allows us to share the long U.S. experience of civilian control of the military, promotes Brazil's ability to serve in international peacekeeping missions, and promotes interoperability of U.S. and Brazilian forces.

Due to its vast rain forests, Brazilian cooperation is key to a global environmental strategy. U.S. environmental assistance is aimed at reducing emissions of greenhouse gases associated with climate change and protecting biodiversity—actions with a global impact. Development Assistance funds programs discourage deforestation and promote energy policies that mitigate emissions of greenhouse gases associated with climate change. Fire prevention in the Amazon, also a priority, employs sophisticated satellite technology linked to several USG technical agencies. State and USAID work with non-governmental organizations, research institution partners, academic institutions, industry and government agencies to leverage our resources and to advance our environmental agenda.

Brazil's large population, location and widespread poverty make it a focal point for the spread of infectious disease. More than 50% of the AIDS cased reported in Latin America and the Caribbean are in Brazil. Brazil also has large numbers of street children, particularly in the Northeast. Child Survival and Disease funds go to non-governmental organizations working to combat the sexual transmission of HIV/AIDS among women, adolescents and low-income groups and to improve the quality of life of at-risk children and youth. Funded activities include the promotion of children's rights and the provision of vocational training, education and health services.

Brazil will be eligible to receive Excess Defense Articles (EDA) on a grant basis under § 516 of the Foreign Assistance Act (FAA). Provision of EDA to Brazil encourages enhanced interoperability of our military forces.

Chile
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
FMF	0	0	1,000
IMET	499	550	570

National Interests:

U.S. national interests in Chile include promoting prosperity through enhanced bilateral and multilateral economic and commercial ties, e.g., the bilateral Free Trade Agreement and multilateral Free Trade Area of the Americas now being negotiated. They include the promotion of healthy, democratic institutions, including a reformed criminal justice system, and the furtherance of common viewpoints on a range of important regional and global issues. Our national interests are enhanced by supporting increased Chilean participation in international peacekeeping operations and interoperability of Chilean forces with U.S. and other peacekeeping forces.

Objectives & Justification:

The FY 2002 request for International Military Education and Training (IMET) funding will be used to bolster regional stability and democracy by contributing to GOC efforts to professionalize its armed forces and increase their interoperability with U.S. forces through the continuation of management training courses for NCOs, mid-level officers, and senior officers. Other training in equipment maintenance, logistics, and resources management also increase Chile's ability to maintain U.S. equipment in its inventory. We have sought increased interoperability as supporting Chilean participation in international peacekeeping operations and other regional exercises.

FY 2002 Foreign Military Financing (FMF) under the Conflict Prevention and Response program will provide needed equipment to Chile's armed forces participating in extant peacekeeping operations. Chile will be eligible in FY 2002 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.

Chile is not a center for the production or transportation of illegal drugs, though the picture may be evolving as producers look to Chile as a source of precursor chemicals and as a country through which to ship drugs en route to Europe and the U.S. Chile's proximity to producer countries such as Bolivia and Peru, its dynamic economy, and relatively well-developed banking system combine to make it vulnerable to money laundering. International Narcotics Control and Law Enforcement (INCLE) funds from a Western Hemisphere regional fund will be used to assist Chile in implementing effective money laundering and precursor chemical controls, and to enhanced its own narcotics investigation, interdiction and demand reduction capabilities. In addition, INCLE funds will provide modest amounts of training and support to Chile's two main law enforcement institutions, the Carabineros and the Investigations Police.

Colombia
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
ESF	4,000	0	0
IMET	900	1,040	1,180
INC	894,429	48,000	399,000

National Interests:

The Andean region represents a significant challenge and opportunity for U.S. foreign policy, with important national interests at stake. None of the region's challenges--supporting democracy, providing humanitarian assistance to the neediest populations, fostering economic development, combating narcotics trafficking--can be addressed in isolation.

Under the overall programs and projects developed as an Andean Regional Initiative (ARI), the United States faces an unusually complex series of issues in Colombia and its neighbors. With 40 million people, Colombia is Latin America's third most populous country. It has long-standing, mutually reinforcing political, security, social and economic problems, exacerbated by the explosive growth of cocaine and heroin cultivation, with increasing involvement by guerrilla and paramilitary forces. No single explanation fully addresses the deep roots of Colombia's troubles, but they include limited government presence in large areas of the interior, the explosive expansion of illicit drugs cultivation, endemic violence and deep social inequities. The Colombian Government developed its Plan Colombia as a balanced strategy to respond to these issues.

U.S. goals for counternarcotics remain at the center of our relations with Colombia, which now supplies 90% of cocaine consumed in the U.S. and the bulk of heroin sold on the East Coast. However, the U.S. has other important interests, including regional stability, trade and investment, international law enforcement, support for a democratic government under siege, human rights, and the protection of U.S. citizens.

Objectives & Justification:

U.S. support for Colombia's strategy to address its challenges was demonstrated by the $1.3 billion emergency supplemental approved in July 2000. Implementation of the projects supported by those funds has begun and in general is proceeding well.

Our proposed program for FY-02 builds upon this support and is complemented by new initiatives proposed for Colombia's neighbors. Drawing on $399 million for INC funding, it continues to address underlying social issues with $146.5 million for alternative development and institution building, along with $252.5 million for narcotics interdiction and eradication programs. The alternative development and institution building programs include assistance to vulnerable groups and displaced persons, programs promoting the rule of law, local governance and human rights support.

Interdiction and eradication programs continue efforts in coca-rich southern Colombia, drug trafficking interdiction and support for the Colombian National Police (CNP). Programs will provide refresher training to the Colombian Army counternarcotics brigade, training and operational support for its Huey II and UH-60 helicopters as well as support CNP aviation modernization, upgrade aviation facilities and upgrade UH-1 helicopters to the Huey II configuration. It will also provide additional spray aircraft and logistical support for operations.

Colombia remains the world's leading producer of cocaine and is an important supplier of heroin to the U.S. market. Although Colombian authorities have increased coca and opium poppy eradication (currently operating the world's largest such program), net coca cultivation increased in 2000, especially in southern Colombia, to 136,200 hectares (336,414 acres). Although disappointing, this increase is the smallest reported in 5 years and does not factor in the more than 25,000 hectares that were aerial sprayed at the end of 2000 and in early 2001. It provides hope that the explosive growth in coca cultivation that has ravaged Colombia in recent years is finally peaking. Colombian Government goals are to reduce coca cultivation from 2000 by 30% at the end of 2002 and continued U.S. support will assist the GOC to reach this goal.

Colombia's status as Latin America's oldest formal democracy has become increasingly vulnerable to the activity of guerrilla, paramilitary, and narcotics-trafficking groups, and recognized institutional shortcomings. Programs promoting democratic and human rights norms are based on fundamental U.S. values and intended to assist Colombia's reform efforts and achieve greater political stability in the hemisphere. In Colombia, the U.S. has an extra interest in helping fortify democratic institutions, which are our indispensable allies in the fight against illegal drugs. In addition, humanitarian assistance to internally displaced persons meets our long-term objective of stabilizing the region and providing alternative development options.

The small but significant IMET program is compliments our ARI objectives in Colombia. IMET assistance provides training for the Colombian military, including a strong emphasis on human rights, the observance of which is central to our support for counternarcotics operations by the military and police..

Colombia will be eligible in FY 2002 to receive Excess Defense Articles (EDA) on a grant basis under § 516 of the Foreign Assistance Act (FAA). Transfer of grant EDA to Colombia continues our primary foreign policy objectives of fighting drugs and supporting the ongoing peace negotiations between the Government of Colombia and the insurgents. In addition, receipt of grant EDA will enable Colombian security forces to improve protection of human rights and create a climate of stability conducive to trade, investment and economic development.

Colombia's continuing post-1990 economic liberalization opened new opportunities for U.S. trade and investment. Expansion of U.S. exports to Colombia, including investment-led exports, means more and better-paid U.S. jobs at home. Colombia historically has been a top Latin American export market for U.S. business. Bilateral relations between the U.S. and Colombia have improved significantly under President Pastrana, including the full certification of Colombia's anti-drug cooperation and a restoration of Colombia's access to the EX-IM Bank, OPIC, and TDA programs. The U.S. is seeking to increase the current percentage of the U.S. share of Colombia's import market and the embassy is an active advocate of American business.

Costa Rica
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
IMET	280	200	350
Peace Corps	501	335	0

National Interests:

Costa Rica remains among the most stable nations in our hemisphere. Exerting international influence in greater proportion than the country's size would suggest, the GOCR has for decades proven itself a strong ally in promoting economic development, integration, human rights, and regional stability. Costa Rica has become a staunch U.S. partner in the fight against international crime, greatly expanding and complementing our law enforcement efforts in the region. Our primary national interests in Costa Rica continue to be the promotion of trade and a vibrant, diverse economy; increased counternarcotics cooperation; and support for sustainable development and sound environmental management -- another area in which Costa Rica has been a regional leader.

Objectives & Justification:

As a relatively prosperous nation with a strong, diverse economy, Costa Rica benefits from fewer direct U.S. aid programs than most of its regional neighbors. Nevertheless, because of its peaceful history and its democratic traditions, the assistance we provide to Costa Rica is a sound investment. Although Costa Rica maintains no traditional military, our International Military Education and Training (IMET) program is vital to promoting the U.S. goal of ensuring peace and regional security. The FY 2002 IMET request for $350,000 will continue training to further professionalize law enforcement officers and coast guard personnel through courses such as patrol craft commander training, rule of law and discipline in military operations. Likewise, as the GOCR assumes an increasingly sophisticated counternarcotics role and begins to address trafficking in and sexual exploitation of children, IMET training provides access to modern, state-of-the-art law enforcement training.

The GOCR recognizes the threat it faces from narcotrafficking and has become one of our most important counterdrug allies in the region. Costa Rica receives no direct, bilateral U.S. International Narcotics Control (INC) funds. We use INC funds from regional allotments, however, to support Costa Rica's expanding indigenously-funded programs, which serve to amplify and reinforce our own hemispheric law enforcement efforts. These funds finance a variety of initiatives aimed at strengthening local law enforcement officials' capacity and at giving them the tools to do their job. In 1999 Costa Rica became the first country in Central America to sign a Bilateral Maritime Counternarcotics Agreement with the U.S.

Costa Rica will be eligible in FY 2002 to receive Excess Defense Articles (EDA) on a grant basis under § 516 of the Foreign Assistance Act (FAA). Transfer of grant EDA to Costa Rica is consistent with U.S. efforts to reduce the drug flow and promote regional stability in Central America. Most EDA will be used to enhance counternarcotics capabilities, including

communications equipment and air and ocean assets. Although Costa Rica is not designated as a major drug-transiting country, narcotics trafficking is a growing concern. Costa Rica's political stability and commitment to democracy are unique in Latin America. Internal security is maintained by local police and lightly armed security forces under the Ministry of Public Security. (Costa Rica abolished its military in 1948.) The transfer of EDA demonstrates USG support of Costa Rica's democracy and encourages interoperability and the modernization of equipment.

Cuba
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
ESF	3,500	4,982	5,000

National Interests:

The United States national interests in Cuba are fostering an open economy, democracy, and respect for human rights; protecting American citizens and controlling U.S. borders by ensuring safe, legal and orderly migration from Cuba.

Objectives & Justification:

In FY 2001, Econmic Support Funds (ESF) for public diplomacy promote democratization, respect for human rights, and development of a free market economy in Cuba, as well as protecting United States citizens and helping control U.S. borders. In FY 2002, ESF funding continues work in the following areas.

A breakdown of order in a post-Castro Cuba could threaten the United States with massive, uncontrolled illegal immigration, leaving us with difficult options to control U.S. borders. Our primary focus is to determine the views of Cubans and make them more receptive to reforming an inherently unstable system that remains dependent on a single person, Fidel Castro.

The use of public diplomacy to increase information about U.S. policies and the success of market economies around the world is geared to encourage aspirations for a democratic political system and a free market economy.

Our support for democracy efforts serves the U.S. interest in orderly migration and regional stability. Eventual progress by the Cuban regime toward preparing for an orderly and peaceful transition to democracy and a market economic system would reduce substantially the pressures for illegal migration to the United States. In support of democracy and civil society, our ESF provides grants to U.S. universities and NGOs in order to:

provide a voice to Cuba's independent journalists;
build solidarity with Cuba's human rights activists;
help develop independent Cuban NGOs;
provide direct outreach to the Cuban people; and
further planning for future assistance to a transition government in Cuba.

Dominican Republic
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
CSD	3,300	6,385	6,500
DA	6,800	9,490	7,282
ESF	3,000	3,488	2,000
FMF	400	647	220
IMET	487	450	500
Peace Corps	3,501	3,387	3,407

National Interests:

The principal U.S. interests in the Dominican Republic are strengthening democracy, protecting the interests of American citizens in that country while deterring illegal immigration, fighting international crime and drug trafficking and promoting U.S. exports.

Objectives & Justification:

The U.S. will use Economic Support Funds (ESF) and Development Assistance (DA) to strengthen democratic institutions and help maintain economic growth in the Dominican Republic. These accounts will be used to improve the administration of justice, combat corruption and improve basic education and competitiveness. Technical assistance and training will be provided (1) to support improvement in the administration of courts and prosecutors' offices; (2) to support prosecutors in criminal case management and prosecution; (3) to support strengthening of the Inspector of Tribunals and the Public Ministry's Anti-Corruption Unit; (4) to support civil society advocacy for justice reform programs: (5) and to support strengthening the Public Defender system. The programs will further the National Competitive Strategy which helps integrate production and marketing of small and micro-enterprises.

Child Survival and Disease (CSD) funds will be used to help address the causes of especially rural poverty and toward building a more competitive and equitable society. Programs will focus on improving basic health services, including providing access to HIV/AIDS prevention and care programs. Attaining this goal will reduce incentives for illegal immigration and Dominican participation in drug trafficking and other international criminal activities, while helping to make the Dominican Republic a more attractive environment for American investors and tourists.

International Military Training (IMET) funds will be used primarily to provide professional training designed to increase awareness on the part of the Dominican security forces of their role and responsibility for ensuring that human rights are respected while strengthening the rule of law. Foreign Military Financing (FMF) funds will be used to support coastal patrol boats used in the counter-drug operations and illegal migrant interdiction efforts. FMF also will be used to provide tactical communications that will facilitate coordination of the military's natural disaster response efforts.

The Dominican Republic will be eligible to receive Excess Defense Articles (EDA) on a grant basis under Section 516 of the Foreign Assistance Act (FAA). Transfer of EDA to the Dominican Republic will contribute to U.S. interests by increasing indigenous capabilities to respond to natural disasters and provide humanitarian relief, reducing the need for direct U.S. assistance in the wake of future emergencies. EDA will also strengthen the capability of the Dominican armed forces for counternarcotics missions.

Eastern Caribbean
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
ESF	7,000	6,975	11,000
FMF	1,300	1,542	2,130
IMET	487	560	675
Peace Corps	2,289	2,243	2,063

National Interests:

The Caribbean has been aptly described as the United States' "third border." The seven countries of the Eastern Caribbean – Antigua and Barbuda, Barbados, Dominica, Grenada, St. Kitts and Nevis, St. Lucia, and St. Vincent and the Grenadines – represent an important line of defense for the U.S. against narcotics trafficking, alien smuggling, financial crime, and other transnational criminal activity against the U.S. and its gateways of Puerto Rico and the Virgin Islands. In addition to offering less fertile ground for drug traffickers, money-launderers and other international criminal elements, U.S. support for the region will generate expanded markets for U.S. goods, ensure safe and secure destinations for U.S. tourists and investments, ensure respect for the rule of law, safeguard important global resources, retard the transmission of HIV/AIDs, and strengthen respect for democratic values. It is in the interest of the U.S. to promote Caribbean regional security and economic prosperity. Instability and economic malaise in the Caribbean would have a direct impact on the U.S. – heightening the vulnerability of Caribbean nations to use as bases of operation for unlawful activities directed toward the U.S., particularly drug-trafficking and financial crime and increasing the level of illegal immigration to the U.S. from these countries.

Objectives & Justification:

Instability in the Caribbean inevitably affects the U.S. In recent times it has necessitated the involvement of U.S. military forces in Haiti and Grenada. A major goal of the U.S. is to continue strengthening the Caribbean Regional Security System (RSS), comprised of the seven eastern Caribbean states, and the ability of regional national security forces to deal with the threats posed by drug trafficking, financial crime, illegal trafficking in arms, alien smuggling, natural disasters, and social or political unrest. Foreign Military Financing (FMF) will be focused on preventive maintenance and used to sustain the region's maritime and ground services' operational capabilities and readiness for counter drug operations, illegal migrant interdiction, search-and-rescue and disaster relief efforts. International Military Education and Training (IMET) funding will be used for professional military education, civil-military relations and technical training. This will serve to help make the RSS an effective partner in maintaining stability and will increase its capacity to respond to drug trafficking and other challenges.

The seven countries of the Eastern Caribbean will be eligible to receive Excess Defense Articles (EDA) on a grant basis under § 516 of the Foreign Assistance Act (FAA). The EDA will be used to promote inter-operability and modernization of equipment. The provision of EDA will strengthen the Caribbean Regional Security System (RSS) and enhance the ability of eastern

Caribbean security forces to deal with the problems posed by drug trafficking, financial crime, alien smuggling, environmental violations and natural disasters.

Economic Support Funds (ESF) will be utilized by USAID to implement a regional strategy that addresses several areas of vulnerability in the region. Prosperous and diversified economies form a bulwark against political instability, social unrest and the threat posed by international crime. The lack of diversification in most of these economies, which were historically dependent on agriculture, has caused high chronic unemployment which in turn leads to illegal immigration and local vulnerability to crime. A portion of the ESF funds will be used to increase employment and diversification in non-traditional industries by expanding domestic and export markets, reducing barriers to trade and investment, and improving technical and business services for small entrepreneurs. Severe and increasing stress on the islands' fragile eco-systems represents a different kind of vulnerability for the economies of the region by threatening productive habitats and resources and multiplying waste disposal and human health problems. Some of the ESF funds will be used to support sustainable economic growth through public-private partnerships to promote best environmental practices, policy reform, and maximum private sector support and financing. The rule of law is an important underpinning of a thriving economy. A well-functioning legal system, capable of resolving disputes and dispensing justice against criminals in an efficient and timely manner is critical to the enforcement of the rule of law. ESF funds will be used to modernize Eastern Caribbean judicial systems which suffer from archaic management systems, lack of automated court reporting facility and mounting case backlogs as a result of many years of deferred maintenance. Part of the ESF funds will also be directed at reducing the transmission of HIV/AIDs in the region through mass and interpersonal communications strategies and policy and legislative reforms. Democratic progress in Suriname will be strengthened by the application of some ESF funds to increasing the effectiveness of political parties in that country.

Regional stability and economic prosperity are essential elements in the Eastern Caribbean's attraction as a tourist destination for Americans and the presence of significant numbers of American citizen residents. Over 300,000 U.S. citizens visit the islands of the Eastern Caribbean annually and over 3,000 Americans reside in the region. The sheer number of Americans living, traveling and studying in the area has linked the Eastern Caribbean closely to the U.S., and the magnitude of the American citizen presence makes it even more important to encourage regional law enforcement, judicial institutions and economic development. The U.S. in turn has become a preferred destination of Eastern Caribbean citizens for tourism, work and education, and the degree of regional stability and prosperity affects the nature of this movement to the U.S. The safety of U.S. citizens is a priority. U.S. officials in Bridgetown and Grenada maintain close contact with the local police, national security, judicial, aviation, and tourism officials; keep U.S. citizens informed of safety and security concerns; maintain registration and warden systems; and monitor the welfare of U.S. citizens imprisoned on the islands.

Ecuador
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
CSD	550	0	0
DA	11,720	8,559	6,480
ESF	1,500	5,481	30,000
FMF	0	0	1,000
IMET	518	550	625
INC	21,200	2,200	39,000
NADR-HD	1,000	963	250
Peace Corps	2,358	2,736	2,769

National Interests:

The Andean region represents a significant challenge and opportunity for U.S. foreign policy, with important national interests at stake. Those challenges will not be addressed in isolation, but under the Andean Regional Initiative. U.S. interests in Ecuador, as in other parts of the Andean region, include the strengthening of democratic institutions, stabilization and development of the economy, interdicting and disrupting narcotics trafficking, promoting human rights, reducing poverty, encouraging sound environmental policies and sustaining growth. The U.S. actively seeks to preserve democracy and its processes by addressing the economic and financial shortcomings that have led to the destabilization of Ecuador's democratic institutions.

Objectives & Justification:

Ecuador is a firm partner in the war against drugs. The United States, through the International Narcotics Control and Law Enforcement (INCLE) program, works actively with GOE authorities to combat drug transit, shipment of precursor chemicals, and money laundering. GOE authorities have remained strongly motivated, but drug traffickers are increasing their activity in Ecuador. In FY 2002, $39.0 million in INCLE funds will provide resources to bolster the professionalism and institutional capacity of the national police in their fight against trafficking, particularly in Ecuador's troublesome northern border region. These funds also will be used to improve military logistics and infrastructure to improve security along the northern border, and to promote alternative development.

In October 1998, Ecuador and Peru ended their 150-year old border dispute, which led to war twice in the last 20 years. The United States has assisted in demarcating and demining the formerly disputed area through the use of Nonproliferation, Anti-terrorism, Demining and Related programs (NADR) funds. Ecuador humanitarian demining has progressed at a significantly improved pace over the last year and is expected to accelerate even more as a U.S.-sponsored pilot program takes hold.

In the long-term, the United States will help implement the Ecuador-Peru peace by contributing Economic Support Funds (ESF) to help implement the border integration portion of the peace settlement. Attention is shifting to Ecuador's troubled northern border region, where

most of the $30 million in ESF requested for 2002 will be used to develop economic opportunities in support of GOE efforts to solidify regional stability.

Ecuador has taken halting steps to reform its economy. Combined with a surge in the price of oil, one of its major exports, these reforms helped Ecuador return to economic growth in 2000, after the country experienced an economic contraction of roughly 7% in 1999. Ecuador nonetheless remains a poor country. FY 2002 Developmental Assistance (DA) funds will provide microfinance assistance to many of Ecuador's 1.3 million entrepreneurs in the informal sector. DA programs also promote sustainable use and responsible stewardship of Ecuador's unique biodiversity. Ecuador enjoys the highest biodiversity per hectare of any South American country. In light of recent threats to the Galapagos, the United States takes special interest in protecting those islands, a UNESCO World Heritage Site.

In FY 2002, Ecuador will receive FMF funds to aid in preventing instability due to the effects of Plan Colombia. Although Ecuador led the Latin American shift from military to elected civilian rule in 1979, the country's democratic institutions remain weak, evidenced by the ouster of democratically elected President Mahuad in January 2000. To strengthen democratic institutions and military professionalism, the United States contributes International Military Educational and Training (IMET) funds. FY 2002 IMET funds will provide military and civilian defense training that reinforces the principles of civilian rule. In addition, portions of DA, IMET, and ESF funds go towards programs that focus on improving judicial integrity and good governance.

Ecuador will be eligible to receive Excess Defense Articles (EDA) on a grant basis under § 516 of the Foreign Assistance Act (FAA). Transfer of grant EDA to Ecuador will support our foreign policy goal of maintaining Ecuadorian democracy by undergirding the military services whose roles to support the elected government and protect the country's northern borders that are increasingly being violated by narco-traffickers and insurgents in Colombia. EDA will strengthen Ecuador's military by providing badly needed resources and equipment in the country's ongoing economic crisis. Provision of EDA will also show our commitment to Ecuador through support of its regional counter-narcotics efforts.

El Salvador
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
CSD	10,495	9,757	9,700
DA	19,508	24,370	19,403
ESF	4,950	4,982	21,000
FMF	0	0	3,500
IMET	523	525	800
Peace Corps	2,004	2,233	2,355

National Interests:

The principal U.S. interests in El Salvador are supporting democracy, fighting international crime and illegal drugs, encouraging economic development, protecting our borders by deterring illegal immigration, and promoting U.S. exports. The benefits of this policy are internal and regional stability, fewer criminal threats to the U.S., reduced illegal immigration, and increased trade. In addition, El Salvador is a regional model for economic, military, and institutional reform, and a leader in Central American integration. The country is thus a showcase for the success of over two decades of U.S. policy in the region. El Salvador continues to be a close ally. Last year, we reached an agreement to establish a forward operating location in El Salvador to fight drug trafficking, we laid the groundwork for an anti-drug maritime agreement, and talks on a new extradition treaty are well-advanced. U.S. interest in the region is served by maintaining the credibility of the Salvadoran model through our support, especially in light of the need to rebuild the economy following the recent earthquakes.

Objectives & Justification:

The U.S. will use Development Assistance (DA) and Economic Support Funds (ESF) to help El Salvador recover from the devastating earthquakes of January/February, 2001. The total cost of reconstruction from this calamity, which was worse for El Salvador than either Hurricane Mitch or the 1986 earthquake, is estimated at between $1.6 billion and $2 billion. Resources previously programmed for other purposes will need to be redirected to the remediation of the effects of the disaster, with primary focus on replacement of destroyed/damaged housing. Remaining resources will be used to strengthen democratic institutions by improving revenue collection and management and helping local officials be more responsive to constituents; bolster the capabilities of the legislative and executive branches of government; broaden political participation; and promote judicial reform.

Because widespread violent crime represents the greatest threat to democracy and stability, and because the capabilities of the police have been compromised by damage to communications and other infrastructure resulting from the earthquakes, programs funded by International Narcotic Control and Law Enforcement (INCLE) will emphasize reconstruction of police facilities. In addition to supporting communications systems, including the 911 network, funding for the International Criminal Investigative Training Program (ICITAP) will focus on consolidation of police management systems, enhancement of internal affairs and investigative

functions, and U.S.-style community policing strategies. INL will continue to provide police training and technical support specifically related to counter narcotics as well as technical support to combat money laundering.

Broad based economic development in El Salvador, which has been set back considerably by the recent disaster, will improve prospects for U.S. exports and help reduce the pressures driving illegal immigration. Development Assistance (DA) programs will help replace housing, encourage economic development and restore incomes, especially among the rural poor, by supporting microcredit programs, improved rural education, infrastructure replacement and improvement, and modernized land management. The U.S. is working closely with El Salvador in its post-quake reconstruction activities, mainly on long-term shelter, disaster mitigation, economic reactivation, and community infrastructure. CSD funds will be targeted at rural areas and used to improve access to potable water, as well as reducing reproductive health problems and earthquake-related diseases through improved medical care. In direct support of open markets, U.S. exports, and global economic growth, ESF will be used to provide technical assistance for energy market deregulation.

International Military Education and Training (IMET) funds will be used for professional training programs that will sustain the thoroughgoing reform of the Salvadoran military (ESAF) and consequent improvements in the democratic climate and regional stability seen in recent years. Foreign Military Financing (FMF) resources, denied to ESAF in recent years, will be restored, principally to help the military enhance its disaster preparedness capabilities and support its important role in the earthquake reconstruction process.

El Salvador will be eligible to receive FY2002 Excess Defense Articles (EDA) on a grant basis under § 516 of the Foreign Assistance Act (FAA). Transfer of EDA to El Salvador will contribute to U.S. interests by reducing the burden placed on the U.S. in responding to natural disasters and providing humanitarian assistance. EDA will be used to foster defense cooperation enabling the Salvadoran military to respond more effectively to contingencies such as 1998's Hurricane Mitch and the January/February, 2001 earthquakes. EDA will also increase the ability of the Salvadoran armed forces to support efforts to fight drug trafficking and will assist efforts to help the Salvadorans shift from combat-oriented units to units that can support peacekeeping operations.

El Salvador will receive $3.5 million in Foreign Military Financing (FMF) funds. Of these funds, $1 million will be dedicated to upgrading infrastructure to support a number of EDA naval vessels being transferred to El Salvador to upgrade counter narcotics interdiction capabilities. The remaining $2.5 million will be used for spare parts to help restore the Salvadoran helicopter fleet to mission readiness following the extreme strain on equipment incurred in responding to the recent earthquakes.

Guatemala
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
CSD	7,810	7,755	8,500
DA	13,150	17,297	16,210
ESF	20,000	13,951	10,000
IMET	228	250	350
INC	3,000	3,000	4,000
Peace Corps	3,334	3,801	3,835

National Interests:

Promotion of a stable, peaceful, democratic, and prosperous Guatemala -- the most populous country with the largest economy in Central America -- is a key U.S. policy objective and supports national interests. As Guatemala continues implementing the 1996 peace accords that ended 36 years of internal conflict, it is facing fresh challenges to political stability, economic growth, and long-term prospects for peace consolidation. Those challenges could unravel progress on peace implementation and undermine U.S. investments in the peace process (over $280 million since 1997). For that reason, sustained U.S. support for peace implementation will be even more critical in 2002.

The Guatemalan government has stated its commitment to peace implementation, strengthening democracy, and upholding human rights. U.S. support for these objectives, combined with assistance for programs to strengthen the rule of law and promote economic prosperity in Guatemala, will enhance stability. This will improve our ability to combat international criminal activities, such as narcotics trafficking and illegal immigration, that have a direct impact on U.S. national security.

As Guatemala's key trade partner, the U.S. also has an important interest in encouraging the government to maintain an open trade system and to institute reforms to promote a healthy investment climate. This will help attract profitable U.S. investment; a sound economy also will provide a robust market for U.S. exports. Protecting and assisting the considerable number of resident and tourist American citizens in Guatemala is another important interest, and is supported by U.S. assistance to improve Guatemalan law enforcement and administration of justice programs.

Objectives & Justification:

Support for peace implementation is a cornerstone of current U.S. policy towards Guatemala. Peace consolidation will create positive socio-economic changes that will help maintain stability, foster greater political legitimacy, and promote broad-based economic growth. FY 2002 Economic Support Funds (ESF), Development Assistance (DA), P.L. 480 Food Aid, and Child Survival and Disease (CSD) funds will help support the GoG's attempts to consolidate peace implementation by promoting national reconciliation, human capacity development, productive activities, and modernization of the state (e.g., justice system, tax administration,

congress, local governments). The funds will support democratic development programs, improved access and quality of education services, improved health for rural women and children, increased rural incomes and food security, and sustainable natural resource development.

DA and ESF funds will leverage our ability to push the government to maintain open trade ties and to make the necessary structural reforms to encourage profitable U.S. investment. International Military Education and Training (IMET) will support the ongoing transition to civilian control of the armed forces and promote further military professionalization, both key peace accord objectives. Under the Expanded IMET (E-IMET) program, these funds will provide courses to military officers and civilians that promote civilian control of the military, instill respect for human rights, improve the military justice system, and enhance management of defense resources. Guatemala also will be eligible in FY 2002 to receive Excess Defense Articles (EDA) on a grant basis under Section 516 of the Foreign Assistance Act (FAA). EDA will be used to assist the armed forces in promoting the peace process as well as to enhance interoperability and modernization efforts.

Guatemala's strategic location makes it a significant transit point for narcotics flows destined for the United States. FY 2002 International Narcotics Control and Law Enforcement funds (INCLE) will support U.S.-Guatemalan counternarcotics cooperation, and ICITAP programs will strengthen the country's law enforcement capacity. ESF-funded programs to enhance administration of justice will help the government enforce laws related to protection of intellectual property, worker rights, and other human rights.

INCLE funds will improve counternarcotics and law enforcement capabilities by providing training and equipment for an expanded civilian Department of Anti-Drug Operations that is responsible for interdiction and eradication, assisting in modernizing the judiciary, and supporting updated anti-drug and money laundering legislation.

INCLE funds also will expand the activities of narcotics prosecutors and the new narcotics investigation squad, continue information coordination operations, enhance public awareness of the damage inflicted by drug abuse and trafficking, and complete the establishment of port security projects. Such measures will help reduce the flow of cocaine and other illegal drugs to the U.S., and deter other criminal activity. Additionally, improved law enforcement and administration of justice will contribute to protection of American citizens in Guatemala from growing criminal and other public security threats, and will create a climate conducive to building democratic institutions.

Guyana
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
CSD	200	798	1,000
DA	3,200	3,800	3,200
FMF	100	124	600
IMET	168	195	275
Peace Corps	802	815	939

National Interests:

U.S. national interests are served by strengthening democratic institutions in Guyana to promote internal stability. U.S. national interests in developing markets for exports and encouraging U.S. investment in Guyana are promoted by supporting economic reforms and broad-based economic growth in Guyana. As Guyana is increasingly a transit country for narcotics, U.S. interests are also served by assisting Guyana in strengthening its counternarcotics programs. U.S. interests in strengthening international health capabilities, especially with respect to HIV/AIDS, are also served by programs in Guyana.

Objectives & Justification:

The U.S. continues efforts to bolster democratic institutions in Guyana. Political and racial unrest following the 1997 elections directly threatened such institutions. Although progress has been made, additional strengthening and deepening is essential to the long-term development of Guyana. Many of USAID's development assistance (DA) programs focus on strengthening democratic processes and institutions. In FY 2002, DA funds will be used to support further constitutional reform efforts, strengthen civil society, encourage the growing participation of women in government and build sustained institutional capacity to conduct free and fair elections.

The Guyana Defense Force (GDF) is the smallest military in South America/Caribbean. Due to severe budgetary constraints, it remains inadequately funded. However, progress has been made on a wide range of military engagement activities. The GDF hosted the ground phase of Tradewinds 99, the annual training exercise sponsored by SOUTHCOM for CARICOM countries. FY 2002 Foreign Military Financing (FMF) funds will support acquisition and sustainment costs of two 44 ft. motor life boats through the EDA program as well as their base infrastructure and communications equipment. Guyana is eligible in FY 2002 to receive Excess Defense Articles (EDA) on a grant basis. EDA will promote inter-operability and modernization of equipment.

The International Military Education and Training (IMET) programs support efforts to further professionalize the military and to strengthen regional stability.

Guyana's economic development and political stability are closely linked. The economy experienced a downturn in 1998, posting a negative growth rate of almost 2 percent. Growth in 1999 was a modest 3 percent and the estimate for 2000 is only 0.5 percent. Guyana is one of the

poorest countries in the hemisphere with a per capita income of about $800. In 1999 Guyana qualified for debt relief under the initial stage of the Heavily Indebted Poor Countries (HIPC) initiative, but is having problems satisfying conditions for greater debt reduction under enhanced HIPC. USAID's DA funds provide support to expand economic opportunities for the rural and urban poor. These programs also strengthen the GOG's capacity to execute sound macro-economic programs. They also seek to strengthen the ability of private sector organizations to influence public policy. The Embassy actively works on promoting American investment in Guyana. While markets and investment opportunities are limited, the slow opening of Guyanese markets will create small niches for U.S. exports. Guyana has the second highest HIV prevalence rate in the Latin American/Caribbean region. USAID has responded with HIV/AIDS awareness and prevention programs.

Guyana is increasingly a transit point for narcotics destined for the U.S. and Europe. A small USG narcotics control program is funded through the Bureau of International Narcotics and Law Enforcement's (INL) regional funds. The program's emphasis is on training to aid Guyana's underequipped and inexperienced counternarcotics agencies. The Embassy is assisting the GOG in drafting counternarcotics legislation and has pressed for the passage of money laundering, asset forfeiture, and other modern anti-crime statutes. The Mission is also pressing the GOG regarding alien smuggling. DA programs to strengthen the rule of law and increase the effectiveness of the judicial system reinforce other law enforcement programs.

Haiti
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
ESF	52,550	46,835	35,000
FMF	300	448	600
IMET	222	0	0
Peace Corps	1,367	1,340	1,431
PKO	3,800	1,721	0

National Interests:

Haiti is classified by the World Bank as a low income country, one of only two such countries in the Western Hemisphere. With a per capita GDP of $460, negative real GDP growth over the decade from 1990-99, and two-thirds of the population living in poverty, Haiti's short- and medium-term economic prospects are grim. This fact alone is enough to send thousands of undocumented migrants headed toward U.S. shores annually, often in boats totally unsuited to crossing 600 miles of shark-populated open sea.

A U.S. bilateral assistance program directly supports U.S. national interests by promoting democratic and economic development in Haiti. Reducing poverty directly addresses conditions that contribute to illegal emigration to the United States. Strengthening Haitian government ability to stop the use of its territory for shipping illegal narcotics to the United States responds to a key U.S. policy concern, both domestically and internationally. Improving the capabilities of the Haitian government and civil society under this program furthers the substantial U.S. efforts since the 1994 intervention to end definitively Haiti's long history of undemocratic and repressive rule.

Objectives & Justification:

U.S. engagement in Haiti is transitioning from the crisis-driven activism of the 1990's to a more normal and long-term approach aimed at building an evolving inclusive democracy. It seeks to tackle first the worst effects of poverty: high fertility, poor education, malnutrition, and environmental degradation. It also looks to strengthen Haiti's still vulnerable democratic infrastructure by emphasizing activities supportive of the rule of law, good governance, professional policing and the development of local government and civil society.

Haiti is a complex development challenge, with a history of political instability and repression, widespread poverty, illiteracy, and weak government institutions. As the World Bank's Study on Haitian Poverty indicates, 65 percent of Haiti's people live in rural areas and two-thirds of them live below the absolute poverty line -- i.e. they are unable to meet minimum daily caloric requirements. A significant segment of Haiti's population lives at a level of economic vulnerability seen only in war-torn countries. ESF in FY 2002 will be targeted to programs generating sustainable increased income for the poor, improved human capacity, encouraging healthier families of desired size, and slowing environmental degradation, particularly in rural areas.

Haiti's progress toward institutionalizing the democratic goals set forth in the 1987 Haitian Constitution remains incomplete. The military was disbanded and replaced by a completely new civilian police force. Civil society is increasingly active and vocal over public priorities and concerns, and is putting increased pressure on the government to "transform the state" through decentralization. Although there is a fledging democratic framework in Haiti, the process of institutionalizing good governance remains tenuous and in need of continued outside support.

FY 2001 legislative restrictions on assistance to the central government of Haiti curtailed planned ESF assistance for the U.S. Department of Justice's International Criminal Investigative Training Assistance Program (ICITAP), which supported the Haitian National Police (HNP) through training and technical assistance programs. Planned support to the HNP and its Coast Guard, through IMET and FMF monies, has also been curtailed because of the legislative restrictions on assistance to the central government of Haiti. FY 2002 legislation may permit resumption of FMF assistance to the HNP, and its Coast Guard in particular, mostly to enhance counternarcotics capabilities.

Haiti may also be eligible in FY 2002 to receive Excess Defense Articles (EDA) on a grant basis under § 516 of the Foreign Assistance Act (FAA). Transfer of grant EDA will promote our long-standing interests in strengthening democracy and reducing the flow of illegal narcotics and undocumented aliens. Receipt of EDA, such as boats for the Haitian Coast Guard, will increase Haiti's capacity to patrol its coastline to interdict drug traffickers and alien smugglers.

Honduras
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
CSD	7,400	8,436	8,800
DA	12,633	16,169	16,530
ESF	0	996	1,000
IMET	548	525	625
Peace Corps	4,075	3,853	3,816

National Interests:

The devastation of Hurricane Mitch in late 1998 was so severe in Honduras that it threatened the country's recent economic and social gains. Only a massive infusion of U.S. and international assistance prevented widespread starvation and disease that could have resulted from the hurricane's damage. The U.S. continues to lead an international effort to rebuild Honduras and to address some of the chronic problems that plague the country. These include weak democratic institutions; limited modern infrastructure, weak social, public security and judicial systems; chronic housing shortages; and slow economic reforms. Addressing these problems supports U.S. national interests by providing market and investment opportunities for U.S. businesses; promoting employment (and thereby discouraging illegal immigration); strengthening democratic institutions, the rule of law, and social systems; providing greater legal protection and security for U.S. citizens and firms; deterring narcotics trafficking and other criminal activity; and ensuring regional stability.

Objectives & Justification:

The primary objective of U.S. assistance to Honduras is to ensure a continuation of the social and economic reforms that were in progress when Hurricane Mitch devastated the country in late October 1998. To date, President Flores, with substantial assistance from the United States and other donors, has followed through on his pledge to rebuild a better Honduras than that which existed before the hurricane. In addition to significant progress on infrastructure repairs and re-establishing basic services such as water, sanitation and health care to many communities, President Flores has continued with the country's democratic and economic reforms, especially in the civil-military structural relationship and the judicial sector. In addition, management of the country's four international airports was successfully contracted to an international consortium. However, progress has slowed in 2000. The first attempt to privatize part of the state-owned telephone company failed, and several key reforms appear to be stalled in the Honduran Congress.

Reconstruction of infrastructure by the GOH, local organizations, and international donors has been more successful than the larger transformation of Honduras, but additional progress is needed. Eighty percent of roads and 50 percent of bridges have been repaired. About 18,000 houses have been built with improved construction in safer locations, but more than 33,000 were destroyed and 55,000 damaged by the hurricane.

In FY 2002, U.S. activities to support further progress on democratic and economic reforms include Development Assistance (DA) funding to target economic reactivation, accountability, public health, environmental management, municipal development and disaster mitigation. Economic Support Funds (ESF) will be used to facilitate implementation of a new Criminal Procedures Code, which will substantially improve the transparency of the justice system. In addition, Child Survival and Disease (CSD) funding will help improve access of rural women and children to basic education and health care. The International Military Education and Training (IMET) program for Honduras will help consolidate civilian control of the military through training programs and participation in regional military exchanges/programs.

Honduras will also be eligible to receive Excess Defense Articles (EDA) on a grant basis under § 516 of the Foreign Assistance Act (FAA). Transfer of grant EDA to Honduras is consistent with U.S. foreign policy objectives of interdicting narcotics trafficking and enabling the Honduran Armed Forces to better conduct disaster relief and search and rescue missions. In spite of the demands of Hurricane Mitch reconstruction, the Government of Honduras continues to make progress on its commitment to cooperate on narcotics interdiction. EDA boats, vehicles and helicopters will be important for continued progress in this area as well as the other aforementioned missions.

U.S. International Narcotics Control (INC) funds from regional allotments are used to support Honduras' expanding anti-drug programs, which serve to amplify and reinforce our own hemispheric law enforcement efforts. These funds finance a variety of crucial initiatives, including a canine counternarcotics unit, maritime assets, demand reduction programs, and training and equipment for police counternarcotics units.

Jamaica
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
CSD	3,357	4,116	5,000
DA	7,810	7,792	7,482
ESF	1,200	1,495	1,000
FMF	500	582	900
IMET	461	500	600
INC	800	1,200	1,550
Peace Corps	2,290	2,219	2,305

National Interests:

U.S. interests in Jamaica include stemming the flow of illegal narcotics and migrants, preventing the cultivation and export of Jamaican-grown marijuana to the United States, protecting the interests of U.S. investors, ensuring the safety and security of Americans residing or visiting on the island, and assisting Jamaica to play a constructive leadership role among Caribbean countries. U.S. programs seek to bolster the effectiveness of Jamaica's security forces and judicial organs and to alleviate social and economic ills that have a debilitating effect on democratic institutions or increase levels of violent crime.

Objectives & Justification:

Jamaica plays a leadership role among the Caribbean countries, and until January 2002, is a member of the United Nations Security Council. Jamaica is now the major Caribbean transit point for South American cocaine enroute to the United States, and the island is the largest producer and exporter of marijuana in the Caribbean. It is important that Jamaica have sufficient resources to combat narcotics trafficking and the accompanying crime, corruption, and threats to democratic institutions.

The Jamaica Defence Force (JDF) has demonstrated during joint counternarcotics exercises with the U.S. under the bilateral maritime agreement that it is professional and well-trained. The U.S. Government and Government of Jamaica (GOJ) need to take steps to better employ the bilateral maritime agreement to maximize use of U.S. resources that augment limited Jamaican resources. When not called on by the GOJ to assist in police or prison duties, the JDF participates in marijuana eradication.

In 1999, the United States transferred two excess U.S. Guard 82ft patrol vessels to Jamaica under the Excess Defense Articles (EDA) program. Jamaica will be eligible to receive EDA in FY 2002 on a grant basis under Section 516 of the Foreign Assistance Act (FAA). EDA for Jamaica will be used to support JDF's role as a stabilizing force in the Caribbean through active involvement in peacekeeping operations, search and rescue missions, disaster relief, and counternarcotics operations. It will also aid in enhancing inter-operability in U.S./Caribbean joint exercises. FY 2002 Foreign Military Financing (FMF) funds will continue to provide valuable technical support and spare parts for aircraft and armored vehicles, as well as uniforms and other

equipment for the JDF. International Military Education and Training (IMET) funding will assist the GOJ by providing training programs that focus on professionalizing their military, developing future leaders, inculcating a better capability in resource management, and instilling a greater respect for human rights among service members.

Currently, U.S. counternarcotics funding is used to support marijuana eradication. In June 2000, the GOJ began paying 50 percent of the salary expenses for personnel involved in marijuana eradication and will take over their full salaries beginning in June 2001. U.S. funding also assists GOJ anti-drug agencies to enhance interdiction capability, as measured by increased seizures and arrests, and to undertake investigations. U.S. funding supports development of GOJ anti-money laundering capabilities and adoption by the GOJ of modern anti-crime legislation. U.S.-funded training includes anti-money laundering, anti-corruption, collection and analysis of evidence, port security, and tracing firearms.

In 2000, Jamaica experienced its first year of positive economic growth since 1995. Over half the government's budget goes to debt service. Environmental problems include water pollution and damage to forests and coral reefs, and threaten one of Jamaica's few profitable industries, tourism. Society is threatened by criminal gangs, inadequate schools, the breakdown of the family, and high unemployment, particularly among the young. The poor economic situation in Jamaica also contributes to the problem of illegal Jamaican migration. U.S. development assistance programs foster the creation and expansion of small businesses, improve water quality, protect parks and foster eco-tourism, and address the problems of at-risk youth by combating HIV/AIDS, STD's, and pregnancy, providing services to pregnant teenagers and reformed addicts, and improving educational standards at 72 primary schools. Programs at these schools will target literacy, quality of teaching, school attendance, and management. The programs will also target the gang-ridden "garrison communities."

About 800,000 U.S. citizens visit Jamaica annually, with an equal number traveling to the Cayman Islands, which is within the consular district of the U.S. Embassy in Kingston, and approximately 8,500 Americans reside in Jamaica. The safety of U.S. citizens is a priority. U.S. officials in Jamaica maintain close contact with the Jamaican and Cayman police, national security, judicial, aviation, and tourism officials, keep U.S. citizens informed of safety and security concerns, maintain registration and warden systems, and monitor the welfare of the 50-60 U.S. citizens imprisoned at any given time. The Embassy has a program that warns about penalties for attempting to smuggle illegal drugs out of Jamaica into the United States.

Mexico
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
CSD	4,200	5,987	6,000
DA	9,562	8,640	6,165
ESF	2,000	6,178	10,000
IMET	865	1,000	1,150
INC	4,071	10,000	12,000

National Interests:

Mexico is the most important U.S. foreign policy priority in Latin America. What happens in Mexico has more direct impact on U.S. citizens than any other country. In February, 2001, Presidents George W. Bush and Vicente Fox jointly announced a new era of strengthened cooperation, and a full partnership between the two countries, based on the many factors we share in common: (1) a 2,000 mile border that creates migration, crime and trade issues; (2) economic, environmental and health interdependence of our citizens; (3) our domestic political interdependence and common social heritage; and (4) our shared concern that the citizens of both countries be able to benefit from economic opportunity and growth.

The US Government has a major stake in helping Mexico to meet these shared challenges. The strong Bush-Fox partnership presents a historic opportunity to establish truly effective cooperation between the two countries. Program funds provided to Mexico help to strengthen and decentralize democratic governance at the national, state and local levels; improve justice administration; strengthen municipal governance capacity and citizen participation; support congressional modernization; free and fair elections; and establish educational initiatives.

Objectives & Justification:

ESF will provide 1) assistance to Fox administration initiatives to implement more effective decentralization policies, de-politicize administrative and fiscal controls, increase transparency of revenue transfers to states and municipalities, and improve municipal revenue generation, 2) build on GOM priorities to develop increased economic opportunities by generating awareness of mechanisms for private sector participation in infrastructure and urban service financing and credit development, 3) increased emphasis on transparency and accountability, including codes of conduct, development of simple, clear procedures for obtaining city services, citizen oversight of revenue transfers and expenditures at the local level, and citizen participation in local government decision-making, and 4) supporting the local governance effectiveness in managing key environmental issues, including environmental protection and energy efficiency.

In FY 2002, ESF funds will also be used to coordinate with technical units of the Mexican Congress: 1) Budget Analysis Unit and the General Accounting Office of the Chamber of Deputies, to strengthen the performance of the Congress' constitutional functions of oversight and budget making; 2) Legislative Research Service, to develop improved legislative research, bill drafting and bill analysis skills; and 3) Office of Training of the Chamber of Deputies, to support

implementation of the Chamber's new career legislative civil service. Theses activities will 1) address the issues necessary to support the federal Senate as it deals with the newly pluralistic environment, and 2) help three state legislatures develop systems.

In 2002, ESF will sponsor follow-up to the border exchange conferences, in the form of border judicial working groups made up of judges, prosecutors and lawyers to implement projects to improve coordination and communication between courts along the U.S. – Mexico Border, facilitate training for Mexican judges, and promote procedural reforms in participating Mexican states. Assistance to state electoral tribunals would incorporate the lessons learned from the 2000 Guanajuato, Chiapas, and Tabasco state elections and expand the number of participating states. Special emphasis will be placed on upcoming elections in the Yucatan and Tabasco, both seen as critical to the overall credibility of the Mexican electoral process.

An ESF anti-corruption program in FY 2002 will improve investigation and fraud-detection techniques for official corruption by assisting key staff of the Mexican supreme auditing agency and the public ministry. It will support initiatives to make decentralization policy implementation transparent through assistance to the federal offices charged with decentralization policy implementation.

A policy change & institutional reform ESF program will support the design and implementation of government innovation/institutional reform. Partners will include the President's Office on Government Innovation, the Secretary of Comptrollership and Administrative Modernization (SECODAM), the Interior Ministry's Office on Municipal Governance (CEDEMUN). Technical assistance and training will be provided to partner institutions to improve strategic policy making skills, increase efficiency of federal executive branch departments and agencies.

ESF will be used to support new activities and expand existing initiatives in the southern states of Chiapas, Oaxaca and Guerrerro, linking to President Fox's "March to the South" initiative to support political and economic development in this priority region of Mexico. These three states are Mexico's poorest and most conflictive, with the largest indigenous populations in Mexico. Programs will be implemented through partnerships and small grants to the Mexican state and local government entities and to Mexican and U.S. non-governmental institutions.

International Narcotics Control and Law Enforcement (INCLE) funds will be used to prevent use of Mexican territory and territiorial waters by drug trafficking organizations to move illicit drugs to the United States, dismantle drug cartels and disrupt drug trafficking, combat corruption and promote justice sector reform, reduce and ultimately eliminate drug crop cultivation, production of methamphetamines, and other illicit pharmaceuticals, control money laundering, including the seizure and forfeiture of trafficker assests, and reduce demand for illicit drugs and mobilize communties against illicit drugs.

Our interests in good governance, law enforcement, and regional stability will also be served by the continued evolution of a professional Mexican military respectful of human rights that cooperates with the U.S. on issues of common interests. FY 2002 (IMET) funds of $1.15 million will provide professional and technical training intended in areas of mutual concern,

including strengthening military command and technical capabilities, human rights standards, resource management, and English-language skills. IMET's effectiveness will be measured in part by the promotion of U.S.-trained officers and civilian personnel to positions of leadership and command, increased interoperability and cooperation in joint military operations, and effectiveness in counterdrug and other law enforcement support missions.

The incidence of HIV infection in Mexico (the second greatest in Latin America) and the continuing problem of tuberculosis there have serious public health implications for the U.S. as well. CSD funds will support an ongoing tuberculosis prevention and control program to improve the political, administrative, diagnostic and therapeutic response to the disease. The scope of HIV infection in Mexico presents a serious challenge to the recently decentralized national health system. CSD funds will also support programs to help states in their new responsibilities for funding, management and integration of HIV/AIDS and STI programs.

DA funding will strengthen local and national capacity to manage natural resources. This includes prevention and control of wildfires and pilot activities to ensure long term stability of parks and protected areas by developing sustainable funding mechanisms. 80% of Mexico's energy comes from consumption of fossil fuel, contributing directly to greenhouse gas emissions.

Nearly one half of Mexico's population lives below the poverty line, and the economy's inability to generate sufficient new employment adds to the financial pressures that fuel migration within Mexico and to other countries (e.g. the U.S.). DA funding will strengthen the institutional base needed for sustainable growth in microenterprise, already an important source of income for poor Mexicans, promoting more equitable economic growth.

Mexico will be eligible in FY 2002 to receive Excess Defense Articles (EDA) on a grant basis under § 516 of the Foreign Assistance Act (FAA). Transfer of grant EDA to Mexico serves high-priority U.S. foreign policy objectives by enhancing Mexico's capabilities in the struggle against illicit production and traffic in narcotics. Mexico is the source country for much of the marijuana, heroin and methamphetamines, and the primary transshipment point for cocaine, destined for the United States. More effective counternarcotics cooperation is key to U.S. efforts to reduce the flow of drugs into this country.

Nicaragua
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
CSD	7,932	6,858	7,000
DA	14,450	16,690	17,000
ESF	0	1,495	1,500
IMET	194	220	375
Peace Corps	2,405	2,539	2,659

National Interests:

The primary national interests of the United States in Nicaragua are to support and strengthen democratic institutions; to foster regional security and interdict international crime; and to promote broad based economic growth. Since the return of democratically elected government in 1990, Nicaragua has made great strides toward establishing legitimate democratic institutions. However, these institutions are still young and fragile, and they will be put to the test in November, 2001 when Nicaragua holds presidential and legislative elections. Likewise, Nicaragua has witnessed significant economic change over the past decade, opening its markets and actively seeking foreign investment. Nevertheless, despite growth in some sectors, poverty levels have not been significantly reduced and circumstances were made worse after damage done by Hurricane Mitch. According to the World Bank, in 1998 Nicaragua was the poorest country in the Western Hemisphere in terms of per capita GNP. Continuing U.S. engagement remains an important component of Nicaragua's ongoing effort to become a stable, democratic and more prosperous U.S. regional partner; such support is especially crucial now as Nicaragua moves toward elections and attempts to combat persistent economic problems.

Objectives & Justification:

Chief among U.S. policy objectives in Nicaragua has been to ensure that the devastation caused by Hurricane Mitch in October 1998 does not undo nearly a decade of political and economic progress. The Central America and Caribbean Emergency Disaster Recovery Fund (CACEDRF) financed programs designed to rebuild and, in many cases, improve upon institutions and infrastructure which existed prior to the Hurricane. To help ensure transparency, the USG channeled this assistance almost exclusively through municipal governments, NGOs, and other civil society players, ensuring their active engagement and oversight. CACEDRF assistance also focused on creating mechanisms to prepare for and mitigate the effects of future natural disasters.

International Military Education and Training (IMET) funds serve both to promote regional security and to strengthen democratic institutions. The Nicaraguan National Army (EN), once at the service of Sandinista political leadership, has made great progress in professionalizing and depoliticizing its officer corps, and in submitting to the direction of a civilian President and a civilian Minister of Defense (MoD). To continue this process, courses in military resource management, human rights and the role of a modern military within a democratic framework are

crucial if Nicaraguan civilian leaders -- many of whom have little direct experience with military institutions -- are to effectively lead the EN.

NADR funds in Nicaragua go to fund one of the most successful humanitarian demining operations in the Western Hemisphere -- another crucial aspect of our efforts to ensure peace, economic development and regional stability. In the past, U.S. humanitarian demining contributions for Central America were directed to the Organization of American States (OAS) to fund various programs throughout Central America. Of the regional work that remains, most is in Nicaragua; as such we have opened Front #5 in Siuna for $1,000,000. Additionally, the U.S. Government is funding the continuation of a canine mine detection program throughout Central America.

Nicaragua will be eligible to receive Excess Defense Articles (EDA) on a grant basis under § 516 of the Foreign Assistance Act (FAA). Transfer of grant EDA to the Government of Nicaragua will support our foreign policy goal of building Nicaraguan capacity to interdict narcotics flows through Central America and in the adjacent Caribbean. EDA also will continue to support the Nicaraguan Armed Forces' (EN) capability to conduct disaster relief and search and rescue missions. Successful performance of these missions will enhance the EN's new role as a nation-building institution subordinate to civilian control -- another major U.S. policy goal in Nicaragua.

Development Assistance (DA) and Economic Support Funds (ESF) are the backbone our democracy programs in Nicaragua. Long-term, we are focusing on justice sector reform, civil society strengthening, municipal development, accountability/anti-corruption and electoral administration. Institutions remain weak and subject to manipulation, making U.S. support in each of these areas crucial if Nicaragua is to establish legitimate democratic institutions that respond to the needs of the country's citizens. In addition, we believe that direct U.S. support through ESF and DA is necessary to help ensure free and fair elections in November. We seek to fund international and domestic election observers and to provide limited technical assistance.

As the poorest country in the Western Hemisphere, greater stability and democracy must go hand in hand with broad based economic growth in Nicaragua. Child Survival and Disease (CS&D) funds directly address our economic goals in Nicaragua on the most basic level. Through these funds, we support improved access to and quality of basic education, improved health for rural women and children, and food security. DA is also crucial to our efforts to promote sustainable natural resource management and increased rural incomes. Specifically, DA funds go toward promoting microenterprise development, expanding infrastructure and providing technical assistance to farmers.

Success in protecting and promoting our national interests in Nicaragua depends largely on how well we address the scourge of narcotrafficking and other transborder crime. While Nicaragua receives no direct, bilateral U.S. International Narcotics Control (INC) funds, our efforts in this area are supported by INC funds from regional allotments. Our INC investments in Nicaragua are relatively new, but they have already paid great dividends in amplifying the effect of our own law enforcement efforts in the region. We are currently providing training and equipment to the newly-created anti-drug division of the Nicaraguan National Police and seeking

to promote the formation and training of a coast guard. Our justice improvement and anti-corruption projects seek to fortify this work on the institutional level. Continued U.S. counternarcotics assistance to Nicaragua will eventually bring the GON up to the standard of its neighbors who have had a longer relationship with the U.S., providing us a unified front against crime in a region that cannot afford weak spots.

Panama
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
DA	3,500	3,700	4,500
ESF	1,000	996	4,000
FMF	0	0	1,000
IMET	117	150	170
INC	4,987	1,000	11,000
Peace Corps	1,795	1,998	1,901

National Interests:

Panama remains extremely important to U.S. national interests following the transfer of the Panama Canal on December 31, 1999. The U.S. continues to have a responsibility to ensure the secure operation of the Canal. The Colon Free Zone is the largest free trade zone in the Hemisphere and Panama is a major overseas financial center. Panama's strategic location between South and North America makes it a crossroads for international commerce, but also a center for illegal activity such as drug trafficking, money laundering, trafficking in arms and illegal immigration. Panama has begun to experience spillover effects along its eastern border from Colombia's civil conflict, including refugees and armed incursions by rebels. The United States must continue cooperative efforts with Panamanian law enforcement entities to counter transnational crime threats and manage Colombian spillover, while working with the Government of Panama to help assure the security and smooth operation of the Panama Canal.

Objectives & Justification:

The United States will continue cooperative programs aimed at interdicting the flow of illegal drugs through Panama. We will seek to enhance Panama's ability to combat money laundering and other financial crimes. The U.S. will increase support to Panama's police to help manage the impact of Colombia's civil conflict along their shared border.

Through cooperation between USAID, the Government of Panama and Panamanian NGOs, we seek to promote indigenous environmental protection and management policies and programs designed to protect the Canal watershed. The Development Assistance (DA) funds earmarked for this purpose are directed toward building domestic institutions capable of managing the Canal watershed, encouraging local government and private sector cooperation in environmental management and protection, and increasing civic participation in protection of the environment. USAID will continue projects to improve the efficiency and fairness of the system of administration of justice. USAID also intends to begin in FY 2002 projects to develop Panama's eastern border area as a means to increase local government control and improve the rule of law.

In FY 2002, the International Military Education and Training (IMET) program will provide training in the rule of law discipline in security operations to enhance the principle of human rights. IMET courses in maritime operations will enhance Panama's ability to interdict

transnational criminal activity and to ensure the security and continued smooth operation of the Canal.

Panama will be eligible to receive Excess Defense Articles (EDA) on a grant basis under § 516 of the Foreign Assistance Act (FAA). Transfer of grant EDA to Panama will bolster Panama's capabilities to provide security for the Canal -- including transits of U.S. military vessels, to secure its maritime borders and to deal with the spillover from Colombia's civil war. With the withdrawal of U.S. military forces from Panama, it is struggling to assume responsibility for its own national security. Panama's Public Forces currently lack for adequate maintenance, basic communications gear and transportation resources.

Paraguay
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
DA	5,175	6,345	5,375
ESF	1,000	3,488	3,500
IMET	210	200	300
Peace Corps	2,925	3,291	3,396

National Interests:

The primary United States national interest in Paraguay is the consolidation and strengthening of democracy. Other interests, which depend on progress on democracy, include fighting transnational crime – intellectual property rights violations, drug trafficking and terrorism – and promoting responsible regional environmental management. Humanitarian interests include promoting public health and sustainable development.

Objectives & Justification:

Economic Support Funds (ESF) and Development Assistance (DA) funds will be used to strengthen democracy, help protect the environment, and improve child and maternal health. Funding will promote democracy by strengthening local governments, encouraging the adoption of national reforms, and supporting civil-military dialogues and a vigorous civil society. Funding also will offer Paraguay assistance in managing key environmental areas and supporting the environmental community in managing regional environmental concerns. DA funds will be used to make family health care more accessible and improve grass-roots provision of health services at the community level. ESF will also be used for health education for marginal and rural families. These efforts will help stabilize population growth, improve women's health, and reduce maternal and infant mortality and other poverty-related problems.

The International Military Education and Training (IMET) funds will help promote democracy in Paraguay and regional stability by increasing the professionalism of military personnel and continuing to develop military respect for civilian authority. IMET funds will be used to train Paraguayan officials at various military schools. Anticipated courses include the international officers' school, civil-military operations, and sustaining democracy. By increasing military professionalism, such training also reduces the likelihood that civilians will seek to involve the military in politics.

Paraguay is a transshipment point for an estimated 15-30 metric tons of cocaine per year, some of which reaches the United States. International Narcotics Control and Law Enforcement (INCLE) funds from a Western Hemisphere regional account will be used for training, technical assistance, and equipment to help Paraguayan officials to develop a law enforcement capability to confront cocaine trafficking and money laundering.

Peru
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
CSD	7,000	9,230	10,500
DA	27,904	29,071	28,646
ESF	4,000	2,200	10,000
FMF	0	0	1,000
IMET	455	475	500
INC	80,000	48,000	156,000
NADR-HD	1,000	861	250

National Interests:

The Andean region represents a significant challenge and opportunity for U.S. foreign policy, with important national interests at stake. None of the region's challenges -- supporting democracy, fostering economic development, combating narcotics trafficking -- can be addressed in isolation. Under the Andean Regional Initiative, in Peru the United States seeks to strengthen democratic institutions in Peru, to strengthen Peru's ability to interdict and disrupt narcotics production and distribution, to promote economic growth and commercial opportunities for U.S. business, and to enhance regional stability in the Andes. Peru has undergone profound political transition in the past year which will culminate in the inauguration of a new, democratically-elected President and Congress on July 28, 2001. We will support Peru as it takes measures to implement democratic and economic reforms, reduce poverty and improve the standard of living for its people, professionalize its security forces, consolidate its past counterdrug achievements, and promote licit economies and rule of law.

Objectives & Justification:

Peru is one of the largest countries in South America and has a strong bilateral relationship with the U.S. that spans many issues, from counternarcotics to commercial ties. Peru is a source country for cocaine, and the U.S. has enjoyed excellent cooperation from the GOP in counternarcotics activities, resulting in a 70% decline in coca cultivation from 1995 to 2000. International Narcotics Control and Law Enforcement (INCLE) funds in the amount of $156 million will provide training and assistance for aerial, maritime, riverine and ground interdiction of drug shipments, enhanced law enforcement, alternative development assistance, and drug education and demand reduction. Increased funding is proposed to enhance interdiction efforts, as traffickers have adapted new methods of transportation following the shutdown of the northern "air bridge" to Colombia, and to increase the alternative development services needed to complement eradication programs by providing former coca farmers with viable crop options. The success of alternative development has been amply demonstrated: licit agricultural production in zones targeted for assistance now totals $64.6 million, exceeding the gross value of coca leaf produced in those zones by ten percent. Expansion of this program will help consolidate the gains from eradication and interdiction.

The end of the centralized Fujimori administration, new national elections in April 2001 to install democratically-elected leadership, and a renewed commitment to international human rights practices represent an opportunity for extremely positive change in Peru. A wide-ranging democratic reform agenda was developed in conjunction with the Organization of American States to address weaknesses in the judiciary, balance of powers, freedom of expression, and the security forces. Legislation to enact these reforms has largely been completed but the challenge of implementation still lies ahead. Training and technical assistance is needed to help rebuild democratic institutions, to improve administration of justice and rule of law, to strengthen local governments and encourage greater citizen participation in decision-making, to promote political party building, and to increase civilian control over the military. The $10 million in Economic Support Funds (ESF) and part of the $26.7 million in Development Assistance (DA) funds are designed to foster these goals. We will continue to support the Human Rights Ombudsman and NGOs, but will also engage directly with the new Government of Peru.

Peru has successfully dealt over the last several years with Shining Path and MRTA insurgency threats to country's social and political stability, which date from the 1980s. In October 1998 Peru and Ecuador signed a peace agreement resolving an armed border dispute that continued for over 150 years and last erupted into armed conflict in 1995. $250,000 in Non-proliferation, Anti-Terrorism, Demining and Related Programs (NADR) funds will be used to accelerate demining of the border region under the new Peruvian government and to complement efforts by the OAS to develop a pilot program with both Peru and Ecuador. International Military Education and Training (IMET) in the amount of $500,000 funds programs to improve military professionalism and capabilities by providing military and civilian defense professionals training that reinforces the principle of civilian rule. Recent steps taken by Peru to depoliticize the armed forces will increase the effectiveness of our programs. We also propose to spend $1 million in Foreign Military Financing (FMF) to improve the military's capabilities in protecting Peru's borders and promoting regional stability.

Peru in FY 2002 will be eligible to receive Excess Defense Articles (EDA) on a grant basis under § 516 of the Foreign Assistance Act (FAA). Transfer of grant EDA to Peru serves a key U.S. national interest in assisting the Government of Peru in combating illegal narcotics production and trafficking by providing needed equipment to the Peruvian security forces, which are an integral part of the counterdrug effort.

Peru's economic recovery in 2000 (from two years of stagnation caused by El Nino and the global financial crisis) was hampered by political turmoil but Peru did post growth for the year of 3.6%. This reflects the resilience of an economy which underwent major reforms in the 1990s to open markets and privatize government concessions. The U.S. is Peru's most important trading partner, with U.S exports to Peru totaling $2 billion in goods and services annually (approximately 25 percent of all Peruvian imports), and U.S. imports from Peru totaling approximately 23 percent of Peruvian exports. More than 200 U.S. companies are present in Peru, and the stock of U.S. direct foreign investment in Peru exceeds $4 billion. We hope to resume negotiations with a new government on a Bilateral Investment Treaty to further enhance our commercial ties.

Despite economic reforms, Peru remains a poor country with 54% of its population living in poverty and 15% in absolute poverty. Official unemployment is approximately 10% with 45%

underemployment. Peru's social indicators (child mortality, HIV/AIDS, education and literacy) are among the least advanced in Latin America. Deficit-spending during the finale of the Fujimori administration created a fiscal deficit of 2.9% of GDP and the new government will be challenged to create jobs, fight poverty, and improve standards of living while maintaining fiscal discipline. Part of the $26.7 million in DA 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. DA funds promote economic growth through food assistance to alleviate malnutrition; microcredit loans to create jobs and improve living standards; and technical assistance and training to increase agricultural and enterprise productivity. Through family planning activities funded by DA, the U.S. will help provide individuals and couples with information and services that promote their health and contribute to healthy and sustainable population, as well as provide technical assistance and training to diagnose, treat and contain infectious diseases. Child Survival and Diseases (CSD) in the amount of $10.5 million also provides technical assistance and training for the provision of integrated health care services to mothers and children, including child spacing, prenatal care, prevention and management of sexually transmitted diseases, and safe motherhood.

Uncontrolled urbanization, industrial pollution, and widespread poverty threaten Peru's natural resource base, one of the world's richest and largest. DA-funded programs help to improve Peru's environmental legal framework and promote pollution prevention practices. DA money also provides technical support for environmental protection training, waste management, and protection of national parks.

Peru/Ecuador Peace
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
ESF	11,000	6,975	5,000

National Interests:

On October 26, 1998, the Governments of Peru and Ecuador signed peace accords in Brasilia, ending over 150 years of tension and three incidents of armed conflict in 1941, 1981, and 1995. The peace accords were negotiated under the framework of the Rio Protocol, which ended the 1941 conflict by defining the border between the two countries and establishing the United States, Argentina, Brazil and Chile as the protocol's Guarantors. The Protocol was successfully used to obtain a cease-fire in the 1995 hostilities and to launch three years of intense negotiations between the parties, closely guided and counseled by the Guarantors. Guarantors also provided troops and equipment for the Ecuador-Peru Military Observer Mission (MOMEP), which monitored the demilitarized zone established in the area of the dispute.

The successful implementation of the peace accord will promote regional stability, encourage continued regional diplomacy and coordinated actions to resolve conflict, and further economic development and prosperity in the border region.

Objectives & Justification:

In conjunction with the 1998 settlement, the Governments of Peru and Ecuador established a "Binational Plan for Development of the Border Region" to develop their border areas in an integrated manner. The objective of the Plan is to consolidate the peace accords by providing social and economic development to the border region. An estimated total of $3 billion over ten years will be sought to overcome the disadvantages of isolation and generations of hostility and underdevelopment. A Consultative Group meeting in April 2000 yielded pledges of $173 million from international financial institutions (the InterAmerican Development Bank, the World Bank, and the Andean Development Fund), donor nations and private sector investment.

The projected U.S. contribution to the Plan is $40 million over several years. Economic Support Funds (ESF) will demonstrate the U.S. commitment to implementation of the peace accords and will encourage other donors to support the Binational Plan. The funding will be used to finance a number of small-scale, high-impact activities aimed at alleviating poverty, strengthening local governments, improving community infrastructure, upgrading health conditions, generating income, promoting cross-border trade and improving environmental management.

Suriname
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
FMF	0	0	250
IMET	102	100	110
Peace Corps	889	757	857

National Interests:

The principal U.S. interests in Suriname are maintaining a stable democracy, combating the flow of illegal drugs and migrants to the U.S., and ensuring economic opportunity for both Surinamese and American investors. The United States also encourages protection of the country's large rain forest, which is essential to preserving the global environment.

Objectives & Justification:

Suriname's military suffers from a lack of resources, down to food and clothing for its soldiers, equipment and materials needed for training a force properly, and parts and fuel for operating mission-essential equipment. The U.S. will use its FMF funds to support deployment of U.S. mobile training teams to support organizational restructuring of the Infantry and Special Forces battalion, along with medical, logistics, and staff officer training. Other uses of FMF funds include supporting small patrol craft, vehicle maintenance, and troop support in the form of uniforms and boots.

The U.S. will use its IMET funds for projects that promote civilian control of the Surinamese armed forces, increase military professionalism, and expose Surinamese military personnel to U.S. norms and values with respect to the appropriate military role in democratic society. Suriname lacks a training infrastructure for developing military leaders. There are no domestic training opportunities available for military officers in Suriname, who therefore must rely on professional development courses acquired from foreign countries (historically Brazil, China, France, and India as well as the U.S.)

The U.S. will work aggressively to help the GOS professionally develop and sustain its recently acquired counterdrug capability. Our focus remains promotion of in-country training opportunities (in lieu of promoting Stateside course attendance) to increase the number of Surinamese military personnel who can be trained in some of the basics.

Suriname will be eligible in FY 2002 to receive Excess Defense Articles (EDA) on a grant basis under Section 516 of the Foreign Assistance Act (FAA). Transfer of grant EDA to Suriname will assist the Surinamese military in developing and sustaining a viable counter drug capability, as well as the capacity to combat migrant and arms smuggling.

Trinidad & Tobago
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
FMF	250	299	400
IMET	132	125	135

National Interests:

Trinidad and Tobago (TT) is a stable democracy and a staunch friend of the U.S. It is in the U.S. national interest to assure TT's continued macroeconomic growth and political stability while protecting U.S. investments in the energy and petrochemical sectors and promoting sound environmental policies. Since TT is a transshipment point for narcotics from South America, it is also in the U.S. interest to help the country improve its criminal justice system, counternarcotics and law enforcement capabilities.

Objectives & Justification:

TT's economy is dominated by oil and natural gas production and related downstream petrochemical industries, although the GOTT is actively pursuing diversification. The U.S. is already the leading exporter to and investor in TT, but there is room for more growth. The Mission is encouraging the GOTT to play a more active role in the Free Trade Area of the Americas (FTAA) and within CARICOM on trade matters. Other U.S. goals include further liberalization of the civil aviation, telecommunications and financial services sectors that will encourage present and future U.S. investment. Under the direction of the U.S. Embassy, USG personnel are working with the GOTT to ensure fairness and transparency in acquisitions and awarding of bids for public projects. The Embassy will continue to monitor the GOTT's level of Intellectual Property Rights (IPR) enforcement. The GOTT is committed to free trade and a positive investment climate.

The Embassy is working to increase TT's leadership role on greenhouse gas emissions among developing nations. Encouraging improved protection of fish stocks, coral reefs, forests, and wetlands will also help preserve biodiversity and global resources.

Although the U.S. and TT have an exceptionally cooperative relationship in combating crime, TT's proximity to South America makes it an easy transshipment point for narcotics headed to the U.S. With USG assistance, the GOTT has identified and prosecuted major drug traffickers, seized narcotics-related assets, and charged people with money laundering. However, police corruption, lengthy trial delays, and protection of witnesses remain problem areas that the Embassy is helping TT to address by providing technical assistance and training. Technical training is also being provided to the police in criminal investigations, tourism policing, and document fraud. An IRS team is helping the Board of Inland Revenue to modernize tax collection procedures. The U.S. has donated equipment (three 82-foot patrol boats, two C-26 and two Piper-Navajo aircraft) to improve the country's air and sea surveillance against narcotics traffickers.

Foreign Military Financing (FMF) funds will contribute to preventative maintenance of equipment. The country is focusing renewed attention toward the neglected coast guard fleet and

is currently in the process of overhauling a 130 ft. cutter and seven patrol craft. FY 2002 FMF funds will help establish an aggressive preventative maintenance program to sustain the GOTT's maritime fleet used to combat transnational crime.

The International Military Education and Training (IMET) program provides U.S. training in civil-military affairs to help reinforce civilian control of the military and the principles of human rights. Officer training assists in professionalizing the military, while training in logistics, maintenance and equipment repairs helps maintain the technical proficiencies of the armed forces of Trinidad and Tobago.

Trinidad and Tobago will be eligible to receive Excess Defense Articles (EDA) on a grant basis under S516 of the Foreign Assistance Act (FAA). EDA for TT will be used to support CARICOM's role as a stabilizing force in the Caribbean through active involvement in peacekeeping operations, search and rescue missions, disaster relief, and counternarcotics operations. They will also aid in enhancing inter-operability in U.S./Caribbean joint exercises.

Uruguay
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
FMF	0	0	1,000
IMET	326	350	415

National Interests:

United States national interests in Uruguay include promoting democracy by strengthening the Uruguayan military as a democratic institution and addressing global issues by helping Uruguay fight narcotics trafficking and international crime and encouraging GOU participation in UN peacekeeping efforts. Although we are not seeking funds for this effort in this bill, we will also promote our national interest in economic prosperity by ensuring that Uruguay's market is open to U.S. exports and by encouraging Uruguay's participation in the Free Trade Area of the Americas (FTAA) process to open regional markets to U.S. exports.

Objectives & Justification:

The requested International Military Education and Training (IMET) funding will promote regional stability by strengthening the Uruguayan military as a democratic institution. IMET-funded training helps to make Uruguayan military officials and civilian officials aware of the democratic values that the United States and Uruguay share, such as human rights, international law enforcement, and environmental protection. The Foreign Military Financing (FMF) for Uruguay from the regional Conflict Prevention and Response fund will be used to support a radar for the Uruguayan Air Force and to upgrade communications and field equipment for the Uruguayan Army battalion that the GOU has agreed to make available for the UN's "stand-by" peacekeeping force. If available, Excess Defense Articles provided under Section 516 of the Foreign Assistance Act may also be used to modernize Uruguayan equipment and increase the interoperability of Uruguayan and other international peacekeeping units.

Uruguay will be eligible to receive Excess Defense Articles (EDA) on a grant basis under § 516 of the Foreign Assistance Act (FAA). Transfer of grant EDA to Uruguay will support our interest in widespread participation in international peacekeeping efforts by increasing the interoperability of Uruguayan and other peacekeeping units. To the extent that it reinforces Uruguay's existing participation in peacekeeping efforts, transfer of EDA will also strengthen the Uruguayan military as a democratic institution by continuing to expose it to modern, professional military forces.

International Narcotics Control and Law Enforcement (INCLE) funds from a Western Hemisphere regional fund will help fight illegal drugs and international crime. The funds will be used for training to improve the professionalism of police units, for contraband detection efforts, and for providing equipment and training for nacent money laundering detection and investigation units. The funds will also be used for domestic demand reduction projects such as public awareness campaigns, outreach programs for high-risk children, health care training, and for equipment to improve the effectiveness of investigation and prosecution of major criminals.

Another use of the funds will be to provide training and equipment for border control officials, assistance that will be particularly timely now that Uruguay participates in the Visa Waiver Pilot Program, which allows most Uruguayan tourists and business visitors to travel to the United States without visas.

Venezuela
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
ESF	500	0	500
IMET	384	400	500
INC	4,200	1,200	10,000

National Interests:

As a leading supplier of foreign oil to the U.S. and as an important part of the Andean region, Venezuela represents a significant challenge and opportunity for U.S. foreign policy, with important national interests at stake. As with the other Andean countries, none of Venezuela's challenges--supporting democracy, fostering economic development, combating narcotics trafficking--can be addressed in isolation.

Objectives & Justification:

Under the Andean Regional Initiative, in Venezuela, the United States will concentrate on cooperation on counternarcotics and judicial reform.

The U.S. will monitor Venezuelan relations with Colombia and the border disputes between Venezuela and its neighbors, using diplomatic resources to help ameliorate any potential disagreement. In FY 2002, International Military Education and Training (IMET) will seek to continue maintaining military links and providing important training to the military, including training on human rights. Venezuela will be eligible in FY 2002 to receive Excess Defense Articles (EDA) on a grant basis under Section 516 of the Foreign Assistance Act (FAA). The provision of EDA will be used to promote inter-operability and modernization of equipment.

Venezuela has implemented a far-reaching judicial reform program that includes widespread personnel changes in the judiciary. Much remains to be done in training law enforcement and judicial authorities on their new roles and responsibilities. The U.S. will continue its support for transition from the old judicial system to the new, including training of judicial personnel and training in national and international organized crime investigations. Venezuela is a major transshipment route for illegal drugs destined for the U.S. International Narcotics Control and Law Enforcement (INCLE) 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.

The U.S. will continue to work with Venezuela to strengthen democratic institutions through ESF funded initiatives, and promote the rule of law and respect for human rights.

During 2000, the U.S. completed its assistance in response to the disastrous mudslides and flooding that occurred on the northern coast in December 1999. This assistance included emergency supplies, water treatment and storage systems, airlift capability for personnel and

supplies, and technical assistance on abatement of a serious chemical spill, public health concerns, and reconstruction.

Venezuela's economy in early 2001 is at a crossroads. By virtue of an extraordinary rise in oil revenue in 2000, government spending expanded in an aggressive attempt to re-energize the economy after the sharp 1998-1999 recession. Inflation and unemployment fell, and Venezuela improved its foreign reserve position and positive current account balance. Venezuela now faces the challenges of creating favorable conditions for investment and maintaining economic growth through the up and down cycles of the global oil market. The USG will continue to advocate for U.S. commercial interests and to encourage broad-based growth through continued economic reform, including economic diversification and reduced spending on nonproductive activities. It may also be possible to offer support to the U.S. investor community in Venezuela through resumption of negotiations on a bilateral investment treaty.

Administration of Justice/ICITAP
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
ESF	6,500	6,976	10,000

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.

Objectives & Justification:

The ICITAP program supports the institutional development of civilian police agencies. It offers assistance in three basic areas of police work – investigative and forensic development, police management, and police academy curriculum development – and works with counterpart agencies to formulate and implement specific institutional development plans. In countries where new police organizational laws either have or will be approved, ICITAP provides general technical advice and other assistance aimed at the development of an appropriate overall management structure. In other countries, its primary focus is the development of effective investigative units or divisions capable of supporting the new criminal procedure codes that are being adopted throughout Latin America. It also supports the development of forensic laboratories, as well as an understanding by all participants in the criminal justice process of the value of physical evidence. It assists police agencies to develop their own training programs in basic and specialized areas, such as criminal investigation and for supervisory and executive level personnel.

For FY 2002, $10 million is needed to continue programs underway in Bolivia, El Salvador, Guatemala, and Honduras and to expand activities in Nicaragua. Political and legislative developments permitting, it is possible that programs would also be initiated in Venezuela, Ecuador, the Dominican Republic, and the English Caribbean.

Andean Regional Initiative
($ in thousands)

	FY 2000 Enacted	FY 2001 Estimate	FY2002 Request
INC	0	0	731,000
ESF	0	0	54,500
DA	0	0	68,086
CSD	0	0	24,700
FMF	0	0	4,000

National Interests:

The United States' interests in the Andean Region are broad and far-reaching. The states covered by this initiative (Colombia, Peru, Ecuador, Bolivia, Venezuela, Brazil and Panama) represent some of our most abiding and important relationships in the Western Hemisphere and are most at risk of narcotics-related violence. The Andean Regional Initiative (ARI) is an umbrella program encompassing funding from the INC, ESF, DA, CSD and FMF accounts. It will promote the United States' three most fundamental interests in the region: the promotion of and support for democracy and democratic institutions in the region; sustainable economic development and trade liberalization; a reduction in the supply of illicit drugs to the US by reducing production and/or interdicting them at their source.

Objectives and Justifications:

The Andean region represents a significant challenge and opportunity for U.S. foreign policy. Important U.S. national interests are at stake. Democracy is under pressure in all of the countries of the Andes. Economic development has been slow and progress toward economic liberalization has been inconsistent. The Andes continues to produce virtually all of the world's cocaine and an increasing amount of heroin, thus representing a direct threat to our public health and national security. All of these problems are inter-related and need to be addressed comprehensively with an integrated plan to advance U.S. interests in the region.

The Administration is proposing such an initiative to achieve our objectives in the Andes, drawing on funding from a variety of accounts. The FY 2002 budget requests $882 million in international affairs funding for development assistance, counternarcotics programs and democratic institution-building in the seven countries included in the initiative: Bolivia, Brazil, Colombia, Ecuador, Panama, Peru and Venezuela. In contrast to last year's Plan Colombia supplemental, less than half of the assistance will be for Colombia and only half will be for law enforcement and security assistance. The other half will support alternative development, human rights, justice systems, economic development and democratic institution building.

The ARI total of $882 million subsumes the $731 million of INL-funded activity under the Andean Counterdrug Initiative (ACI). The bulk of the funds to support the law enforcement/security assistance portion of ARI will be drawn from the INC funds contained in the Bureau of International Narcotics and Law Enforcement's FY 2002 budget request. $438.5 million of those INL funds under the ARI Initiative will be used to support enforcement-centered programs, supported also by $4 million in Foreign Military Financing (FMF) for the purchase of military equipment.

On the enforcement/security side, the emphasis will be upon sustaining activities begun in FY 2000/2001 under the aegis of the July 2000 Emergency Supplemental appropriation in support of "Plan Colombia" and upon preventing the "spillover" of illicit cultivation and narcotics trafficking and the associated violence and lawlessness to Colombia's neighbors.

The remainder of the FY 2002 INC request for ARI ($292.5 million) will support non-enforcement centered portions of the Initiative such as alternative development, social programs, environmental protection, good governance, strengthening the rule of law and the administration of justice, respect for human rights, Colombia's peace process and other programs focussing upon support for democracy, institution building and economic development. Also complementing and supporting such programs will be the $54.5 million in Economic Support Funds (ESF), $68.086 million in Development Assistance Funds (DA) and $24.7 million in Child Survival and Disease funds (CSD) requested for these countries in the FY 2002 budget request.

Centers for Educational Excellence
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
ESF	0	0	7,000

National Interests:

At a time when education is acknowledged as the most decisive factor for national progress, educational indicators for Latin America and the Caribbean compare poorly with the rest of the world. In some countries fewer than 60 percent of children who start school reach the fifth grade and illiteracy rates remain high. The deficiencies in the educational systems strike hardest at the poor acting as a drag on economic development, fostering unemployment and underemployment and accelerating illegal immigration.

Objectives & Justification:

Although the reasons for the poor performance of the region's educational systems are complex, one of the major reasons is that teacher quality has deteriorated. Most teachers and school administrators in the hemisphere have limited materials, little support in the classroom and poor training that is ill suited for dealing with disadvantaged students.

In response to this problem, the USG will strengthen the capacity of three existing teacher training institutions (one each in the Caribbean, the Andean region of South America, and Central America) to serve as regional teacher training and resource centers. The objective of the program will be to boost teacher and school administrator quality and to improve the quality of early instruction in the classroom throughout the hemisphere, with special emphasis on poorer countries and for teachers who work in disadvantaged communities.

The focus of the program will be on improving reading instruction and upgrading the knowledge and pedagogical skills of poorly qualified teachers. The project will establish a training-of-trainers program so that teachers and school administrators can take the training back to their communities. The program will also create a clearinghouse of teacher training materials and an Internet Portal linking teacher training institutions, think tanks, schools, teachers, and universities so that they can share materials, "best practices" and "lessons learned' as well as provide virtual training.

USAID will administer the resources and coordinate the program, with the guidance of an advisory panel of U.S. and Latin experts. The USED, State's ECA Bureau, the OAS, Ministries of Education, business and citizen groups, faith-based organizations, international donors, and other Summit countries will be enlisted to form a partnership with USAID for the implementation of the program estimated to cost $40 million over 4 years. Of that total, the USG will invest $20 million ($10 million in the first year) and will seek a one-to-one match from the private sector. USAID will provide $3 million in FY 2002 to support this effort.

OAS/IADB / Demining
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
NADR-HD	1,903	1,350	1,250

National Interests:

The global U.S. Humanitarian Demining Program -- funded through Nonproliferation, Anti-Terrorism, Demining and Related Programs (NADR) -- seeks to relieve human suffering, to promote national and regional stability and to foster economic development by returning mined land to economic utility. During the Central American conflicts of the 1980s and early 1990s, thousands of mines were lain throughout the region threatening human life and providing a dangerous impediment to regional development.

Objectives & Justification:

U.S. humanitarian demining assistance for Central America is provided to the Organization for American States' Assistance Mission for Mine Clearance in Central American (MARMINCA), which currently operates in Costa Rica, Guatemala, Honduras and Nicaragua.U.S. assistance emphasizes humanitarian demining training and mine awareness support. NADR demining funds provide equipment and other material support to MARMINCA, while the Department of Defense provides personnel who train, advise and assist on technical and logistical matters, and provide limited medical and communications support to MARMINCA.

Recently, U.S. assistance has provided support for the development of a new demining initiative in northeast Nicaragua ("front five" in Suina). NADR funds also continue to support the integration of mine detection dogs in humanitarian demining operations throughout Central America. It is anticipated that Honduras will be the first Central American country declared "mine safe," possibly as soon as late 2001.

WHA Conflict Prevention/Response
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
FMF	0	0	5,000

National Interests:

It serves U.S. interests to have available, within Latin America and the Caribbean, well-trained professional military forces with the capability to assist and support the U.S., the UN and other international actors in responding to crises and conflicts throughout the world. A number of Western Hemisphere countries have, now and in the past, demonstrated a willingness to respond to such calls. U.S. national interests are served by assuring that those willing to respond have the both the capability and interoperability to cooperate effectively in international settings.

Objectives & Justification:

The request for FY 2002 FMF funding to support a regional Conflict Prevention and Response fund will provide specific types of assistance to several of the region's militaries which have provided personnel for various international peacekeeping missions and to enhance their capacity to respond to natural disasters and humanitarian crises.

In FY 2002 we will seek to provide support to the following countries to enhance the ability of various elements of their militaries to serve in international peacekeeping roles:

Argentina: Argentina is extremely proud of their participation in peacekeeping operations worldwide. Their military currently has 522 personnel deployed on 9 United Nations peacekeeping operations. Such continual, rotating deployments are hard on individual and unit equipment. A portion of the requested funds will be used to defray these costs. These funds will also be used for replacement of medical equipment and supplies and for the replacement of individual optical equipment (binoculars, night-vision equipment and laser range finders). Another portion of the requested funds will be used for professional military training and for upgrading and obtaining new equipment at the Argentine Joint Peacekeeping Training Center (CAECOPAZ) which provides a regional training platform.

Bolivia: Observers from the Bolivian Army have participated in peacekeeping operations in Kuwait, Cyprus, Guatemala, Kosovo, Sierra Leone, the Congo and East Timor. A seventy-man Bolivian Army element was deployed from May until December 1999 in Angola as part of the UN's peacekeeping contingent in that country. Bolivia has also offered a "standby" unit to the UN's ready peacekeeping force. However, such UN-certified units must be self-sustaining for a period of sixty days. As one of the poorest countries in the Hemisphere, meeting and sustaining that standard will be difficult for Bolivia. Without significant U.S. encouragement and assistance, Bolivia may be compelled to reduce its commitment to peacekeeping. FMF support would be used to assist the Bolivia in overcoming serious shortcomings in training, equipment and logistical support.

Chile: The GOC currently has 30 personnel in East Timor and another 4000 on stand-by to deploy worldwide on peacekeeping operations. These funds will provide needed equipment to their armed forces participating in peacekeeping operations.

Uruguay: Per capita, Uruguay contributes more personnel to peacekeeping missions than any other nation. Sixty percent of the Uruguayan Army (UYAR) has participated in peacekeeping missions. The UYAR has offered up a "stand-by" battalion to the UN for peacekeeping missions. This heavy usage has resulted in excessive wear to individual and unit equipment. Requested FMF funds will assist in the upgrade of the Uruguayan armed forces to help make it possible for them to participate in future operations.

WHA Regional Stability
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
FMF	0	0	4,000

National Interests:

The Andean Regional Initiative will continue to address the primary U.S. interest in the region by seeking to stem the cultivation and production of coca and opium poppy and interdicting the trafficking of cocaine and heroin between the Andean region and the U.S. This effort has had and will continue to have significant security implications for the countries of the region. Professional, well-equipped and trained militaries capable of defending their borders and preventing Colombia's drug production and insurgency from "spilling over" to the rest of the region serve U.S. interests by preserving the region's fragile democracies and ensuring stability in an important region. U.S. interests and the cause of democracy are also served by the strengthening of professional militaries under civilian control.

Objectives & Justification:

Colombian and U.S. efforts to stem the explosion of coca production in southern Colombia and to interdict trafficking, coupled with the activities of well-armed, well-financed Colombian armed illegal groups, will put tremendous pressure on the remote border regions of surrounding countries. The task of defending these regions and ensuring against the threat of "spill-over" will fall to the neighbors' poorly-equipped, under-trained militaries. The fact that several of these countries are among the poorest in the Hemisphere, with the most fragile democracies, only serves to exacerbate the strain. All of these countries have severe force modernization and replenishment needs that have gone unmet as a result of financial crises and declining military budgets.

The FMF funds requested for FY 2002 will be used to meet some of these security needs in Bolivia, Ecuador, Panama and Peru. This funding will be used to complement the funding from the Andean Regional Initiative -- with its counternarcotics focus -- by seeking to meet pressing security needs for force modernization, training and equipment, the traditional needs of any military facing an expanded mission. In Bolivia, the focus will be on the Army's new 9th Division which will conduct presence operations in the volatile Chapare region. In Ecuador the focus will be on training and modernizing the forces tasked to patrol and defend the northern border region. Panamanian police and maritime patrols assigned to protect and defend the remote Darien region and to control Panama's coasts will receive training and navigational equipment. Peru's stretched military will receive training and equipment geared toward sustaining professionalism and maintaining equipment previously provided under FMF.

GLOBAL PROGRAMS

Anti-Terrorism Assistance
CTBT Preparatory Commission
Enhanced International Peacekeeping Capabilities
Export Control Assistance
Humanitarian Demining Program
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Anti-Terrorism Assistance
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
NADR-ATA	31,000	38,000	38,000

National Interests:

Minimizing the incidence and impact of international terrorist attacks, especially against U.S. citizens and interests, is among the highest of national interests and strategic goals. International terrorism is far ranging, affecting Americans in remote corners of the world as well as threatening international travel. The bombing of the USS Cole in a Yemen harbor in September 2000 and the continuation of airline hijacking and kidnappings in other parts of the world typify the wide reach of international terrorists. Terrorism threatens American lives, property, and other national interests, such as efforts to end violence in the Middle East and to promote the stability and security of friendly nations. Whether the terrorist's goal is to lash out at Americans or undermine friendly governments, the United States has a strong interest in preventing terrorist activities from destroying more lives and property.

International cooperation in the fight against terrorism is essential in achieving these goals and protecting Americans overseas. The State Department's Anti-terrorism Assistance (ATA) Program is a key element in promoting this cooperation. The ATA program provides training, equipment, and advice to foreign countries in order to enhance the anti-terrorism skills and abilities of foreign law enforcement and security officials. These officials are the ones with the primary responsibility for security on their territory, and thus are the first line of defense for Americans overseas. Concurrently, the ATA program seeks to strengthen U.S. bilateral ties with the participating countries by offering concrete assistance in this area of great mutual concern and working to increase respect for human rights among foreign police by sharing modern, humane and effective antiterrorism techniques.

Objectives & Justification:

The U.S. seeks to prevent international terrorist attacks on its citizens and to minimize the impact of any attacks that may occur, whether home or abroad. Also, the U.S. seeks to prevent international terrorists from undermining the stability of, or otherwise adversely affecting, other nations where the U.S. has foreign policy, economic, or security interests. As the terrorism threat has evolved into new and loosely affiliated network of groups, the counter strategies must also change to be effective counter measures.

International cooperation includes diplomatic cooperation, exchange of intelligence, and coordinated actions. To complement the willingness of a friendly foreign government in the fight against terrorism, the U.S. provision of anti-terrorism training for law enforcement and security officials enhances the skills and capabilities of the friendly country to effectively fight terrorism. These efforts combine to foster the development of good working relationships between the U.S. Government and friendly countries.

The U.S. must rely on local law enforcement agencies overseas as the primary defense against terrorism for Americans abroad. We cannot provide direct security for the streets and airports of foreign countries. The ATA program is designed to develop skills that participating countries need for protecting individuals, facilities, national infrastructure, and national stability against the terrorist threat. Thus, not only does the ATA training enhance the local government's ability to protect its own citizens and its political institutions, it also helps ensure the safety of Americans living in or visiting that country.

Many participants of the ATA program come from developing nations lacking sufficient resources to provide an effective anti-terrorism training program. The ATA program augments participant capabilities by providing them valuable skills, some support equipment, and on occasion, technical advice. ATA training includes a wide spectrum of anti-terrorism skills such as crisis management, hostage negotiations, airport security management, and deactivation of improvised explosive devises.

The curriculum and instructors give trainees a solid foundation that enables them to operate in the field as well as share their new skills with colleagues. Authority exists to provide training overseas at sites where the students will employ their skills, as well as in the U.S. In sum, the ATA program is an essential element in the U.S. effort to combat international terrorism.

In FY 2002, the ATA program will continue training in the Middle East and renew efforts in Latin America, especially Colombia and Ecuador. Funding also will provide for substantial programs in the former Soviet Republic states of Azerbaijan, Georgia, Kyrgyzstan, Kazakhstan, and Uzbekistan, particularly to assist these countries in countering terrorist threats to their governments as well as threats to gas pipelines and other components of their energy sector.

Countering Weapons of Mass Destruction:

Interconnected with the ATA program is funding to help counter the threat of terrorist use of a chemical, biological, radiological, nuclear, or high explosive weapon of mass destruction (WMD). This international WMD Preparedness program is designed to provide senior foreign host government interagency officials and emergency response personnel with the policies and skills needed for collective, interagency responses needed to cope with the complicated dynamics of preventing or mitigating a terrorist attack involving a weapon of mass destruction. To the maximum extent feasible, the program draws from lessons learned and materials developed for U.S. domestic preparedness programs. Since its beginning in FY 1999 through FY 2000, ten countries have received the WMD Senior Crisis/Consequence Management Policy Workshop and eight countries, the first-responder training. Eight Workshops and four first-responder training courses are scheduled for FY 2001 with a primary focus on the Middle East and Central Asia. In FY 2002, approximately $1 million of the overall ATA training funds will be used for this specialized effort, with an additional eight workshops and four first-responder training courses planned.

For FY 2002, the ATA budget request of $38 million reflects the funding needed to enable the ATA program to meet the high priority needs identified through assessments of foreign country capabilities, including WMD activities. Funding also supports program management,

including travel, translations, transportation of ATA-purchased equipment items and various other administrative support expenses for ongoing, new and expanded initiatives.

ATA Funding by Region/Activity
($ in Thousands)

Region	FY 2000 Actual	FY 2001 Estimate	FY2002 Request
TRAINING			
Sub-Saharan Africa	3,509	4,219	1,301
Western Hemisphere	3,003	2,309	4,373
East Asia & Pacific	2,769	2,349	2,523
Europe/NIS	7,094	11,336	13,616
Near East	6,176	6,427	4,735
South Asia	1,333	3,020	4,452
Total, Training	23,884	29,660	31,000
Equipment		400	
Program Management*	7,116	6,690	6,000
WMD Preparedness Training		1,000	1,000
WMD Preparedness Conferences		250	
Total, NADR Funding	31,000	38,000	38,000

*Includes translations, assessments, program reviews, and course development

CTBT Preparatory Commission
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
NADR-CTBT	13,693	21,056	20,000

National Interests:

As a key element of U.S. global efforts against the proliferation of nuclear weapons, the United States has a strong security interest in enhancing its ability, as well as that of its friends and allies, to detect and deter nuclear explosive testing anywhere in the world. Although the Comprehensive Nuclear Test Ban Treaty (CTBT) is not in force, work on the International Monitoring System (IMS), which began following CTBT signature in 1996, provides important security benefits to the U.S. and its allies. While there can be no substitute for robust national efforts, the IMS offers an important supplement. It will collect worldwide data from seismic, hydroacoustic, infrasound, and radionuclide stations. A number of these stations will provide the U.S. with new or improved data from regions not otherwise available and will strengthen U.S. verification capability.

Objectives & Justification:

For FY 2002, the Administration is requesting $20 million in NADR to fund the U.S. contribution to the ongoing work of the CTBT's Preparatory Commission (Prepcom). These funds will be used primarily for continued development of the IMS as well as to support administrative expenses of the Prepcom's Provisional Technical Secretariat. This level reflects a reduced U.S. funding share (22 percent) for the Prepcom, consistent with the new UN scale of assessments, upon which the Prepcom's budget is apportioned among CTBT signatories. By maintaining support for the Prepcom budget and leadership in work on technical and other issues, the U.S. will continue to be able to influence and guide the Prepcom's efforts to devise the best possible multilateral regime for monitoring nuclear explosions.

The largest program in the budget of the Comprehensive Nuclear Test Ban Treaty (CTBT) Preparatory Commission (Prepcom) budget is the International Monitoring System (IMS), the Treaty's global network of 321 stations to monitor for nuclear tests. Other substantial programs include the International Data Center (IDC), data links between IMS stations and the IDC and between the IDC and Member States, and development of a capability to conduct on-site inspections.

In 2000, the first 11 IMS stations were certified as meeting agreed specifications for performance and reliability. By the end of 2001, certified stations are expected to include seismic stations in Australia, Canada, Iran, Kazakhstan, Norway, Spain, Ukraine, and the United States. A second Indian Ocean hydrophone station will be certified in 2001 (with a third expected in 2002). Seismic arrays are under construction in China, Mongolia, and Russia, and construction will soon begin in Egypt, Niger, and Saudi Arabia. These stations should be completed under the 2002 Prepcom budget.

Enhanced International Peacekeeping
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
FMF	2,500	5,970	8,000

National Interests:

The Enhanced International Peacekeeping Capabilities program (EIPC) enhances U.S. national security, advances human rights & democracy and enables a humanitarian response in unstable security environments. Regional conflicts which could grow to directly affect the security of the United States and its allies can be contained and moderated by multinational peacekeeping forces prepared to contribute to such operations by EIPC funding. Professionally trained peacekeepers can minimize human rights violations and enable more rapid establishment of democratic institutions in conflict areas. Finally, humanitarian assistance requires a secure environment which can be more rapidly achieved with a professional peacekeeping force.

Objectives & Justification:

Peacekeeping is a global responsibility. Many countries are willing to play a role, but they often lack the skills and resources. The EIPC program makes a significant contribution that often is the difference between a country participating or not.

To support our national interests, Enhanced International Peacekeeping Capabilities has several objectives.

The first objective, which directly supports our national security interest, is to create more professionally operating, properly equipped and better led peacekeeping units in selected foreign countries. This can be achieved through improved leadership performance which increases mission operational effectiveness, proper attention to use of scarce operating assets, and promotion of a common peacekeeping doctrine. Helping to develop peacekeeping units and capabilities in friendly foreign militaries will obviate the need for U.S. troops. Should joint peacekeeping efforts be undertaken, these actions will increase the forces interoperability with the U.S. and its key allies and lessen the demands on U.S. personnel.

The second objective, which supports our national interest of promoting human rights and democracy, is establishing a secure environment for the establishment of democratic institutions in an area of strife. EIPC helps to create environments conducive to democracy by preparing foreign militaries for peace support operations. It encourages other countries to establish peacekeeping training centers and dedicated programs, develop national policies on PKO and encourage friendly nations to increase their own involvement in peacekeeping operations.

The third objective, which contributes to our national interest of humanitarian response, is providing the secure environment necessary for the delivery of humanitarian food and medical supplies necessary to support those in the most catastrophic situations such as West Africa and East Timor. EIPC prepares foreign militaries for such tasks as related to peacekeeping missions.

For FY 2002, we seek $8 million in FMF for EIPC support.As the program continues to mature, we are working to:

Implement common peacekeeping doctrine in recipient training programs.

Enhance command and control interoperability at the battalion and higher staff level.

Develop the capability of selected EIPC recipients to offer peacekeeping training courses to other regional PKO participants.

Encourage EIPC recipients to host and participate in regional multinational peacekeeping exercises.

A primary component of EIPC activity is English language training. A common language is necessary in order for students to grasp the classroom and hands-on training as well as to have true interoperability between forces in the field. Also, EIPC funds are used to procure peacekeeping instructor education and non-lethal defense-related training equipment. EIPC funds activities with an emphasis on "train-the-trainer" in order to maximize the benefits of the expenditures. The Center for Civil-Military Relations (CCMR), located in Monterey, California,acts as executive agent for EIPC peacekeeping training. It hasdeveloped a common core curriculum and program that supports both in-residence Peace Support Operations Instructors' courses for foreign instructors and Mobile Education Teams (MTTs) to assist the establishment of training programs in recipient countries. The benefits of CCMRs efforts are already evident, as graduates from a range of countries are using the EIPC common core curriculum to implement changes in their peacekeeping training programs. Additionally, EIPC funds help to procure DoD-sponsored peacekeeping training and doctrine-related manuals and other library resources, and help fund very limited and selective modification of facilities dedicated to peacekeeping training. Finally, EIPC enables countries to obtain and employ peacekeeping software training simulations reducing reliance on more costly field exercises. EIPC funds are not sustainment funds. Countries selected to receive EIPC must demonstrate their willingness and capacity to sustain their training programs beyond the infusion of U.S. dollars.

Since its inception, EIPC funds have been allocated to 24 nations: Argentina, Bangladesh, Bolivia, Botswana, Bulgaria, Chile, Czech Republic, Fiji, Hungary, Jordan, Lithuania, Malaysia, Moldova, Mongolia, Nepal, Paraguay, Philippines, Poland, Romania, Slovakia, South Africa, Thailand, Ukraine and Uruguay.

FY 2002 FMF for EIPC, allocated globally, will build on a record of achievement in assisting selected countries to improve their peacekeeping capabilities. All of the countries that have received EIPC funds have taken, or are taking, significant steps to increase their international Peacekeeping Operations Role (PKO)role. To cite a few examples:

Argentina has developed the pre-eminent PKO training center in Latin America.

Nepal hosted its first-ever regional PKO exercise-in January 2000-and volunteered to participate in operations in both East Timor and Sierra Leone, significantly increasing their international participation.

Mongolia engaged with U.S. Pacific Command to participate in joint peacekeeping exercises and is actively developing PKO training capabilities for its military.

Thailand, a first-time participant, deployed significant forces to the UN mission in East Timor and invested substantial national capital to establish a permanent peacekeeping training center.

Export Control Assistance
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
NADR-ECA	14,530	19,100	17,000

National Interests:

A key element to stemming the proliferation of weapons of mass destruction (WMD), their delivery systems, related technologies and other weapons, is effective export controls and border control infrastructure and capabilities. To meet this objective, the U.S. works to ensure that potential suppliers have proper controls on exports of arms, dual-use goods, and technologies; that transit countries have the tools to interdict illicit shipments crossing their territories; and that trans-shipment states implement controls to prevent diversions. The U.S. Export Control and Related Border Security (EXBS) assistance program provides essential technical and material assistance to recipient countries to help them carry out these nonproliferation efforts.

Objectives & Justification:

For FY 2002, the Administration is requesting $17 million to strengthen national export controls on weapons and related dual-use goods and technologies by working with key countries to: (1) establish the necessary legal and regulatory basis for effective export controls; (2) develop appropriate export authorization procedures and practices; (3) establish and enhance effective enforcement capabilities and procedures, including through the provision of WMD detection and interdiction equipment and training; and (4) promote effective interaction between governments and industry on export controls.

In FY 2002, NADR export control assistance funds will be used in the following ways:

$5.0 million to strengthen the capabilities of source countries to interdict illicit exports of weapons and related dual-use goods and technologies, particularly among the Independent States of the former Soviet Union. Funds will assist recipient countries in improving legal and regulatory infrastructures; providing equipment and training for enforcement personnel (customs officers, border guards, and others) on the procedures, techniques, and equipment that would increase identification and interdiction of WMD materials, technology, and delivery systems; and encouraging regional cooperation in the interdiction of smuggled materials. This amount includes $500,000 in NIS Regional funds for a Central Asia/Caucasus Regional Forum and activities to help conclude and implement a Regional Transit Agreement. FREEDOM Support Act funding will provide additional resources to target complimentary export control activities in the NIS region.

Approximately $4.1 million to provide detection equipment and training to prevent countries in Central and Eastern Europe, including the Balkans and the Baltics, from being used as conduits for illicit WMD-related exports. This amount includes $900,000 in regional funds to support regional conferences and symposia. Previous support was important to the successful interdiction of several nuclear smuggling attempts in Europe.

Approximately $4.1 million to fund programs in the Middle East, the Mediterranean, Central Europe and Asia to improve national nonproliferation export control systems. These funds will support the establishment of viable legal and regulatory regimes, expand capabilities to interdict materials in transit, and provide equipment and training for enforcement personnel (customs officers, border guards, and others) on the procedures, techniques, and equipment that would increase identification and interdiction of WMD materials, related dual-use goods and technology, and delivery systems.

Approximately $3.0 million to continue and expand a worldwide nonproliferation advisors program. Funds will support the work of in-country and regional advisors, including overseeing and coordinating implementation of assistance projects in their areas of responsibility, assessing foreign export control capabilities and practices, recommending projects, and ensuring effective operation of U.S.-provided equipment.

$500,000 for program administration to support: technical and program audits; contracts for export control conference logistics and coordination; database development and maintenance; detection equipment maintenance and repair; contract for accounts oversight and procurement services; and costs associated with team visits, such as translators.

$345,000 for course development of an export control enforcement class to complement existing training and programmatic needs.

A country and program breakout for the FY 2002 Export Control assistance program follows. Further information on individual country programs may be found in the respective country narratives.

FY 2002 Export Control Assistance Request
($ in Thousands)

NIS Countries	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
NIS Countries			
Armenia	-	500	600
Azerbaijan	100	500	600
Kazakhstan	1,050	605	700
Moldova	50	325	-
Russia	4,125	1,500	1,500
Tajikistan	50	-	-
Turkmenistan	235	-	-
Ukraine	1,090	770	800
Uzbekistan	-	330	300
Regional	300	470	500
Sub-Total, NIS	7,000	5,000	5,000
Non-NIS Countries			
Albania	-	-	30
Bulgaria	560	160	30
Croatia	-	-	90
Cyprus	310	140	150
Czech Republic	540	330	170
Estonia	265	314	630
Hungary	430	509	120
India	285	637	900
Jordan	-	30	750
Latvia	420	254	205
Lithuania	730	384	210
Macedonia	335	245	705
Malaysia	-	120	250
Malta	375	5,150	150
Poland	890	758	150
Romania	505	414	360
Singapore	-	25	-
Slovakia	200	285	300
Slovenia	375	245	30
Thailand	-	-	70
Turkey	-	30	1,000
Vietnam	-	25	140
Yemen	-	140	100
Yugoslavia, Federal Republic of	-	-	210
NADR Regional	820	450	900
Regional – Middle East	15	400	550
Regional Advisors Training	-	-	200
Regional Advisors	-	2,755	2,755

Program Administration	175	300	500
DOC Workshops	300	-	-
Enforcement Training Course Development.	-	-	345
Sub-Total, Non-NIS	7,530	14,100	12,000
Total, NADR Export Controls	14,530	19,100	17,000

Humanitarian Demining Program
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
NADR-HD	40,000	39,912	40,000

National Interests:

The U.S. Humanitarian Demining Program supports U.S. foreign policy interests by providing funds to allow mine-affected nations to protect innocent civilians, return displaced persons to their homes, rebuild shattered economic infrastructure, return agricultural land to productivity, and allow the safe delivery of other humanitarian services. The principle means used to achieve these objectives is to build an indigenous capacity to execute and manage humanitarian mine action initiatives.

Objectives & Justification:

The FY 2002 request for $40 million demonstrates a continued U.S. commitment to foster a world safe from landmines. Since 1993, the United States has committed nearly $500 million from Department of State, Department of Defense and U.S. Agency for International Development sources to support mine action activities in thirty-seven nations as well as the provinces of Kosovo and Somaliland. U.S. support has contributed to the following successes:

Deminers have destroyed thousands of landmines in Afghanistan, Cambodia, Eritrea, Kosovo, Mauritania, Mozambique and Yemen.

Casualty rates have been reduced by more than 50% in Thailand and Ethiopia while a 90% or greater reduction in the casualty rate has been realized in Cambodia and Rwanda since 1994.

Over 168 million square meters of land were cleared in 1999 by mine action organizations operating in seven of the largest humanitarian mine/unexploded ordnance clearance programs. In Angola alone, over 600,000 square meters of land were cleared in CY 2000, resulting in increased food production and the opening of additional areas for resettlement of internally displaced persons.

More than 70% of the amputee population in Mozambique has been fitted with prostheses.

As a result of successful mine clearance operations in Honduras, Costa Rica and Guatemala, those countries expect to become mine-safe within two years.

The FY 2002 request of $40 million will sustain and expand existing U.S. efforts, including in those countries most severely affected by landmines (Afghanistan, Angola, Cambodia, Mozambique and Vietnam), and permit expansion into several of the other landmine-affected countries. Potential new participants includeEl Salvador, Chile, Senegal, Colombia, and

additional countries within the Newly Independent States (NIS). Funds will be provided to commercial firms, international organizations and non-governmental organizations via contracts and grants.

Country Programs

Provision of assistance is based on a careful assessment of the socio-economic impact of landmines in a particular nation and on overall U.S. humanitarian objectives reflected in the National Security Strategy. Demining funds will be used to support mine clearance operations, the acquisition of mine detection and clearance equipment and supplies, and mine awareness instruction and instructional materials. For countries with a mature program, funds will replenish equipment and support expansion of other efficient and proven methods, such as dog detection teams. Further information on individual country programs may be found in the respective country narratives.

Surveys, Crosscutting Initiatives and Research & Training

Demining funds also are used to support multi-country activities carried out under the program lines identified as Surveys, Crosscutting Initiatives and Research& Training. Surveys are an important step in the development of each country's mine action plan. Crosscutting Initiatives support mine awareness projects and public outreach initiatives; programs to increase data and information exchange among the global demining community; and a mine awareness and action force (Quick Reaction Demining Force or QRDF) available for deployment on an emergency basis worldwide. Research and Training funds support non-technical research on mine issues such as the effectiveness of mine awareness campaigns and research into the conditions under which mine detection dogs are most useful, and training initiatives such as management training of senior and middle managers of national mine action staff.

FY 2002 Humanitarian Demining Program
($ in Thousands)

Country/Program	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
Afghanistan/UN & NGOs	3,000	2,800	2,900
Angola	3,096	2,844	2,800
Armenia	300	850	1,200
Azerbaijan	500	850	1,200
Cambodia	2,580	2,475	2,225
Chad	622	400	300
Djibouti	746	400	300
Ecuador	1,000	963	250
Eritrea	500	800	950
Estonia	300	--	300
Ethiopia	250	420	950
Georgia	27	1,000	1,100
Guinea-Bissau	99	500	--
Jordan	1,511	947	900
Laos	1,486	793	800
Lebanon	1,282	800	1,200
Mauritania	461	400	230
Mozambique	3,840	2,180	2,210
Namibia	485	335	65
Oman	1,017	273	200
OAS/Central America	1,903	1,350	1,250
Peru	1,000	861	250
Rwanda	285	400	450
Somalia (Northwest)	1,400	1,400	1,400
Thailand	1,220	1,270	980
Vietnam	1,000	1,650	2,500
Yemen	1,236	1,023	750
Zambia	--	500	800
Zimbabwe	1,152	1,000	300
New Country Programs	--	1,278	1,200
Subtotal Country Programs	32,298	30,762	29,960
Surveys	1,400	2,000	2,000
Crosscutting Initiatives	4,546	5,450	5,740
Research & Training	1,256	1,200	1,800
Administrative Expenses	500	500	500
TOTAL	40,000	39,912	40,000

Human Rights and Democracy Funds
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
ESF	9,000	13,404	13,500

National Interests:

Taken together, democracy and human rights are one of the seven U.S. National Interests identified in the Strategic Plan for International Affairs. In supporting the promotion of democracy and human rights, the United States is simultaneously imparting America's values and protecting its interests. History amply demonstrates that democracies are more prosperous, peaceful and cooperative than authoritarian governments.

Objectives & Justification:

U.S. national interests are served by providing funds to address emerging human rights and democratization opportunities where and when they occur around the world. The availability of these funds provides the Secretary of State the flexibility to address such unanticipated events without having to redirect funds from existing priorities. For FY 2002, $13.5 million in Economic Support Funds (ESF) is requested to support unanticipated democratization and human rights efforts worldwide, as illustrated by the objectives listed below. These funds will also be used to leverage contributions from other donors for programs developed through international initiatives, such as the Community of Democracies, which support U.S. human rights and democratization objectives.

The HRDF supports four specific objectives:

(1) To respond to human rights emergencies or to prevent/forestall further abuses.

(2) To respond to democratization emergencies in order to protect a threatened democracy, or to exploit an unanticipated opportunity to promote democracy. In Peru, funds were used to support local civic organizations, which enabled citizens to vote in and to monitor the landmark elections, which are helping to restore that country to democratic rule following the fall of President Fujimori.

(3) To support the implementation of peace settlements by helping establish national institutions that serve human rights and democracy efforts. In Bosnia, these funds supported critically important, post-conflict work of the Bosnia Human Rights Commission, the International Commission on Missing Persons, and the International Criminal Tribunal for the Former Yugoslavia. These institutions have worked at the grassroots level to reunite families, account for missing persons, bring to justice persons indicted for war crimes during the Bosnian conflict, and address human rights violations that continue to occur.

(4) To support multilateral initiatives that strengthen the capacity of the international community to work with the U.S. to respond to human rights and democratization opportunities.

In FY 2001, funds were used to support an OAS-sponsored conference where regional organizations proposed ways to enhance regional mechanisms that promote democracy and respond to threats such as coups.

International Atomic Energy Agency - Voluntary Contribution
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
NADR-IAEA	43,000	47,000	49,000

National Interests:

The International Atomic Energy Agency (IAEA) is a critical and effective instrument for verifying compliance with international nuclear nonproliferation agreements, and serves as an essential barrier to the spread of nuclear weapons. Its program of international safeguards monitors the presence and use of nuclear material worldwide, providing assurance that nuclear material is not diverted to build nuclear weapons. The United States has strongly supported the IAEA since its creation in 1957.

Objectives & Justification:

The IAEA's regular budget has fallen into crisis after years of zero real growth, and the organization is experiencing significant real growth in its mission, especially in the vital area of nuclear inspections. For FY 2002, the Administration is requesting $49 million for voluntary contributions to the IAEA.

Over the past 20 years, demands on safeguards have risen steadily, both in the number of nuclear facilities subject to safeguards as well as the volume of nuclear material under safeguards. Some safeguards equipment has become obsolete, and new, more effective technologies have emerged. Safeguards standards have become much more rigorous, due in large measure to U.S. leadership.

The $49 million requested will address critical needs, including implementation of strengthened safeguards; ongoing development of advanced safeguards technology and procedures; confronting unique safeguards challenges; combating nuclear smuggling; and strengthening nuclear safety measures in Eastern Europe and the New Independent States.

The U.S. voluntary contribution will also help strengthen the IAEA's operations, permit replacement of outdated equipment, and support development of new measures to verify that nuclear materials removed from nuclear weapons by the United States and Russia are not re-used for weapons. Finally, the U.S. voluntary contribution will support projects, training, fellowships and equipment through the IAEA's Technical Cooperation Program in countries that are parties to the Nuclear Non-Proliferation Treaty.

Specific projects planned for FY 2002 include:

Developing techniques and equipment to enable effective safeguards inspections;

Installing unattended radiation monitoring equipment in critical nuclear fuel cycle facilities (e.g. mixed oxide fuel fabrication, reprocessing, and uranium enrichment plants), and replacing obsolete surveillance systems with modern digital systems worldwide;

Training inspectors in the application of safeguards, and providing new information analysis and survey tools for use in inspections for the strengthened safeguards system;

Providing the IAEA with the safeguards technology it will need to confirm North Korea's initial inventory of nuclear materials when called upon to do so;

Strengthening quality control at the Safeguards Analytical Laboratory, particularly in the analysis of environmental samples;

Analyzing environmental samples from safeguards inspections to detect signatures of possible undeclared nuclear activities and materials; and

Improving reliability of safeguards equipment by strengthening quality control and testing procedures.

Nonproliferation & Disarmament Fund
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
NADR-NDF	15,000	14,967	14,000

National Interests:

Stemming the proliferation of weapons of mass destruction (WMD) is a key national security objective. The Nonproliferation and Disarmament Fund (NDF) provides the flexibility and resources necessary to respond quickly and effectively to unanticipated or unusually difficult nonproliferation requirements or opportunities.

Objectives & Justification:

The Nonproliferation and Disarmament Fund (NDF) was established by Congress under Title V, Section 504 of the FREEDOM Support Act of October 24, 1992. The NDF is a sharply focused and versatile program that permits rapid response to high priority requirements or opportunities. These include: (1) halting the proliferation of nuclear, biological, and chemical weapons, their delivery systems, related technologies, and other weapons; (2) destroying or neutralizing existing weapons of mass destruction, their delivery systems, related sensitive materials, and conventional weapons; (3) limiting the spread of advanced conventional weapons and their delivery systems; and (4) creating and launching programs of unusual importance and complexity. Key initiatives for which NDF funding was recently approved include:

Destruction of Slovakia's inventory of SS-23 missiles, launchers, and related support equipment;

Draining and processing of sodium coolant as part of the shutdown of the BN-350 plutonium fast breeder reactor at Aktau, Kazakhstan; and

Safeguarding of nuclear materials.

The administration is requesting $14 million for the NDF in FY 2002 to support NDF objectives as mandated by Congress. This is $1 million less than the amount we have requested in previous years. This one-year reduction in our request is the result of unique circumstances related to the timing and transition of certain NDF activities to regular programmatic accounts.

As in prior years, up to 4.5 percent of funds may be used for administrative purposes for the NDF. To ensure the capability to respond quickly on an "as needed" basis, the administration is requesting, as it has in previous years, that NDF funds be made available notwithstanding any other provision of law, that the funds be appropriated to remain available until expended, and that their use be authorized for countries other than the independent states of the former Soviet Union and international organizations when it is in the national security interest of the United States to do so.

Oceans, Environmental and Science Initiative
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
ESF	4,000	4,983	4,000

National Interests:

Oceans, environment, science and technology issues directly affect our economic prosperity and national security. U.S. national interests are best served by American leadership and proactive engagement with our friends and allies in these areas.

Objectives & Justification:

The Administration is requesting $4 million in Economic Support Funds for oceans, environment and science initiatives (OESI) in FY 2002 to advance U.S. negotiating positions, promote regional cooperation, and respond to emerging issues. In FY 2000 and FY 2001, ESF funds for these activities were requested under the heading of Environmental Diplomacy. The request has been renamed to reflect the broad nature of the activities that will be funded.

Engaging in these activities allows the United States to assist foreign countries to understand the policy implications of international oceans, environmental and science issues, to promote U.S. trade, economic, investment and commercial interests, and to enable host governments to elaborate their own policies in an informed manner. Funds will allow the Department of State to implement a coordinated policy strategy that includes using the technical expertise of other U.S. Government agencies. OESI will enhance and extend the traditional diplomatic efforts of the State Department, and is complementary to the activities of other U.S. Government agencies. OESI funds will support workshops, symposia, outreach, and other mechanisms with the objective of: advancing the full range of U.S. interests in the oceans and environment to promote our national security, facilitate commerce, and sustainably manage resources in bilateral, regional and multilateral fora; promoting understanding of the science that provides the foundation for U.S. positions on nvironmental issues; coordinating international scientific and technological cooperation to find science-based solutions for a range of global challenges affecting our environment, health, food safety and economic and national security; explaining technical aspects of U.S. positions to foreign government officials and - civil society in order to build and maintain international support; making clear the economic and environmental implications of the choices being made in international fora; enhancing regional cooperation in transboundary environmental and health issues; promoting voluntary non-binding approaches to address international environmental issues such as transboundary freshwater, invasive species, protection of coral reefs, forest management, and Arctic protection; and using environmental protection as a platform to advance U.S. democracy, rule of law and law-enforcement objectives.

The Department of State is currently negotiating agreements, developing voluntary initiatives and building support for U.S. positions on oceans, environment and science issues including biotechnology, forests, hazardous chemicals, sustainable fisheries, and governance. These processes will directly affect U.S. interests in trade and investment in such areas as food

safety, movement and use of hazardous chemicals, timber harvesting and export, and fishing and navigation rights. Program funds will be used, among other things, to: help developing countries manage hazardous chemicals. funds will support workshops in Asia, Southern Africa, and Central America to help governments access information and develop effective control regimes for managing chemicals safely. further voluntary cooperative international action with respect to invasive species which pose a potential threat in excess of $100 billion dollars annually to the U.S. economy in the agriculture, forestry, fisheries and manufacturing sectors, as well as human health threats, develop institutional and legal frameworks for regional management of transboundary fresh water issues in such key areas as the Mekong and Amazon basins and Southern Africa, establish oil spill response systems on the Black and Caspian Seas, conduct outreach to communities and nations to promote the economic and environmental value of protecting coral reef systems, promote the implementation of agreements to protect endangered sea turtles in the Western Hemisphere and in the Indian Ocean region, ensure that comprehensive, solid science underpins domestic fishery management measures affecting Pacific salmon stocks in the North Pacific region by providing the U.S. share of a salmon research fund to which we expect all North Pacific salmon-producing States to contribute, support a Chilean fisheries law enforcement initiative to establish a real-time communications network linking fisheries enforcement authorities, initially for the Southern Hemisphere, sponsor briefings to international political and opinion leaders to raise awareness of the unprecedented threat to decades of economic, development and social progress posed by the spread of HIV/AIDS and other infectious diseases, and promote export of U.S. technologies that advance international OESI objectives.

Partnership to Eliminate Sweatshops
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
ESF	4,000	3,986	5,000

National Interests:

Concern continues to grow among the American public that the global economy has created a climate conducive to abusive treatment of workers and unsafe working conditions. There is broad public concern that goods sold in the U.S. market are produced in such sweatshop conditions overseas. Through the Partnership to Eliminate Sweatshops, the United States has funded proposals by concerned private sector actors and others to address these problems. These include the establishment of business codes of conduct, workplace monitoring systems, research and education initiatives, among others. These efforts serve our national interest by promoting democracy and economic development abroad and reinforcing the domestic consensus in support of international economic engagement and the protection and promotion of fundamental worker rights.

Objectives & Justification:

This program facilitates partnerships among non-governmental organizations (NGOs), universities, organized labor, corporate alliances, and others to allow a variety of approaches to address unacceptable working conditions around the world. Efforts to eliminate sweatshops are at an early stage. Corporate codes are many and varied, and independent monitoring of enforcement of codes has just begun on a small scale. These funds will continue to be used to develop monitoring efforts, to train and accredit monitoring agencies targeting countries and industries where the greatest problems exist, and evaluating efforts to date. This effort complements other efforts being made to bring countries and companies into full compliance with the 1998 International Labor Organization (ILO) Declaration of the Fundamental Principles and Rights at Work and to help developing countries meet worker rights criteria in U.S. trade legislation. The overall objectives are to eliminate forced labor, child labor, violations of freedom of association and the right to organize and bargain collectively, minimum wage violations, harassment, discrimination, substandard health and safety conditions, and abusive work schedules in production facilities overseas that produce for the American market.

For FY 2002, $5 million is requested to continue and expand this innovative partnership program to eliminate sweatshops. These funds will be used to make grants available to both domestic and international applicants to eliminate sweatshops overseas through the promotion of core labor standards, corporate codes of conduct, monitoring, training, research and other means. Funds may also be used to support mechanisms that allow for communication and exchange of information among the grant recipients, in order to share lessons learned and stimulate discussion of best practices.

Small Arms Destruction
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
NADR-SAD	0	2,000	2,000

National Interests:

Destroying surplus and illicit stocks of military small arms and light weapons (SA/LW) supports U.S. national interests in promoting regional stability, minimizing threats to civilian populations, combating crime, rebuilding post-conflict societies, and protecting U.S. and allied forces deployed overseas. SA/LW generally refers to military-style automatic rifles, machine guns, man-portable anti-tank and anti-aircraft missiles, rocket-propelled grenades, and light mortars. Large post-Cold War stocks in the countries of Eastern Europe, the former Soviet Union, Africa and Latin America, often poorly secured and susceptible to theft or illicit transfer, have become a major source of arms on the global black market, contributing greatly to the continued destabilization of conflict-prone regions. If not expeditiously destroyed, stocks of arms left over after the cessation of hostilities frequently re-circulate in neighboring regions, exacerbating conflict and crime.

Objectives & Justification:

To addressthe problem of excess SA/LW stocks, $2 million isbeing provided in FY 2001 NADR funds to support destruction projects worldwide. Given that destruction is relatively inexpensive and can generally be accomplished using locally available infrastructure and personnel, the program offers large dividends in threat reduction for a modest initial investment.

U.S. priorities are focused on those countries and regions where small arms proliferation or destabilizing accumulation is most acute. Ukraine, Romania, and Kazakhstan all hold significant quantities of Soviet/Warsaw Pact era surplus stocks of SA/LW, and have indicated interest in reducing these stocks. Albania, where the U.S. is currently working to destroy collected illicit weapons in partnership with Norway and Germany, will have additional stocks of surplus military SA/LW marked for destruction in FY 2002. New multilateral arrangements, such as NATO's Partnership for Peace Trust Fund for SA/LW destruction, may be used to facilitate these and other destruction projects in the former Soviet Union and Eastern Europe. SA/LW destruction in current and former regions of conflict in Africa, such as Niger, remain a high priority, as do projects in Latin America, where arms leftover from civil conflict in El Salvador and Nicaragua have flooded the regional illicit arms trade and even migrated into the current conflict in Colombia.

The following table outlines priority projects for the Administration's FY 2002 request of $2 million. Destruction costs, which average $500 to $1000 per ton, will vary according to types and numbers of weapons, access to transportation, available infrastructure, environmental regulations, and equipment and labor costs. Destruction of ammunition in addition to weapons will also boost costs in some cases.

FY 2002 Small Arms Destruction Program
Candidate Countries

COUNTRY	Estimated Tonnage to be destroyed	Estimated Total Cost
Ukraine	750	500,000
Romania	500	325,000
Kazakhstan	500	325,000
Albania	350	250,000
Niger	200	150,000
Bolivia	200	150,000
Nicaragua	200	150,000
El Salvador	200	150,000
TOTAL	2,900	2,000,000

Terrorist Interdiction Program
($ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
NADR-TIP	1,250	4,000	4,000

National Interests:

The Terrorist Interdiction Program (TIP) supports U.S. national security goals by better protecting American citizens and interests abroad and bolstering the security of friendly countries. The bombings in East Africa in 1998 and the investigation of the bombing of the USS Cole demonstrate that intercepting terrorists before they can move into position is crucial to preventing terrorist activities.

Objectives & Justification:

TIP was developed to respond to the ability of terrorists to cross international borders to stage attacks and escape undetected. The program limits terrorists' capabilities to move freely into countries that are key transportation hubs or otherwise important international crossroads that have been identified by intelligence analysis and interagency assessment teams. Such vulnerable countries usually have minimal or outdated means of quickly identifying such persons. TIP enables these key friends and allies to improve their border security capabilities by providing them with computer data based programs that allow their border control officials to identify and detain individuals of interest, or quickly relay to other countries information on transiting suspects. In doing so, TIP helps to frustrate planned attacks or bring to justice those trying to escape after an attack. By helping countries to secure their borders, TIP enhances the security of Americans who live and travel abroad.

TIP bolsters the border security systems of vulnerable countries so it will be more difficult for terrorists to enter such countries. The program achieves this through four interrelated components: (1) installing Personal Identification Secure Comparison and Evaluation System (PISCES); (2) training border security officials to operate PISCES; (3) helping update the International Criminal Police Organization's (INTERPOL) communications system to complement PISCES; and (4) strengthening host countries' present counterterrorism interdiction capabilities.

Installing a Border Monitoring System

TIP installs and helps to maintain the Personal Identification Secure Comparison and Evaluation System (PISCES) in selected points of entry, typically a major airport, in a participating country. PISCES is a database that provides border control officials with idiosyncratic information that allows them to identify and detain individuals of interest. The system provides a high-speed secure connection from the country's centralized data bank of suspects, located in the appropriate government agency, to points of entry where PISCES is installed. This allows border control officials to check passports and visas quickly and accurately

for the purpose of identifying terrorist suspects. Officials can also use PISCES to quickly retrieve information on persons who may be trying to hastily depart a country after a terrorist incident.

Having access to information on terrorists from all over the world is essential to interdicting terrorists who are attempting to transit a country. Therefore, TIP will also assist the upgrading of INTERPOL's communications system to transmit fingerprints, photos and other graphics on a near-real time basis to and from a participating country's INTERPOL National Central Bureau (NCB). INTERPOL data can then be imported into PISCES to expand the pool of suspects.

In addition, TIP will train immigration officials to use the system to collect, compare and analyze data that can be utilized to arrest and investigate suspects. TIP also trains officials to use equipment to identify fraudulent travel documents. This training complements existing State Department export control and border security programs, such as those managed by the Office of the Coordinator of U.S. Assistance to the Newly Independent States (S/NIS/C) and the Bureau of Non Proliferation (NP).

The Office of the Coordinator for Counterterrorism provides policy oversight and management for the selection and participation of countries. Selection is based on the countries' volume of travel and use as a transit point, available intelligence information, and political will to cooperate. Over thirty-four countries have been identified as potential for the program. TIP is planned for up to five countries in FY 2001 and an additional five in FY 2002, primarily in South Asia, the Middle East and Africa.

Strengthening Host Countries' Counterterrorism Capabilities

TIP will strengthen countries' present counterterrorism capabilities. The program provides the opportunity to engage countries on broader issues of interdiction such as methods of detecting weapons and explosives being smuggled across international borders. Not all individuals who cross borders seeking to commit acts of terrorism will be documented in pre-existing data files. It is necessary therefore to provide an effective system to keep the database up to date and to be able to quickly retrieve information.

III. SUPPORTING INFORMATION

Arms Control and Nonproliferation Considerations
Estimating Foreign Military Sales
Foreign Military Sales Administrative Costs
Overseas Military Program Management
Excess Defense Articles
Leased Defense Articles
Stockpiling of Defense Articles for Foreign Countries
Countries and International Organizations Eligible for Purchasing Defense Articles and Services
End-Use Monitoring of Defense Articles and Services
Security Assistance Funding
All Spigots Table by Appropriation Account

Arms Control And Nonproliferation Considerations

Arms transfers continue to be an indispensable U.S. policy instrument for exerting constructive leadership in advancing international peace and security in the post-Cold War era. Military assistance also serves to increase 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.

The U.S. military 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 U.S. 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.

There are other new and creative forms of security assistance in the NADR account that act synergistically with our military assistance program to support our arms control and nonproliferation goals and contribute to regional and global stability. The program to destroy small arms and reduce international stockpiles helps control the proliferation of relatively cheap, accessible weapons which exacerbate regional and civil conflicts. The worldwide Nonproliferation and Disarmament Fund and the export control cooperation programs promote bilateral and multilateral efforts to control the spread of missiles, nuclear and chemical/biological weapons, and destabilizing conventional arms transfers.

Carefully structured security assistance programs support U.S. conventional arms transfer policy goals, particularly to preserve regional balances and help allies and friends deter and defend against aggression, and U.S. nonproliferation objectives of curbing the spread of weapons of mass destruction, their delivery systems, and destabilizing conventional arms. By enhancing stability, security assistance programs also help improve prospects for meaningful bilateral and multilateral arms control measures.

The U.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 implications on U.S. arms control and nonproliferation objectives of each transfer are essential elements of this evaluation, and each transfer is specifically reviewed for its impact on these 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;

the impact of the proposed transfer on our arms control and nonproliferation goals; and

whether possible adverse effects of the transfer are offset by positive contributions to U.S. regional security interests and objectives.

When necessary, the reviews draw on the expertise of the Department of State's Arms Control and Nonproliferation Bureaus to assess the impact on arms control and non-proliferation policies and negotiations in these areas. Whenever appropriate, these issues are referred to senior Administration officials, beginning with those in the Department of State, to ensure that decisions on arms transfers complement and support U.S. national security policies and objectives.

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 (LOAs) signed in FY 2000, regardless of when the articles and services were or will be delivered.

The second part shows the estimated dollar values projected for FY 2001 and FY 2002. These estimates were derived through:

a. An analysis of each country's historical FMS sales record (past 10 years).

b. Development of a simple linear regression - based range of likely sales for each country.

c. In-depth, multi-tiered evaluation of each item contained on individual country lists of potential sales (developed by DSCA Regional Directorates). Each entry is evaluated for:

(i) Likelihood of sale in the year listed.

(ii) Likelihood that the sale will go FMS and not Direct Commercial Sales (DCS).

(iii) Decision of which items may be approved and result in an actual FMS sale after completion of the accompanying thorough, and often lengthy, U.S. Government review process.

(iv) A judgement of how essential the listed military equipment of defense service is to the country's defense needs.

(v) Whether the funding required to make the purchase will in fact be approved by the purchasing country's budget process.

d. Consideration of potential economic and political/military factors over the time frame concerned.

Each phase of the FMS LOA 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.

The following identify management uses of FMS estimates:

a. Sales estimates are used to estimate administrative income, which is used to fund the general management of the FMS program. By law, the FMS program operates at no cost to the USG. The "Budget Outlook" of FMS administrative income and planned expenses is used to guide decisions on "right-sizing" DoD's FMS community and to adjust the cost factors, which are applied to generate the income.

b. Sales estimates are used to estimate the cash flow of the FMS Trust Fund, as required for the President's Budget Appendix exhibit for annual obligations, receipts and disbursements.

Foreign Military Sales & Construction Sales Agreements
($ in thousands)

	Actual FY 2000			Estimated	
	Articles & Services	Constr/ Design	Total	FY 2001	FY 2002
Africa:					
Benin	0	0	0	300	300
Botswana	585	0	585	256	355
Cameroon	0	0	0	22	20
Cape Verde	0	0	0	100	30
Central African Rep	0	0	0	108	0
Chad	193	252	445	750	500
Ghana	1,300	0	1,300	1,900	700
Guinea	0	0	0	50	20
Kenya	5,255	0	5,255	1,000	475
Malawi	0	0	0	455	0
Mali	600	0	600	2,630	20
Namibia	0	0	0	50	60
Niger	0	0	0	300	100
Nigeria	3,500	0	3,500	10,750	5,500
Rwanda	0	0	0	75	0
Senegal	2,816	0	2,816	1,075	1,000
Seychelles	323	0	323	0	0
Sierra Leone	0	0	0	100	90
South Africa	402	0	402	200	200
Tanzania	0	0	0	50	0
Zimbabwe	993	0	993	0	0
Regional Total	15,966	252	16,218	20,171	9,370
Western Hemisphere:					
Antigua-Barbuda*	0	0	0	330	350
Argentina	10,707	49	10,756	6,000	6,000
Bahamas, The	0	0	0	140	138
Barbados*	0	0	0	350	350
Belize	77	0	77	135	100
Bolivia	8	0	8	1,000	1,250
Bolivia – Intl. Narc.	533	607	1,140	1,300	750
Brazil	54,664	0	54,664	121,764	16,750
Canada	112,453	0	112,453	101,800	104,900
Chile	2,439	0	2,439	0	4,000
Colombia	257,902	0	257,902	153,621	1,750
Colombia – Intl. Narc.	5,582	0	5,582	0	0
Costa Rica	**	0	**	167	30
Dominica*	87	0	87	120	120
Dominican Republic	184	0	184	650	500
Ecuador	0	0	0	4,470	4,420
Ecuador – Intl. Narc.	265	0	265	2,060	2,000
El Salvador	2,599	0	2,599	2,754	955
Grenada*	3	0	3	120	120

Foreign Military Sales & Construction Sales Agreements
($ in thousands)

	Actual FY 2000			Estimated	
	Articles & Services	Constr/ Design	Total	FY 2001	FY 2002
Guyana	189	0	189	125	600
Haiti	105	195	300	450	600
Honduras	225	114	339	3,900	650
Jamaica	742	0	742	585	900
Mexico	400	0	400	9,000	3,000
Panama	385	0	385	1,325	825
Paraguay	19	0	19	50	100
Peru	127	0	127	50	100
Peru – Intl. Narc.	454	0	454	100	50
St. Kitts and Nevis*	70	0	70	120	120
St. Lucia*	130	0	130	200	200
St. Vincent & Grenadines.*	130	0	130	120	120
Suriname	0	0	0	0	250
Trinidad & Tobago	191	0	191	300	400
Uruguay	965	0	965	8,800	750
Venezuela	15,780	0	15,780	7,000	7,000
Regional Total	467,415	965	468,381	428,906	160,148
East Asia & Pacific:					
Australia	432,999	0	432,999	351,669	181,500
Brunei	356	0	356	0	0
Cambodia	694	0	694	500	531
Japan	536,826	0	536,826	404,354	738,895
Malaysia	5,407	0	5,407	7,500	7,500
Mongolia	0	0	0	350	0
New Zealand	7,967	0	7,967	52,300	12,000
Philippines	13,953	0	13,953	10,700	8,700
Singapore	110,768	0	110,768	550,998	570,000
South Korea	612,387	0	612,387	683,158	212,400
Taiwan	134,682	0	134,682	580,000	580,000
Thailand	183,531	0	183,531	74,500	24,500
Regional Total	2,039,569	0	2,039,569	2,716,029	2,336,026
Europe and the NIS:					
Albania	2,706	0	2,706	4,500	3,800
Austria	10,286	0	10,286	15,000	9,000
Belgium	36,781	0	36,781	28,000	19,000
Bosnia-Herzegovina	6,891	0	6,891	3,000	3,000
Bulgaria	8,290	0	8,290	14,600	10,500
Croatia	209	0	209	4,000	5,500
Czech Republic	11,111	0	11,111	9,000	14,000
Denmark	15,042	0	15,042	53,000	11,000
Estonia	5,773	0	5,773	6,202	5,250

Foreign Military Sales & Construction Sales Agreements
($ in thousands)

	Actual FY 2000			Estimated	
	Articles & Services	Constr/ Design	Total	FY 2001	FY 2002
Finland	12,532	0	12,532	26,000	13,000
France	84,583	0	84,583	270,000	83,000
Georgia	9,493	0	9,493	4,500	5,500
Germany	326,604	3,141	329,745	245,000	250,000
Greece	2,393,532	0	2,393,532	337,000	307,000
Hungary	7,711	0	7,711	7,430	8,000
Italy	164,287	0	164,287	524,106	58,500
Kazakhstan	2,430	0	2,430	1,500	2,000
Kyrgyzstan	1,137	0	1,137	1,500	2,000
Latvia	4,651	0	4,651	5,250	3,485
Lithuania	5,084	0	5,084	6,550	6,550
Luxembourg	350	0	350	300	300
Macedonia (FYROM)	4,379	0	4,379	4,000	8,300
Malta	79	0	79	220	0
Moldova	1,795	0	1,795	1,500	1,500
Netherlands	424,036	0	424,036	506,258	275,810
Norway	147,950	0	147,950	66,000	60,000
Poland	20,787	0	20,787	142,491	5,900
Portugal	5,989	0	5,989	96,666	13,970
Romania	8,657	0	8,657	11,940	7,050
Russia	0	0	0	4,000	600
Slovakia	6,222	0	6,222	3,220	7,390
Slovenia	1,027	0	1,027	9,000	9,350
Spain	92,461	0	92,461	214,500	159,000
Sweden	4,514	0	4,514	5,000	6,000
Switzerland	8,957	0	8,957	14,000	15,000
Turkey	488,314	0	488,314	375,300	289,000
Turkmenistan	657	0	657	600	600
Ukraine	11,927	0	11,927	4,000	4,000
United Kingdom	344,111	0	344,111	255,400	167,400
Uzbekistan	34	0	34	1,700	2,500
Regional Total	4,681,379	3,141	4,684,520	3,282,233	1,853,755
Near East & South Asia:					
Algeria	200	0	200	0	0
Bahrain	184,463	0	184,463	103,000	168,000
Bangladesh	2,050	0	2,050	0	0
Egypt	1,594,128	28,147	1,622,275	1,561,500	1,498,880
Israel	907,444	205,030	1,112,474	945,000	2,050,000
Jordan	122,656	0	122,656	75,000	75,000
Kuwait	196,171	0	196,171	261,000	40,000
Lebanon	6,402	0	6,402	8,000	5,000
Morocco	7,000	0	7,000	4,000	4,000
Nepal	585	0	585	0	0

Foreign Military Sales & Construction Sales Agreements
($ in thousands)

	Actual FY 2000			Estimated	
	Articles & Services	Constr/ Design	Total	FY 2001	FY 2002
Oman	4,396	0	4,396	7,351	0
Saudi Arabia	705,142	49,367	754,509	2,014,809	948,750
Tunisia	10,842	0	10,842	8,500	8,500
United Arab Emirates	279,097	0	279,097	663,836	303,400
Yemen	345	0	345	300	0
Regional Total	4,020,921	282,544	4,303,465	5,652,296	5,101,530
Non-Regional:					
Classified Totals (A)	568,729	0	568,729	650,700	1,610,500
Totals (a) International Org.	53,844	0	53,844	57,700	59,400
Non-Regional Total	625,573	0	625,573	18,032	18,000
Worldwide Total	11,850,824	286,902	12,137,726	12,826,067	11,148,729

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.

FMS Administrative Costs

The Foreign Military Sales (FMS) program, through which FMF 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 two and one-half percent is applied to most FMS cases written on or after June 1, 1999. For cases written before that time, a three percent rate is applied. 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 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 program management. About one-half 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 2001, P.L. 106-429, included, for FY 2001 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. There is no net outlay impact on the U.S. budget from the operations of the FMS administrative budget.

In FY 2002, $348 million is required. About the same number of work years will be financed in FY 2002 as in FY 2001. DoD's FMS workload is level as indicated by actual sales between FYs 1999-2000 in the $12 billion range, and anticipated sales for FY 2001-2002 also in the $11-12 billion range. For FY 1996 - FY 2000, pay and non-pay inflation were financed by increases in efficiency - reductions to work years and other programs. Since FY 1995, DoD has reduced the FMS administrative-financed work years by 26%, over 1,400 work years. The table that follows shows FMS administrative budget amounts for FY's 2000 – 2002.

FMS Administrative Costs/Workyears
($ in millions)

	Actual FY 2000		Estimated FY 2001		Proposed FY 2002	
	Workyrs	Dollars	Workyrs	Dollars	Workyrs	Dollars
Military Departments	3,017	261.476	3,029	208.310	3,031	214.582
Other Defense	778	122.161	751	108.323	684	110.557
SAOs (Net)	312	22.363	316	23.367	302	22.861
Total	4,107	406.000	4,096	340.000	4,017	348.000

Note: P.L. 106-79, FY 2000 DoD Appropriations Act, suspended Section 43(a) of the AECA for FY 2000. As a result, $52M was reimbursed to the Military Department's military appropriations.

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 realigning SAO personnel to meet new mission requirements while reducing the total SAO personnel authorizations from 654 (Actual for FY 1999) to 653 (Actual for FY 2000).

In FY 2001, separate SAOs will be assigned to fifty-five countries. In forty seven 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 2000 and the estimated levels for FY 2001 and FY 2002. Actual assigned strengths for FY 2001 and FY 2002 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

($ in thousands)

	Org.	Actual FY 2000			Estimated FY 2001			Proposed FY 2002		
		FMF	FMS	Total	FMF	FMS	Total	FMF	FMS	Total
Africa:										
Angola	DAO	8	0	8	9	0	9	9	2	11
Benin	EMBASSY	94	0	94	77	0	77	93	0	93
Botswana	ODC	290	68	358	270	63	334	279	65	344
Cameroon	DAO	5	1	5	5	1	5	5	1	5
Cape Verde	EMBASSY	8	0	8	9	0	9	10	0	10
Chad	DAO	44	11	55	39	10	49	45	11	57
Cote d'Ivoire	DAO	8	1	9	9	1	10	10	1	11
Djibouti	USLO	323	0	323	339	0	339	346	0	346
Eritrea	USLO	110	110	219	130	106	236	161	87	247
Ethiopia	DAO	61	84	144	81	66	147	112	37	150
Gabon	EMBASSY	5	0	5	6	0	6	7	0	7
Ghana	DAO	52	6	57	53	6	59	50	6	56
Guinea	EMBASSY	5	1	5	5	1	6	6	1	7
Kenya	KUSLO	664	285	948	788	338	1125	902	226	1128
Lesotho	EMBASSY	8	0	8	9	0	9	10	0	10
Madagascar	EMBASSY	7	0	7	10	0	10	12	0	12
Malawi	DAO	42	10	52	41	10	51	42	10	52
Mali	DAO	8	0	8	9	0	9	10	0	10
Mozambique	DAO	8	0	8	8	1	9	9	2	10
Namibia	DAO	23	6	29	24	6	29	25	6	31
Niger	DAO	42	0	42	45	0	45	41	0	41
Rwanda	DAO	30	3	33	25	3	28	26	3	29
Senegal	SAO	234	59	293	250	67	317	253	63	317
Seychelles	EMBASSY	25	0	25	30	0	30	31	0	31
South Africa	ODC	218	38	257	156	28	184	148	26	174
Tanzania	EMBASSY	3	0	3	6	1	7	5	1	5
Uganda	EMBASSY	16	0	16	9	0	9	11	0	11
Zambia	EMBASSY	10	0	10	10	0	10	11	0	11
Zimbabwe	DAO	7	1	8	8	1	9	9	1	10
Regional Total		2350	682	3032	2450	707	3157	2669	548	3216
Western Hemisphere:										
Argentina	USMILGP	393	131	523	357	119	476	386	96	482
Bahamas	USNLO	25	3	28	26	3	29	25	3	27
Belize	USMLO	154	83	236	158	85	243	178	76	254
Bolivia	USMILGP	654	280	935	660	283	943	725	242	967
Brazil	USMLO	302	129	431	308	181	489	322	189	511
Canada	DAO	0	56	56	0	62	62	0	60	60
Chile	USMILGP	185	79	264	188	81	269	196	84	280
Colombia	USMILGP	772	257	1029	745	248	993	755	252	1007
Costa Rica	ODR	229	0	229	160	40	201	163	41	204
Dominican Republic	MAAG	177	95	272	179	96	276	220	73	294
Eastern Caribbean	USMLO	353	72	426	349	87	436	360	90	450
Ecuador	USMILGP	281	121	402	268	115	382	298	99	398
El Salvador	USMILGP	426	348	774	340	302	642	387	258	645
Guatemala	USMILGP	146	37	183	134	34	168	140	35	175

Overseas Military Program Management - Costs

($ in thousands)

	Org.	Actual FY 2000			Estimated FY 2001			Proposed FY 2002		
		FMF	FMS	Total	FMF	FMS	Total	FMF	FMS	Total
Guyana	USMLO	0	0	0	12	1	13	11	1	12
Haiti	USMLO	340	113	454	306	102	408	339	85	424
Honduras	USMILGP	495	266	761	343	185	527	380	163	543
Jamaica	USMLO	210	113	323	214	115	330	228	123	351
Mexico	USMLO	244	199	443	218	178	396	248	165	413
Nicaragua	DAO	0	0	0	12	1	13	11	1	12
Panama	ODC	160	68	228	150	64	214	172	57	229
Paraguay	ODC	186	20	206	187	20	207	193	21	215
Peru	MAAG	422	47	468	450	50	499	453	50	503
Trinidad & Tobago	USMLO	22	1	23	28	1	29	35	2	37
Uruguay	ODC	224	96	320	251	107	358	282	94	376
Venezuela	USMILGP	248	134	382	263	113	376	242	130	372
Regional total		6647	2750	9397	6306	2672	8979	6750	2491	9240
East Asia & Pacific:										
Australia	ODC	90	110	201	75	113	188	79	119	198
Cambodia	DAO	57	0	57	56	0	56	59	0	59
China	DAO	6	0	6	0	0	0	0	0	0
Fiji	DAO	0	0	0	6	1	7	7	2	9
Indonesia	OMADP	314	141	455	291	125	416	355	83	438
Japan	MDAO	110	993	1104	101	962	1063	131	963	1094
Malaysia	SAO	210	99	309	265	142	407	260	140	400
Mauritius	EMBASSY	13	0	13	18	0	18	19	0	19
Mongolia	DAO	102	0	102	105	0	105	107	0	107
New Zealand	DAO	0	7	7	0	9	9	0	12	12
Philippines	JUSMAG	228	463	691	189	384	573	194	393	587
Singapore	ODC	149	446	595	166	498	664	197	591	789
South Korea	JUSMAG-K	465	1036	1501	598	1463	2061	639	1423	2062
Thailand	JUSMAG	974	864	1837	835	712	1547	808	688	1496
Regional Total		2718	4159	6876	2704	4409	7113	2855	4414	7269
Europe:										
Albania	ODC	106	71	177	106	58	165	104	67	171
Austria	ODC	123	123	246	136	136	272	127	127	255
Belarus	DAO	45	0	45	0	0	0	0	0	0
Belgium	ODC	91	365	456	93	373	466	116	347	463
Bosnia	ODC	119	51	171	129	55	184	124	53	178
Bulgaria	ODC	135	90	225	120	120	240	142	94	236
Croatia	ODC	193	0	193	261	0	261	217	0	217
Czech Republic	ODC	126	153	279	128	157	285	155	132	287
Denmark	ODC	43	351	394	85	340	425	102	306	407
Estonia	ODC	126	68	194	126	66	192	121	65	186
Finland	DAO	0	13	13	0	14	14	0	15	15
France	ODC	0	557	557	0	585	585	0	565	565
Georgia	DAO	156	0	156	189	47	237	195	34	230
Germany	ODC	0	769	769	0	729	729	0	761	761
Greece	ODC	659	856	1515	689	809	1497	795	795	1591
Hungary	ODC	178	140	308	238	187	424	245	164	409

Overseas Military Program Management - Costs
($ in thousands)

	Org.	Actual FY 2000 FMF	FMS	Total	Estimated FY 2001 FMF	FMS	Total	Proposed FY 2002 FMF	FMS	Total
Italy	ODC	111	653	764	123	697	820	193	580	773
Kazakhstan	DAO	216	0	216	233	0	233	241	0	241
Kyrgyzstan	DAO	72	0	72	76	0	76	84	0	84
Latvia	ODC	152	51	203	154	49	203	149	50	199
Lithuania	ODC	147	54	202	159	53	212	142	61	202
Luxembourg	EMBASSY	1	7	8	1	8	9	1	11	12
Macedonia (FYROM)	ODC	170	129	299	190	103	293	202	87	289
Moldova	DAO	164	0	164	126	14	140	120	13	133
Netherlands	ODC	60	341	402	61	344	405	80	321	401
Norway	ODC	59	237	296	62	249	312	70	211	282
Poland	ODC	369	246	615	412	222	634	394	203	596
Portugal	ODC	285	465	751	306	500	806	376	376	752
Romania	ODC	196	22	217	203	20	226	193	21	215
Russia	SAO	264	0	264	204	0	204	187	21	207
Slovakia	ODC	88	91	179	96	88	184	99	66	165
Slovenia	ODC	101	73	174	106	71	177	118	64	182
Spain	ODC	248	393	640	248	372	619	278	340	618
Sweden	DAO	0	15	15	0	15	15	0	10	10
Switzerland	DAO	0	17	17	0	59	59	0	58	58
Turkey	ODC	1410	1497	2906	1393	1540	2933	1767	1631	3399
Ukraine	ODC	215	24	239	288	63	351	271	59	330
United Kingdom	ODC	0	200	200	0	192	192	0	194	194
Uzbekistan	DAO	49	0	49	54	0	54	63	0	63
Regional Total		6478	8122	14599	6797	8337	15134	7474	7901	15375
Near East&South Asia:										
Bahrain	OMC	302	302	604	333	333	667	335	309	644
Bangladesh	DAO	49	0	49	59	0	59	66	0	66
Egypt	OMC	1295	3021	4316	1326	2692	4017	1574	2651	4225
India	DSA	138	7	145	125	22	147	136	24	159
Israel	DCAO	0	43	43	0	109	109	0	100	100
Jordan	MAP	360	669	1029	350	651	1001	413	620	1033
Kuwait	OMC	52	465	517	38	346	384	40	364	405
Lebanon	ODC	304	203	507	308	205	513	364	156	520
Morocco	ODC	547	137	683	569	142	711	561	140	701
Nepal	DAO	72	0	72	38	0	38	46	0	46
Oman	OMC	313	313	626	300	300	599	321	263	584
Pakistan	ODRP	573	101	674	459	51	510	464	24	489
Qatar	USLO	193	200	393	243	162	405	275	118	393
Saudi Arabia	USMTM	0	1616	1616	0	1699	1699	0	1743	1743
Sri Lanka	DAO	47	8	55	51	9	60	52	9	61
Tunisia	ODC	500	247	747	479	236	715	220	734	934
United Arab Emirates	USLO	43	819	862	42	799	842	85	765	850
Yemen	DAO	11	0	11	12	0	12	13	0	13
Regional Total		4798	8,151	12948	4732	7,701	12489	5258	7,506	12766
WORLDWIDE TOTAL		22990	23863	46853	22990	23882	46872	25006	22861	47867

NOTE: Totals may not add due to rounding.

Overseas Military Program Management - Personnel

	ORG.	ACTUAL FY 2000 MIL.	CIV	LOCAL	TOT	ESTIMATED FY 2001 MIL.	CIV	LOCAL	TOT	PROPOSED FY 2002 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	EMB 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	EMB 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
Nigeria	DAO a/	0	0	0	0	2	0	1	3	2	0	1	3
Rwanda	DAO a/	0	0	1	1	1	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/	2	0	0	2	2	0	1	3	2	0	1	3
Regional total		13	5	8	26	15	5	10	30	15	5	10	30
Western Hemisphere:													
Argentina	USMILGP	3	0	2	5	3	0	2	5	3	0	2	5
Barbados	USMLO c/	3	0	0	3	2	0	0	2	2	0	2	4
Belize	USMLO	2	0	0	2	2	0	0	2	2	0	0	2
Bolivia	USMILGP	5	2	2	9	5	2	2	9	5	2	2	9
Brazil	USMLO	4	0	0	4	4	0	0	4	4	0	0	4
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	6	0	3	9	5	0	3	8	5	0	3	8
Costa Rica	ODR	1	0	1	2	1	0	1	2	1	0	1	2
Dominican Republic	USMAAG	2	0	0	2	2	0	0	2	2	0	0	2
Ecuador	USMILGP	4	1	3	8	4	1	3	8	4	1	3	8
El Salvador	USMILGP	4	1	4	9	4	1	2	7	4	1	2	7
Guatemala	USMILGP	1	0	1	2	1	0	1	2	1	0	1	2
Haiti	USMLO	3	0	1	4	3	0	1	4	3	0	1	4
Honduras	USMILGP	5	1	4	10	5	1	4	10	5	1	4	10
Jamaica	USMLO	2	0	0	2	2	0	0	2	2	0	0	2
Mexico	DAO a/	3	0	5	8	3	0	4	7	3	0	4	7
Panama	DAO a/	2	0	1	3	2	0	1	3	2	0	1	3
Paraguay	ODC	1	0	1	2	1	0	1	2	1	0	1	2
Peru	MAAG	3	1	5	9	3	1	5	9	3	1	5	9
Uruguay	ODC	1	0	3	4	1	0	3	4	1	0	3	4
Venezuela	USMILGP	2	2	2	6	2	1	2	5	2	1	2	5
Regional Total		60	8	41	109	58	7	38	103	58	7	40	105
East Asia & Pacific:													
Australia	DAO a/	2	1	0	3	3	1	1	5	3	1	1	5
Cambodia	DAO a/	0	0	1	1	0	0	1	1	0	0	1	1
Fiji	DAO a/	0	0	0	0	0	0	1	1	1	0	1	2
Indonesia	DAO a/	5	0	8	13	3	0	4	7	3	0	4	7
Japan	MDAO	5	4	5	14	5	3	6	14	5	3	6	14
Malaysia	DAO a/	3	0	4	7	3	0	5	8	3	0	5	8
Mongolia	EMB b/	0	0	1	1	0	0	1	1	1	0	1	2
Philippines	JUSMAG	5	1	4	10	5	1	4	10	5	1	4	10
Singapore	SAO	6	1	2	9	6	1	3	10	6	0	3	9
South Korea	JUSMAG-K	23	1	14	38	20	0	10	30	19	0	9	28
Thailand	JUSMAG	21	1	15	37	18	0	12	30	17	0	11	28
Vietnam	DAO a/	0	0	0	0	0	0	0	0	1	0	0	1
Regional Total		70	9	54	133	63	6	48	117	64	5	46	115
Europe:													

Overseas Military Program Management - Personnel

	ORG	ACTUAL FY 2000				ESTIMATED FY 2001				PROPOSED FY 2002			
		MIL	CIV	LOCAL	TOT	MIL	CIV	LOCAL	TOT	MIL	CIV	LOCAL	TOT
Albania	DAO a/	2	0	0	2	2	0	0	2	2	0	0	2
Armenia	DAO a/	0	0	0	0	0	0	0	0	1	0	1	2
Austria	DAO a/	2	0	0	2	2	0	0	2	2	0	0	2
Azerbaijan	DAO a/	0	0	0	0	0	0	0	0	1	0	1	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	1	3	3	0	1	4
Croatia	DAO a/	1	1	0	2	1	1	1	3	1	0	2	3
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	2	0	0	2
Finland	DAO a/	0	0	0	0	0	0	1	1	0	0	1	1
France	ODC	1	1	3	5	1	1	3	5	1	1	3	5
Georgia	DAO a/	1	0	1	2	1	0	1	2	1	0	1	2
Germany	ODC	5	2	2	9	5	2	2	9	5	2	2	9
Greece	ODC	7	3	8	18	7	3	8	18	7	3	8	18
Hungary	DAO a/	3	0	1	4	3	0	1	4	3	0	1	4
Italy	ODC	3	0	4	7	3	0	4	7	3	0	4	7
Kazakhstan	DAO a/	0	1	0	1	2	0	1	3	2	0	1	3
Kyrgyzstan	DAO a/	1	0	0	1	1	1	1	3	1	1	1	3
Latvia	DAO a/	1	0	1	2	1	0	1	2	2	0	1	3
Lithuania	DAO a/	1	0	1	2	1	0	1	2	2	0	1	3
Macedonia (FYROM)	DAO a/	2	0	2	4	2	0	2	4	2	0	2	4
Moldova	DAO a/	1	0	1	2	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	1	3	2	0	1	3	2	0	1	3
Poland	ODC	3	0	3	6	3	0	3	6	4	0	3	7
Portugal	ODC	5	1	4	10	5	1	4	10	5	1	4	10
Romania	ODC	1	1	1	3	1	1	1	3	1	0	2	3
Russia	DAO a/	2	0	0	2	2	0	0	2	2	0	0	2
Slovakia	DAO a/	1	0	1	2	1	0	2	3	2	0	2	4
Slovenia	DAO a/	1	0	1	2	1	0	1	2	2	0	1	3
Spain	ODC	4	2	1	7	4	2	1	7	4	2	1	7
Sweden	DAO a/	0	0	0	0	0	0	1	1	1	0	1	2
Turkey	ODC	23	2	9	34	23	2	9	34	23	2	9	34
Turkmenistan	DAO a/	0	0	0	0	1	0	0	1	1	0	1	2
Ukraine	DAO a/	2	0	1	3	2	0	1	3	2	0	1	3
United Kingdom	ODC	2	1	0	3	2	1	0	3	2	1	0	3
Uzbekistan	DAO a/	0	0	0	0	1	1	1	3	1	1	1	3
Regional Total		87	18	55	160	91	19	63	173	103	17	69	189
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	1	0	1	2	1	0	1	2
Egypt	OMC	27	9	12	48	27	9	12	48	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	0	1	1
Jordan	MAP	8	2	4	14	8	2	4	14	8	2	4	14
Kuwait	OMC-K	11	2	1	14	10	2	1	13	10	2	1	13
Lebanon	DAO a/	1	0	3	4	1	0	3	4	2	0	3	5
Madagascar	DAO a/	0	0	0	0	0	0	0	0	1	0	0	1
Morocco	ODC	3	1	4	8	3	1	4	8	2	1	4	7
Nepal	EMB b/	0	0	1	1	1	0	1	2	1	0	1	2
Oman	OMC	5	1	1	7	5	1	1	7	5	1	1	7
Pakistan	ODRP	3	0	4	7	2	1	3	6	2	1	3	6
Qatar	USLO	2	1	0	3	2	1	0	3	2	1	0	3
Saudi Arabia	USMTM	65	2	9	76	64	2	9	75	63	2	9	74

Overseas Military Program Management - Personnel

	ORG.	ACTUAL FY 2000				ESTIMATED FY 2001				PROPOSED FY 2002			
		MIL	CIV	LOCAL	TOT	MIL	CIV	LOCAL	TOT	MIL	CIV	LOCAL	TOT
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	5	1	1	7
United Arab Emirates	USLO	6	1	1	8	6	1	1	8	6	1	1	8
Yemen	DAO a/	0	0	0	0	0	0	1	1	0	0	0	0
Regional Total		144	23	45	212	143	24	45	212	142	23	45	210
WORLDWIDE TOTAL		374	63	203	640	370	61	204	635	382	57	210	649

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.

Grants of 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.

Grants of Excess Defense Articles
Under the Provisions of the Foreign Assistance Act
($ in thousands)

	Offered in FY2000		Delivered in FY 2000	
	Acq. Value	Current Value	Acq. Value	Current Value
AFRICA:				
GHANA	3,800	760	0	0
NIGERIA	1,900	380	0	0
SENEGAL	7,474	653	0	0
SEYCHELLES	600	198	0	0
REGIONAL TOTAL	13,774	1,991	0	0
EAST ASIA & PACIFIC				
BANGLADESH	3,871	194	0	0
PHILIPPINES	12,957	1,972	3,521	459
THAILAND	53,094	13,042	27,438	2,744
REGIONAL TOTAL	69,922	15,208	30,959	3,203
EUROPE & CENTRAL ASIA:				
ALBANIA	2,520	126	2,520	126
BOSNIA HERZEGOVINA	12,918	1,298	0	0
ESTONIA	503	242	266	129
GREECE	293,811	30,133	189,655	14,156
HUNGARY	20	8	0	0
LATVIA	6,091	3,040	245	122
LITHUANIA	2,311	355	1,271	172
POLAND	167,118	64,857	112,539	43,026
PORTUGAL	778	39	305	15
ROMANIA	1,193	477	0	0
TURKEY	62,903	22,641	0	0
REGIONAL TOTAL	550,166	123,216	306,801	57,746
NEAR EAST & SOUTH ASIA:				
BAHRAIN	64,902	16,421	1,142	57
EGYPT	233,232	41,784	0	0
ISRAEL	243,713	40,706	5,734	1,770
JORDAN	298,160	47,684	173,044	28,913
LEBANON	747	57	735	55
MOROCCO	40,635	5,469	9,815	871
OMAN	7,154	859	7,154	859
TUNISIA	6,401	827	2,259	113
YEMEN	1,444	289	0	0
REGIONAL TOTAL	896,388	154,096	199,883	32,638

Grants of Excess Defense Articles
Under the Provisions of the Foreign Assistance Act
($ in thousands)

	Offered in FY2000		Delivered in FY 2000	
	Acq. Value	Current Value	Acq. Value	Current Value
NEWLY INDEPENDENT STATES				
GEORGIA	2,674	949	575	230
KAZAKHSTAN	159	56	0	0
MOLDOVA	1,991	697	0	0
TURKMENISTAN	575	230	0	0
UZBEKISTAN	683	239	209	77
REGIONAL TOTAL	6,082	2,171	784	307
WESTERN HEMISPHERE:				
ARGENTINA	75,935	7,499	575	230
BOLIVIA	8,423	1,615	26	6
CHILE	720	288	0	0
COLOMBIA	6,607	2,125	926	406
COSTA RICA	71	7	0	0
DOMINICAN REPUBLIC	15,575	3,230	0	0
ECUADOR	7,531	392	0	0
GUYANA	4,027	604	0	0
HONDURAS	479	120	240	96
PANAMA	1,150	460	575	230
PERU	2,251	400	0	0
TRINIDAD & TOBAGO	575	230	0	0
URUGUAY	1,046	232	0	0
VENEZUELA	109	11	0	0
REGIONAL TOTAL	124,499	17,213	2,342	968
WORLDWIDE TOTAL	1,660,831	313,895	540,769	94,862

ROUNDING DIFFERENCES + OR – 2 (DOLLARS IN THOUSANDS)

Sales of Excess Defense Articles
Under Foreign Military Sales Provisions
($ in thousands)

	OFFERED IN FY 2000		DELIVERED IN FY 2000	
	ACQ. VALUE	CURRENT VALUE	ACQ. VALUE	CURRENT VALUE
EAST ASIA & PACIFIC:				
AUSTRALIA	5,173	578	3,944	500
JAPAN	626	182	0	0
KOREA	1,808	591	1,729	469
SINGAPORE	5,144	514	0	0
TAIWAN	36,438	7,288	0	0
REGIONAL TOTAL	49,189	9,153	5,673	969
EUROPE & CENTRAL ASIA:				
GREECE	2,433	973	435	181
ITALY	24,861	7,561	0	0
SPAIN	40,427	4,281	0	0
TURKEY	246,044	71,730	135,283	27,057
REGIONAL TOTAL	313,765	84,545	135,718	27,238
NEAR EAST & SOUTH ASIA:				
EGYPT	47,129	6,093	0	0
ISRAEL	195	98	0	0
LEBANON	4,072	216	0	0
MOROCCO	1,293	647	0	0
SAUDI ARABIA	5,859	293	0	0
UNITED ARAB EMIRATES	37,263	5,755	0	0
REGIONAL TOTAL	95,811	13,102	0	0
NON-REGIONAL:				
NAMSA	5,004	1,007	22	11
NON-REGIONAL TOTAL	5,004	1,007	22	11
WESTERN HEMISPHERE:				
BRAZIL	20,274	2,218	0	0
CANADA	600	60	600	60
MEXICO	91,878	9,188	0	0
REGIONAL TOTAL	112,752	11,466	600	60
WORLDWIDE TOTAL	576,521	119,273	142,013	28,278

ROUNDING DIFFERENCES + OR – 2 ($ IN THOUSANDS)

Leased Defense Articles

The 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 article(s) must agree to pay, in U.S. dollars, all costs incurred by the United States Government in leasing the article(s). These costs include reimbursement for depreciation of the article(s) while leased. In addition, the country must also pay the cost of restoration or replacement if the article(s) are damage while leased. If the article(s) is 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 article(s) 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 article(s).

Leases Under the Arms Export Control Act Implemented FY 2000

($ in thousands)

	Replacement Value	Total Rental Value
East Asia & Pacific:		
Australia	9,152	778
Korea	2,714	498
Singapore	219	5
Taiwan	12,134	689
Regional Total	24,219	1,970
Europe & Canada:		
Canada	1,092	0
Germany	370	15
Netherlands	2,113	39
Regional Total	3,575	54
Near East & South Asia:		
Oman	9,000	0
Regional Total	9,000	0
Worldwide Total	36,794	2,024

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.

In FY 2002, no defense articles will be added to existing stockpiles as items are in sufficient supply to provide the necessary support.

Value of Annual Ceilings for Stockpiling
($ in thousands)

Fiscal Year	Amount Stockpiled
1976 & 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
2001	50,000
2002	0

Countries and International Organizations Eligible for Purchasing Defense Articles and Services from the United States Government [1]

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
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

Countries and International Organizations Eligible for Purchasing Defense Articles and Services from the United States Government [1]

Country	Date of Determination
Senegal	January 2, 1973
Seychelles	July 20, 1989
Sierra Leone	February 5, 1985
Somalia	November 5, 1976 & 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
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	January 2, 1973

Countries and International Organizations Eligible for Purchasing Defense Articles and Services from the United States Government [1]

Country	Date of Determination
St. Kitts-Nevis	April 9, 1984
St. Lucia	March 13, 1980
St. Vincent and the Grenadines	March 13, 1980
Suriname	April 14, 1976
Trinidad and Tobago	January 2, 1973
Uruguay	January 2, 1973
Venezuela	January 2, 1973
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
Singapore	January 2, 1973
Solomon Island	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

Countries and International Organizations Eligible for Purchasing Defense Articles and Services from the United States Government [1]

Country	Date of Determination
Belgium	January 2, 1973
Bosnia-Herzegovina	February 23, 1996
Bulgaria	March 22, 1994
Canada	January 2, 1973
Croatia	April 8, 1999
Czech Republic	January 5, 1994
Denmark	January 2, 1973
Estonia	March 22, 1994
Finland	January 2, 1973
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
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

Countries and International Organizations Eligible for Purchasing Defense Articles and Services from the United States Government [1]

Country	Date of Determination
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
New Independent States	
Georgia	March 11, 1997
Kazakhstan	March 11, 1997
Kyrgystan	March 11, 1997
Moldova	March 11, 1997
Russia	March 11, 1997
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

Countries and International Organizations Eligible for Purchasing Defense Articles and Services from the United States Government [1]

Country	Date of Determination
Organization for Security and Cooperation in Europe	June 30, 1999

[1] 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.

End -Use Monitoring of Defense Articles and Services
Government-to-Government Programs

Section 40A of the AECA, as added by PL 104-164, requires that controls used for identifying high risk exports developed under Section 38 (g)(7) of the AECA and subsequently used in the Blue Lantern program also be applied for government-to-government sales and lease programs. Prior to submission of the first report under this section in 1998, the Department of Defense (DoD) reviewed its procedures for government-to-government shipments and determined that existing controls fully meet Blue Lantern program standards.

Specifically, before government-to-government shipments are made, DoD coordinates the transfer closely with the Embassy country team, appropriate regional commander-in-chief, other Government interagency offices, and with the acquiring country or international organization. Each defense item transfer must be preceded by formal agreement. Each agreement includes appropriate end-use and retransfer restrictions.

DoD applies tighter controls for more sensitive items. To help ensure proper controls are maintained, DoD manages transportation for more sensitive items to the point of physical turnover to appropriate country representatives. Physical security for transfers of arms, ammunition, and explosives are similar to those required for U.S. forces. The process for transfer of classified items include pre-release security surveys, special bilateral agreement prior to release, and follow-on surveys to verify that recipients retain appropriate item protection measures.

These controls are generally referred to as end-use monitoring (EUM). EUM is an integral, ongoing, and evolving feature of arms transfer, use, and ultimate disposal. It is therefore a factor in almost every significant government-to-government security assistance process change. The following EUM developments continue to be emphasized:

-- Guidance: Formal checklists have been developed for use by the Services and Defense Security Cooperation Agency (DSCA) personnel responsible for ensuring that all associated controls, to include any special bilateral agreements and appropriate end-use retransfer restrictions are included in the accompanying formal agreement. Recently fielded automated government-to-government contract preparation software was specifically designed to highlight those sensitive defense articles, which require added safeguards, and to incorporate the required additional measures into the contract verbiage. Interagency discussions are ongoing to develop a conduit for Department of State to conduct a technical review of all proposed government-to-government transfers of potential Missile Technology Control Regime (MTCR) – listed equipment or components. This review will add a critical additional check on the transfer of potentially dual-use items.

-- Training: EUM instruction has been incorporated as a permanent addition to the curriculum provided to personnel being trained up for assignment within the security assistance community.

The EUM efforts have been made since the last report:

-- DSCA participated in a year long General Accounting Office (GAO) review of the existing EUM program for government to government transfers of defense articles and services. The GAO report included four recommendations, which will be incorporated into future EUM program objectives.

-- The DSCA worked with a senior House International Relations Committee (HIRC) staffer to develop the framework of an EUM program with a new, more focused emphasis on the identification and monitoring of specific materials and technologies most subject to diversion or misuse by the recipient country or sources inimical to U.S. interests.

DoD continues to monitor its transfer processes to detect and minimize any opportunities for unauthorized end-use of U.S.-origin defense articles. To date, the provisions of Section 40A of the AECA have been implemented within existing personnel and resource ceilings. EUM, in the context presented above, continues as an inherent part of the duties of personnel associated with security assistance programs.

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 sales are compiled by DTC based on information as of September 2000. 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 2000. 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 2001 and 2002. 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 2000 and which had no authorized licenses for fiscal years 1999 and 2000 do not appear in this report.

The procedures for estimating defense commercial sales for out years (fiscal years 2001 and 2002) 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.

Based on historical data, DTC now estimates exports for the first out year (fiscal year 2001) to be ten percent of the total dollar value of approved licenses for the previous two fiscal years (fiscal years 1999 and 2000). The exports for the second out year (fiscal year 2002) are estimated to be fifty percent of those for fiscal year 2000.

Commercial Exports Licensed or Approved Under the AECA
($ in thousands)

Region/Country	FY 2000 (Preliminary)	FY 2001	FY 2002 (Estimated)
Africa			
Angola	-	218	1,082
Botswana	226	1621	3,693
Burkina Faso	-	-	-
Burundi	-	-	-
Cameroon	-	366	-
Cape Verde	-	-	-
Chad	-	4	21
Comoros	-	1	6
Congo	-	-	-
Cote d'Ivoire	-	-	-
Eritrea	-	-	-
Ethiopia	-	-	-
Gabon	-	361	1,780
Ghana	-	34	167
Guinea	-	-	2
Kenya	300	310	1,130
Madagascar	-	-	-
Mali	-	-	-
Mauritania	-	2	1
Mauritius	4	2	3
Namibia	28	75	128
Niger	0	4	21
Nigeria	2	3,294	16,465
Reunion	-	-	-
Senegal	-	15	62
Somalia	-	-	-
South Africa	240	7,208	8,656
Tanzania	-	17	49
Togo	-	6	-
Uganda	-	181	-
Zambia	-	260	609
Zimbabwe	121	148	61
Total, Africa	**921**	**14,127**	**33,936**
East Asia and Pacific			
Australia	10,923	287,534	1,084,913
Brunei	45	1,137	302
Burma	-	-	-
Cambodia	-	-	-
China*	-	-	-
Fiji	-	-	-
French Polynesia	-	450	1,633
Hong Kong	393	1,604	4,920
Indonesia	-	-	-
Japan	64,663	1,572,991	2,075,590
Laos	-	-	-
Macao	2	-	-
Malaysia	349	15,431	49,084

Commercial Exports Licensed or Approved Under the AECA
($ in thousands)

Region/Country	FY 2000 (Preliminary)	FY 2001	FY 2002 (Estimated)
Nauru	2	100	1
New Caledonia	29	25	60
New Zealand	284	7,648	20,174
Papua New Guinea	28	158	-
Philippines	867	9,014	30,296
Singapore	2,172	172,834	662,345
Solomon Islands	-	-	-
South Korea	10,946	410,024	500,223
Taiwan	15,392	200,000	200,000
Thailand	836	12,712	31,509
Vietnam	-	-	-
Total, East Asia & Pacific	**106,931**	**2,691,662**	**4,661,050**
Europe and NIS			
Albania	-	218	1,092
Andorra	12	45	213
Austria	539	4,333	12,583
Azerbaijan	-	-	-
Belarus	-	-	-
Belgium	4,188	29,657	45,785
Bosnia Herzegovina	-	437	283
Bulgaria	523	2,808	9,087
Croatia	-	8,921	43,826
Cyprus	-	2	4
Czech Republic	23,300	8,984	10,752
Denmark	522	20,948	43,689
Estonia	-	11	38
Faeroe Islands	-	450	-
Finland	469	24,970	50,661
France	6,330	146,934	390,449
Georgia	625	75	315
Germany	7,728	437,427	723,426
Gibraltar	-	-	-
Greece	2,647	142,943	204,019
Greenland	-	165	50
Hungary	4	615	1,266
Iceland	1	605	1,656
Ireland	212	920	772
Italy	5,627	224,661	284,640
Kazakhstan	-	9,321	46,585
Latvia	-	93	281
Liechtenstein	-	37	187
Lithuania	-	1,520	1,360
Luxembourg	292	54,442	177,096
Macedonia	46	51	241
Malta	-	22	-
Moldova	-	-	-
Monaco	-	90	61
Netherlands	3,085	67,156	184,355

Commercial Exports Licensed or Approved Under the AECA
($ in thousands)

Region/Country	FY 2000 (Preliminary)	FY 2001	FY 2002 (Estimated)
Norway	897	28,988	44,321
Poland	921	12,718	42,060
Portugal	11,912	25,878	21,119
Romania	169	2,911	10,048
Russia	-	17,663	76,632
Slovakia	-	611	2,496
Slovenia	-	869	3,193
Spain	4,443	36,672	77,840
Sweden	21,625	36,811	107,405
Switzerland	1,282	21,705	58,299
Turkey	36,464	190,614	352,059
Turkmenistan	625	70	348
Ukraine	-	30,834	130,026
United Kingdom	34,133	1,049,990	2,178,985
Uzbekistan	-	43	14
Yugoslavia	-	-	-
Total, Europe and NIS	**166,621**	**2,645,238**	**5,339,617**
Near East Asia			
Algeria	-	29,416	3,307
Bahrain	22	4,092	9,345
Egypt	3,796	34,793	54,041
Israel	26,287	173,691	458,022
Jordan	64	4,656	12,446
Kuwait	25	9,555	14,453
Lebanon	127	256	129
Maldives	-	-	-
Morocco	20	5,683	25,662
Oman	37	3,884	9,050
Qatar	1,795	1,639	3,608
Saudi Arabia	1,909	80,535	257,343
Tunisia	136	1,201	4,359
United Arab Emirates	935	751,585	3,689,490
Yemen	-	1,786	3,243
Total, Near East Asia	**35,153**	**1,102,772**	**4,544,498**
South Asia			
Afghanistan	-	-	-
Bangladesh	95	805	2,010
Bhutan	-	-	-
India	-	-	-
Nepal	73	276	77
Pakistan	-	-	-
Sri Lanka	-	1,945	8,304
Total, South Asia	**168**	**3,026**	**10,391**
Western Hemisphere			
Antigua-Barbuda	1	65	1
Argentina	1,064	13,860	40,041

Commercial Exports Licensed or Approved Under the AECA
($ in thousands)

Region Country	FY 2000 (Preliminary)	FY 2001	FY 2002 (Estimated)
Aruba	-	20	27
Bahamas	41	177	75
Barbados	-	25	87
Belize	25	422	96
Bermuda	-	14	15
Bolivia	14	1,374	5,744
Brazil	2,034	39,575	148,407
British Virgin Islands	288	29	145
Canada	25,016	136,315	334,338
Cayman Islands	5	16	5
Chile	2,405	9,958	37,219
Colombia	1,155	11,393	30,928
Costa Rica	985	5,037	21,750
Dominica	-	-	1
Dominican Republic	348	1,226	551
Ecuador	41	2,710	1,445
El Salvador	102	1,926	3,452
French Guiana	1,109	90,580	303,279
Grenada	40	9	28
Guadeloupe	-	-	-
Guatemala	399	1,035	1,320
Guyana	101	95	234
Haiti	31	324	16
Honduras	13	1,626	2,707
Jamaica	191	209	676
Martinique	-	-	-
Mexico	7,649	36,728	39,086
Netherlands Antilles	17	242	1,074
Nicaragua	-	806	619
Panama	54	590	2,076
Paraguay	-	397	20
Peru	120	3,876	4,745
St Kitts and Nevis	-	4	-
St Lucia	116	45	179
St Vincent & Grenadines	-	6	1
Suriname	14	995	1
Trinidad & Tobago	4	1,521	2,168
Turks & Caicos Islands	1	2	-
Uruguay	156	598	1,453
Venezuela	382	29,979	80,577
Total, Western Hemisphere	**43,921**	**393,808**	**1,064,596**
Non-Regional			
Classified Totals	120,981	1,000,000	1,000,000
International Organization	943	362,449	815,723
Total, Non-Regional	**121,924**	**1,362,449**	**1,815,723**
Grand Total	**475,639**	**8,213,082**	**17,469,811**

Foreign Military Financing Grants (11-1082)
($ in millions)

	Actual FY 2000	Estimated FY 2001	Proposed FY 2002
Appropriated Funds			
Egypt FMF Grants	1,300.000	1,300.000	1,300.000
Egypt Supplemental	25.000		
Israel FMF Grant	1,920.000	1,980.000	2,040.000
Israel Wye River	1,200.000		
Jordan FMF Grants	74.715	75.000	75.000
Jordan Wye River	150.000		
Grant – other countries	87.250	157.000	224.000
Grant - Balkans and Southeast Europe		31.000	
Administrative Costs	30.495	33.000	35.000
Funds for Rescission	6.006		
Funds Transferred to KEDO	1.534		
Appropriation before reductions (Definite)	4,795.000	3,576.000	3,674.000
Reduction – Rescission	-6.006	-7.867	
Transfer to Other Accounts - KEDO (7201005)	-1.534		
Appropriated funds after reductions (Definite)	4,787.460	3,568.133	3,674.000
Spending Authority			
-Reimbursements – Excess MAP sales providing funding for other country grants	0.837	0.000	0.000
-Reimbursement from the NADR account providing funding for other country grants	0.338	0.000	0.000
Total Spending Authority	1.175	0.000	0.000
Excess MAP sales collections not apportioned	0.033	0.000	0.000
Total Budgetary Resources	4,788.668	3,568.133	3,674.000
Budget Resources Unobligated at End of Year			
-Israel Wye River ($300M), Jordan Way River ($100M) and Egypt supplemental ($25M) carried forward to next fiscal year	425.000		
-Unobligated Balance - Admin -Expired	0.019		
-Excess MAP sales unobligated EOY - Expired	0.033		
Total Unobligated	425.052	0.000	0.000
Total Obligations from New Authority	4,363.616	3,568.133	3,674.000
Obligations from unobligated balance carried forward from previous year - Israel Wye ($300M), Jordan Wye River ($100M) and Egypt supplemental ($25M)	0.000	425.000	0.000
Total obligations	4,363.616	3,993.133	3,674.000
Outlays (Net)	3,895.412	4,213.034	4,270,896

Foreign Military Financing Program Account (11-1085)
($ in millions)

	Actual FY 2000	Estimated FY 2001	Proposed FY 2002
Budget Authority			
Direct Loan Subsidy Appropriation	0.000	0.000	0.000
Subsidy Re-estimates	186.095	0.004	0.000
Total Budget Authority	186.095	0.004	0.000
Total Obligations	186.095	0.004	0.000
Outlays (Net)	218.153	63.845	43.443
Budget Authority for Guarantee Claims:			
Permanent Indefinite Authority	38.000	31.000	27.000
Collections of Guarantee Claims	6.395	10.098	19.523
Total Budget Authority	44.395	41.098	46.523
Total Obligations and Disbursements for Guaranteed Claims	44.395	41.098	46.523
Offsetting Collections			
Repayment of Direct Loans	-483.426	-357.406	-255.886
Repayment of FFB Loans	-220.486	-233.789	-234.144
Purchase of Loans from the Military Debt Reduction Account (11X4174)	-10.682	0.000	0.000
Total Offsetting Collections	-714.594	-591.195	-490.030
Outlays (Net)	-670.199	-550.097	-443.507

Direct Loan Financing Account (11X4122)

($ in millions)

	Actual FY 2000	Estimated FY 2001	Proposed FY 2002
Budget Authority and Obligations			
Direct Loans	0.000	0.000	0.000
Interest on Treasury Borrowing	121.236	94.662	92.301
Downward Subsidy Re-estimate	0.000	208.065	0.000
Total Budget Authority and Obligations	121.236	302.727	92.301
Disbursements	539.086	882.475	417.801
Offsetting Collections:			
Collections from Loan Subsidy Account	-218.153	-63.845	-43.443
Interest on Uninvested Funds - Treasury	-35.946	0.000	0.000
Loan Repayments from Country	-404.041	-499.529	-607.492
Total Offsetting Collections	-658.140	-563.374	-650.935
Outlays (Net)	-119.054	319.101	-233.134

Military Debt Reduction Financing Account (11X4174)

($ in millions)

	Actual FY 2000	Estimated FY 2001	Proposed FY 2002
Budget Authority and Obligations			
Loan Purchase from Liquidating Acct	10.594	0.000	0.000
Interest on Debt to Treasury	0.986	0.189	0.000
Downward Subsidy Re-estimate	0.114	0.000	0.000
Total Budget Authority and Obligations	11.694	0.189	0.000
Disbursements	11.782	0.189	0.000
Offsetting Collections:			
Collections from Loan Subsidy Account	-15.727	-2.190	0.000
Loan Repayments from Country	-0.755	0.000	0.000
Total Offsetting Collections	-16.482	-2.190	0.000
Outlays (Net)	-4.700	-2.001	0.000

International Military Education & Training Program (11-1081)
($ in millions)

	Actual FY 2000	Estimated (1) FY 2001	Proposed FY 2002
Budget Authority:			
Appropriation	50.000	57.875	65.000
Rescission	-.190	-.127	0.000
Total Budget Authority	49.810	57.748	65.000
Obligations	49.503	57.748	65.000
Unobligated Programs	.307		
Net Adjustments to Prior Year Obligations	-2.490	0.000	0.000
Outlays (net)	48.524	54.000	61.000

(1) Amounts include $2.875 of supplemental appropriations in the 2001 budget for the Southeast Europe Initiative.

Special Defense Acquisition Fund (11X4116)
($ in millions)

	Actual FY 2000	Estimated FY 2001	Proposed FY 2002
Purchases of Equipment (Obligations) (a)	.060	0.000	0.000
Gross Budget Authority (b)	.060	0.000	0.000
Offsetting Collections	-7.106	0.000	0.000
Net Budget Authority	-7.046	0.000	0.000
Financing Disbursements	1.737	7.000	5.000
Offsetting Collections	-7.106	7.000	0.000
Net Outlays	-5.369	0.000	5.000
Return of Unobligated Balances to the Treasury due to Program Cancellation	25.000	25.000	10.000

(a) FY 1995 obligations are the final year of SDAF program authority to purchase articles and services for resale. FY 1996 - FY 2002 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.

Foreign Military Financing Program/Grants
($ in millions)

Fiscal Year	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)

Foreign Military Financing Program/Grants
($ in millions)

Fiscal Year	Request		Authorized		Appropriated	
	Budget Authority	Program	Budget Authority	Program	Budget Authority	Program
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)	3,380.000 (D)	3,380.000 (D)
2000	3,430.000	3,430.000	(E)	(E)	4,819.994 (E)	4,819.994 (E)
2001	3,538.200	3,538.200	3,550.000	3,550.000	3,576.000 (F)	3,576.000 (F)
2002	3,764.000	3,674.000	3,627.000	3,627.000		

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 the amended budget request but not the supplemental budget request for program increase of $525.000 for guarantee loans.
(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.

Foreign Military Financing Program/Grants
($ in millions)

Fiscal Year	Request		Authorized		Appropriated	
	Budget Authority	Program	Budget Authority	Program	Budget Authority	Program

(o) Congress appropriated $4,828.403 which was reduced by .43% for use in the control of illicit drugs.
(q) 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 $3,052.397.1
(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. 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 $3,380.000 for FY 1999 FMF Grants. The Authorization was waived.
(E) P.L. 106-113 appropriated $4,788.994 for FY 2000 FMF Grants. The Authorization was waived.
(F) P.L. 106-429 appropriated $3,576.000 for FY 2001 FMF Grants. P.L. 106-554 rescinded $7.867M of the FMF appropriation.

Foreign Military Financing
Direct Loan Financing Account - Total Program
($ in millions)

Fiscal Year	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	117.855 (h)
2000	0.000	0.000
2001	0.000	0.000
2002	0.000	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

Foreign Military Financing
Direct Loan Subsidy Element
($ in millions)

Fiscal Year	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	0.000
2001	0.000	0.000
2002	0.000	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.

Military Assistance Program
($ in millions)

Fiscal Year	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)

International Military Education & Training Program
($ in millions)

Fiscal	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	49.951	49.951 (P)
2000	50.000	49.810	49.810 (Q)
2001	57.875	57.748	57.748 (R)
2002	65.000	65.000	

Footnotes for the International Military Education & Training Program and the Military Assistance Program

(1) The Military Assistance Program included International Military Education and Training Program prior to FY 1976.
(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.
(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. P.L. 106-51 rescinded $.041.
(Q) P.L. 106-113 appropriated $49.810 for FY 2000. The Authorization was waived.
(R) P.L. 106 –429 appropriated $55.000 for FY 2001 and $2.875 for an emergency supplemental in support of the Southeast Europe Initative. P.L. 106-554 rescinded $.127.

Peacekeeping Operations
($ in millions)

Fiscal Year	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	76.500	76.500
2000	130,000	152.418	152.418 (k)
2001	134.000	127.000 (l)	126.721 (m)
2002	150.000	150.000	

(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 byP.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) Includes $2.466 million transferred to IO&P account for KEDO. Does not reflect .582 million rescission under the Consolidated Appropriations Act, 2001 (P.L. 106-554).
(l) Authorization waived according to Section 525, Foreign Operations, Export Financing, and Related Appropriations Act 2001, (P.L. 106-429).
(m) Net of rescission of the Consolidated Appropriations Act, 2001 (P.L. 106-554).

Foreign Military Loan Liquidating Account (11X4121)
(Formerly Guaranty Reserve Fund)
($ in millions)

Borrowing Authority- Permanent Indefinite Appropriation (a)

Fiscal Year	Request	Appropriated	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	37.500	
2000	35.000	0.000	38.000	
2001	31.000	0.000	31.000	
2002	27.000	0.000		27.000

(a) 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 authority in FY 1993 through FY 2001.

Economic Support Fund
($ in millions)

Fiscal Year	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)	(p)	3,200.820 (r)
1989	3,281.000 (r)	(p)	3,258.500
1990	3,849.100 (s)	(p)	3,916.510 (t)
1991	3,358.000 (u)	(p)	3,175.000 (v)
1992	3,240.000 (w)	(p)	3,216.624 (g)
1993	3,123.000 (x)	(p)	2,670.000
1994	2,582.000	(p)	2,364.562
1995	2,434.500 (y)	(p)	2,368.600
1996	2,494.300 (z)	(p)	2,359.600
1997	2,408.000	(p)	2,362.600
1998	2,497.600	(p)	2,419.600
1999	2,513.600 (aa)	(p)	2,592.831 (bb)
2000	2,389.000 (cc)	(p)	2,792.187 (dd)
2001	2,313.000	(p)	2,314.896 (ee)
2002	2,289.000		

(a) CRA level - $618 million. 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 million for Portugal; also $20 million for Lebanon, authorized as Disaster Assistance, but appropriated in the Security Support Assistance (SSA) account.
(d) Includes a $300 million supplemental for Egypt and $100 million for Turkey.
(e) Executive Branch request included ESF and PKO in one account—Security Supporting Assistance (SSA).
(f) Includes an $80 million supplemental for Central America.
(g) CRA limitation.
(h) Reflects initial budget request. Does not include the $294.5 million supplemental budget request.
(i) Reflects initial budget request. Does not include the $340.500 supplemental appropriation for Central America or the $10 million for Poland.
(j) Includes supplemental appropriation (P.L. 98-332).
(k) Authorization waived in Continuing Resolution Authority (P.L. 98-473 for FY 1985, and P.L. 99-500 for FY 1987).
(l) Includes FY 1985 Supplemental of $2,258 million.
(m) Reflects amounts appropriated under P.L. 99-190 (final CRA). Pursuant to P.L. 99-177 (Gramm-Rudman-Hollings), $159.358 million not available for obligation.
(n) Includes $100 million supplemental for the Republic of the Philippines.
(o) Includes a supplemental request of $297 million.
(p) Authorization waived.
(q) Includes $50 million deobligation/reobligation reappropriation.
(r) Includes $12.5 million deobligation reobligation reappropriation estimate.
(s) Includes $18 million deobligation/reobligation reappropriation estimate and a $500 million supplemental for Panama.
(t) Includes $20 million for Ireland (less $.145 million sequestration pursuant to P.L. 99-177), minus $50 million pursuant to P.L. 101-167 and $755 million supplemental (P.L. 101-302) for Panama, Nicaragua, Namibia, and South Africa
(u) Includes $14 million reappropriation estimate.
(v) Includes $14 million reappropriation estimate and $30.2 million transferred to other accounts. Includes $20 million for Ireland.
(w) Includes $12 million reappropriation estimate.
(x) Includes $11 million reappropriation estimate.
(y) In 1995, the President's Budget did not request Economic Support Funds *per se*, but instead requested $2.434 billion in democracy and peace activities.
(z) The FY 1996 President's Budget includes a supplemental FY 1995 request of $82.3 million.
(aa) Includes supplemental requests of $200 million for West Bank/Gaza; $50 million for Jordan-Wye; $105 million for Kosovo.
(bb) Net of rescission enacted by the Emergency Steel Loan Guarantee and Emergency Oil and Gas Guarantee Act of 1999 (P.L. 106-51). Net of rescission and inclusive of supplemental funding for emergency security, Kosovo, and Jordan enacted under the 1999 emergency supplemental appropriations acts.
(cc) Includes $183 million supplemental request for Southeast Africa flooding.
(dd) Net of .38% rescission of Miscellaneous Appropriations Act enacted by reference in P.L. 106-113.
(ee) Net of rescission of Consolidated Appropriations Act, 2001 (P.L. 106-554)

ALL FUND SOURCES "SPIGOT" REPORT

FY 2000

($ in thousands)

Countries	CSD	DA	ESF	FMF	FSA	IMET	INCLE	MRA	NADR	Peace Corps	PKO	SEED	Total
Africa													
Africa Crisis Response Iniative	-	-	-	-	-	-	-	-	-	-	20,000	-	20,000
Africa Regional	33,738	60,531	-	-	-	-	-	-	-	-	-	-	94,269
Africa Regional Democracy Fund	-	-	6,000	-	-	-	-	-	-	-	-	-	6,000
Africa Regional Peacekeeping	-	-	-	-	-	-	-	-	-	-	16,654	-	16,654
African Development Foundation	-	14,345	-	-	-	-	-	-	-	-	-	-	14,345
Angola	4,900	5,096	-	-	-	-	-	-	3,096	-	-	-	13,092
ATA Regional - Africa	-	-	-	-	-	-	-	-	3,509	-	-	-	3,509
Benin	10,058	3,826	-	-	-	356	-	-	-	1,972	-	-	16,212
Botswana	-	-	-	-	-	479	-	-	-	-	-	-	479
Burkina Faso	-	-	-	-	-	-	-	-	-	1,937	-	-	1,937
Cameroon	-	-	-	-	-	189	-	-	-	2,945	-	-	3,134
Cape Verde	-	-	-	-	-	123	-	-	-	1,181	-	-	1,304
Central African Republic	-	-	-	-	-	103	-	-	-	-	-	-	103
Chad	-	-	-	-	-	100	-	-	622	-	-	-	722
Cote D'Ivoire	-	-	-	-	-	22	-	-	-	2,853	-	-	2,875
Countries in Transition	-	-	10,000	-	-	-	-	-	-	-	-	-	10,000
Democratic Republic of Congo	8,980	830	-	-	-	-	-	-	-	-	-	-	9,810
Djibouti	-	-	-	-	-	163	-	-	746	-	-	-	909
Education for Development and Democracy	200	9,855	10,000	-	-	-	-	-	-	-	-	-	20,055
Eritrea	4,133	4,694	-	-	-	27	-	-	500	-	-	-	9,354
Ethiopia	27,299	12,439	-	-	-	152	-	-	250	-	-	-	40,140
Gabon	-	-	-	-	-	47	-	-	-	2,482	-	-	2,529
Gambia	-	-	-	-	-	-	-	-	-	1,531	-	-	1,531
Ghana	15,220	22,381	-	-	-	450	-	-	-	2,750	-	-	40,801
Great Lakes Justice Initiative	-	-	10,000	-	-	-	-	-	-	-	-	-	10,000

ALL FUND SOURCES "SPIGOT" REPORT

FY 2000

($ in thousands)

Countries	CSD	DA	ESF	FMF	FSA	IMET	INCLE	MRA	NADR	Peace Corps	PKO	SEED	Total
Greater Horn of Africa Initiative	6,900	17,360	-	-	-	-	-	-	-	-	-	-	24,260
Guinea	9,930	8,634	-	-	-	179	-	-	-	2,670	-	-	21,413
Guinea-Bissau	-	-	-	-	-	22	-	-	99	173	-	-	294
Initiative for Southern Africa	-	22,415	-	-	-	-	-	-	-	-	-	-	22,415
Kenya	9,870	21,503	-	-	-	422	-	-	-	3,542	-	-	35,337
Lesotho	-	-	-	-	-	86	-	-	-	1,979	-	-	2,065
Liberia	2,552	4,140	-	-	-	-	-	-	-	-	-	-	6,692
Madagascar	4,050	12,916	-	-	-	160	-	-	-	1,936	-	-	19,062
Malawi	11,356	19,048	-	-	-	345	-	-	-	1,738	-	-	32,487
Mali	12,878	22,370	-	-	-	270	-	-	-	2,598	-	-	38,116
Mauritania	-	-	-	-	-	-	-	-	461	1,561	-	-	2,022
Mauritius	-	-	-	-	-	79	-	-	-	-	-	-	79
Mozambique	11,450	37,569	-	-	-	178	-	-	3,840	1,234	-	-	54,271
MRA Africa	-	-	-	-	-	-	-	154,847	-	-	-	-	154,847
Namibia	4,002	7,237	-	-	-	175	-	-	485	2,307	-	-	14,206
Niger	-	-	-	-	-	-	-	-	-	2,195	-	-	2,195
Nigeria	17,000	20,500	20,000	10,000	-	525	-	-	-	-	-	-	68,025
Presidential Economic Growth Opportunity	-	-	2,000	-	-	-	-	-	-	-	-	-	2,000
Rwanda	6,300	9,820	-	-	-	164	-	-	285	-	-	-	16,569
SADC Initiative	-	-	1,000	-	-	-	-	-	-	-	-	-	1,000
Safe Skies	-	-	2,000	-	-	-	-	-	-	-	-	-	2,000
Sahel Regional	200	-	-	-	-	-	-	-	-	-	-	-	200
Sao Tome and Principe	-	-	-	-	-	45	-	-	-	-	-	-	45
Senegal	6,400	17,153	-	-	-	764	-	-	-	2,784	-	-	27,101
Seychelles	-	-	-	-	-	72	-	-	-	-	-	-	72
Sierra Leone	500	-	1,500	-	-	-	-	-	-	-	-	-	2,000

ALL FUND SOURCES "SPIGOT" REPORT

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($ in thousands)

Countries	CSD	DA	ESF	FMF	FSA	IMET	INCLE	MRA	NADR	Peace Corps	PKO	SEED	Total
Somalia	-	-	-	-	-	-	-	-	1,400	-	-	-	1,400
South Africa	13,188	32,979	-	-	-	904	-	-	-	2,406	-	-	49,477
Swaziland	-	-	-	-	-	105	-	-	-	-	-	-	105
Tanzania	9,500	14,322	-	-	-	167	-	-	-	2,328	-	-	26,317
Togo	-	-	-	-	-	-	-	-	-	1,705	-	-	1,705
Uganda	19,468	29,544	-	-	-	247	-	-	-	276	-	-	49,535
West Africa Regional	10,500	6,900	-	-	-	-	-	-	-	-	-	-	17,400
Zambia	15,228	16,000	-	-	-	137	-	-	-	1,554	-	-	32,919
Zimbabwe	5,200	6,926	-	-	-	286	-	-	1,152	1,710	-	-	15,274
Total - Africa	**281,000**	**461,333**	**62,500**	**10,000**	**-**	**7,543**	**-**	**154,847**	**16,445**	**52,347**	**36,654**	**-**	1,082,669

ALL FUND SOURCES "SPIGOT" REPORT

FY 2000

($ in thousands)

Countries	CSD	DA	ESF	FMF	FSA	IMET	INCLE	MRA	NADR	Peace Corps	PKO	SEED	Total
East Asia & Pacific													
Accelerating Economic Recovery in Asia	1,000	11,750	5,000	-	-	-	-	-	-	-	-	-	17,750
ATA Regional - East Asia and the Pacific	-	-	-	-	-	-	-	-	2,769	-	-	-	2,769
Burma	3,000	-	3,500	-	-	-	-	-	-	-	-	-	6,500
Cambodia	3,550	-	10,000	-	-	-	-	-	2,580	-	-	-	16,130
China	-	-	-	-	-	-	-	-	-	1,435	-	-	1,435
East Asia and Pacific Environmental Initiative	-	-	3,500	-	-	-	-	-	-	-	-	-	3,500
East Timor	-	-	25,550	-	-	-	-	-	-	-	8,500	-	34,050
Fiji	-	-	-	-	-	78	-	-	-	-	-	-	78
Indonesia	18,950	53,050	22,450	-	-	-	-	-	-	-	-	-	94,450
Kiribati	-	-	-	-	-	-	-	-	-	1,055	-	-	1,055
Laos	-	-	-	-	-	-	4,000	-	1,486	-	-	-	5,486
Malaysia	-	-	-	-	-	740	-	-	-	-	-	-	740
Micronesia	-	-	-	-	-	-	-	-	-	1,609	-	-	1,609
Mongolia	-	-	6,000	-	-	512	-	-	-	1,557	-	-	8,069
MRA East Asia	-	-	-	-	-	-	-	15,485	-	-	-	-	15,485
Papua New Guinea	-	-	-	-	-	177	-	-	-	1,441	-	-	1,618
Philippines	7,200	22,500	-	1,437	-	1,415	-	-	2,000	1,718	-	-	36,270
Regional Democracy	-	-	3,000	-	-	-	-	-	-	-	-	-	3,000
Regional Security Fund	-	-	250	-	-	-	-	-	-	-	-	-	250
Regional Women's Issues	-	-	2,500	-	-	-	-	-	-	-	-	-	2,500
Samoa	-	-	-	-	-	85	-	-	-	1,342	-	-	1,427
Solomon Islands	-	-	-	-	-	53	-	-	-	992	-	-	1,045
South Pacific Fisheries	-	-	14,000	-	-	-	-	-	-	-	-	-	14,000
Thailand	-	-	-	-	-	1,730	3,000	-	1,220	1,178	-	-	7,128
Tonga	-	-	-	-	-	103	-	-	-	1,114	-	-	1,217

ALL FUND SOURCES "SPIGOT" REPORT

FY 2000

($ in thousands)

Countries	CSD	DA	ESF	FMF	FSA	IMET	INCLE	MRA	NADR	Peace Corps	PKO	SEED	Total
Vanuatu	-	-	-	-	-	63	-	-	-	1,251	-	-	1,314
Vietnam	1,500	1,250	-	-	-	-	-	-	1,000	-	-	-	3,750
Total - East Asia & Pacific	**35,200**	**88,550**	**95,750**	**1,437**	**-**	**4,956**	**7,000**	**15,485**	**11,055**	**14,692**	**8,500**	**-**	282,625

ALL FUND SOURCES "SPIGOT" REPORT

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($ in thousands)

Countries	CSD	DA	ESF	FMF	FSA	IMET	INCLE	MRA	NADR	Peace Corps	PKO	SEED	Total
Europe													
Albania	-	-	-	1,600	-	646	-	-	-	-	-	32,000	34,246
ATA Regional - Europe/NIS	-	-	-	-	-	-	-	-	7,094	-	-	-	7,094
Bosnia and Herzegovina	-	-	-	-	-	601	-	-	-	-	-	100,000	100,601
Bulgaria	-	-	-	4,800	-	1,000	-	-	560	1,765	-	32,000	40,125
Croatia	-	-	-	4,000	-	514	-	-	-	-	-	36,200	40,714
Cyprus	-	-	14,950	-	-	-	-	-	310	-	-	-	15,260
Czech Republic	-	-	-	6,000	-	1,441	-	-	540	-	-	-	7,981
Estonia	-	-	-	4,000	-	789	-	-	565	664	-	-	6,018
EUR Regional	-	-	21,139	-	-	-	-	-	-	-	-	-	21,139
Federal Republic of Yugoslavia	-	-	-	-	-	-	-	-	-	-	-	67,500	67,500
Greece	-	-	-	-	-	25	-	-	-	-	-	-	25
Hungary	-	-	-	6,000	-	1,398	-	-	430	-	-	-	7,828
International Fund for Ireland	-	-	19,525	-	-	-	-	-	-	-	-	-	19,525
Irish Visa Program	-	-	4,000	-	-	-	-	-	-	-	-	-	4,000
Kosovo	-	-	-	-	-	-	-	-	-	-	-	164,800	164,800
Latvia	-	-	-	4,000	-	749	-	-	420	996	-	-	6,165
Lithuania	-	-	-	4,400	-	750	-	-	730	996	-	-	6,876
Macedonia	-	-	-	-	-	504	-	-	335	790	-	30,000	31,629
Malta	-	-	-	450	-	100	-	-	375	-	-	-	925
MRA Europe	-	-	-	-	-	-	-	57,692	-	-	-	-	57,692
OSCE Bosnia	-	-	-	-	-	-	-	-	-	-	51,271	-	51,271
OSCE Kosovo	-	-	-	-	-	-	-	-	-	-	33,375	-	33,375
Poland	-	-	-	8,000	-	1,670	-	-	890	2,079	-	-	12,639
Portugal	-	-	-	-	-	656	-	-	-	-	-	-	656
Regional SEED	-	-	-	-	-	-	-	-	-	-	-	85,470	85,470

ALL FUND SOURCES "SPIGOT" REPORT

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($ in thousands)

Countries	CSD	DA	ESF	FMF	FSA	IMET	INCLE	MRA	NADR	Peace Corps	PKO	SEED	Total
Romania	-	-	-	6,000	-	1,093	-	-	505	2,108	-	35,000	44,706
Slovakia	-	-	-	2,600	-	633	-	-	200	1,527	-	-	4,960
Slovenia	-	-	-	2,000	-	579	-	-	375	-	-	-	2,954
Turkey	-	-	-	-	-	1,554	-	-	-	-	-	-	1,554
Total - Europe	**-**	**-**	**59,614**	**53,850**	**-**	**14,702**	**-**	**57,692**	**13,329**	**10,925**	**84,646**	**582,970**	877,728

ALL FUND SOURCES "SPIGOT" REPORT

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($ in thousands)

Countries	CSD	DA	ESF	FMF	FSA	IMET	INCLE	MRA	NADR	Peace Corps	PKO	SEED	Total
Near East Asia													
Algeria	-	-	-	-	-	115	-	-	-	-	-	-	115
ATA Regional - Near East Asia	-	-	-	-	-	-	-	-	6,176	-	-	-	6,176
Bahrain	-	-	-	-	-	216	-	-	-	-	-	-	216
Egypt	-	-	727,267	1,300,000	-	1,006	-	-	-	-	-	-	2,028,273
Egypt Supplemental	-	-	-	25,000	-	-	-	-	-	-	-	-	25,000
Iraq Opposition	-	-	10,000	-	-	-	-	-	-	-	-	-	10,000
Israel	-	-	949,056	1,920,000	-	-	-	-	-	-	-	-	2,869,056
Israel - Wye	-	-	-	1,200,000	-	-	-	-	-	-	-	-	1,200,000
Israel-Lebanon Monitoring Group	-	-	-	-	-	-	-	-	-	-	450	-	450
Jordan	-	-	149,500	74,715	-	1,679	-	-	1,511	1,514	-	-	228,919
Jordan - Wye Supplemental	-	-	50,000	150,000	-	-	-	-	-	-	-	-	200,000
Lebanon	-	-	15,000	-	-	582	-	-	1,282	-	-	-	16,864
Middle East Democracy	-	-	6,000	-	-	-	-	-	-	-	-	-	6,000
Middle East Fact Finding	-	-	1,200	-	-	-	-	-	-	-	-	-	1,200
Middle East Multilaterals	-	-	2,800	-	-	-	-	-	-	-	-	-	2,800
Middle East Regional Cooperation	-	-	10,000	-	-	-	-	-	-	-	-	-	10,000
Middle East Regional Export Controls	-	-	-	-	-	-	-	-	15	-	-	-	15
Morocco	3,000	7,250	-	1,500	-	904	-	-	-	2,251	-	-	14,905
MRA Near East and North Africa	-	-	-	-	-	-	-	108,250	-	-	-	-	108,250
MRA Refugees to Israel	-	-	-	-	-	-	-	60,000	-	-	-	-	60,000
Multinational Force and Observers	-	-	-	-	-	-	-	-	-	-	15,902	-	15,902
Oman	-	-	-	-	-	230	-	-	1,017	-	-	-	1,247
Tunisia	-	-	-	3,000	-	906	-	-	-	-	-	-	3,906
US - North Africa Partnership	-	-	5,000	-	-	-	-	-	-	-	-	-	5,000
West Bank/Gaza	-	-	85,000	-	-	-	-	-	-	-	-	-	85,000

ALL FUND SOURCES "SPIGOT" REPORT

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($ in thousands)

Countries	CSD	DA	ESF	FMF	FSA	IMET	INCLE	MRA	NADR	Peace Corps	PKO	SEED	Total
West Bank/Gaza - Wye Supplemental	-	-	400,000	-	-	-	-	-	-	-	-	-	400,000
Yemen	-	-	-	-	-	125	-	-	1,236	-	-	-	1,361
Total - Near East Asia	**3,000**	**7,250**	**2,410,823**	**4,674,215**	**-**	**5,763**	**-**	**168,250**	**11,237**	**3,765**	**16,352**	**-**	7,300,655
Newly Independent States													
Armenia	-	-	-	-	102,550	-	-	-	300	1,397	-	-	104,247
Azerbaijan	-	-	-	-	31,968	-	-	-	600	-	-	-	32,568
Belarus	-	-	-	-	8,489	-	-	-	-	-	-	-	8,489
Georgia	-	-	-	3,000	108,533	409	-	-	27	334	-	-	112,303
Kazakhstan	-	-	-	1,500	44,826	567	-	-	1,050	2,265	-	-	50,208
Kyrgyzstan	-	-	-	1,000	30,064	358	-	-	-	1,226	-	-	32,648
Moldova	-	-	-	1,250	50,436	487	-	-	50	1,533	-	-	53,756
NIS Regional Export Controls	-	-	-	-	-	-	-	-	300	-	-	-	300
Regional FSA	-	-	-	-	61,998	-	-	-	-	-	-	-	61,998
Russia	-	-	-	-	186,631	717	-	-	4,125	3,957	-	-	195,430
Tajikistan	-	-	-	-	9,926	-	-	-	50	-	-	-	9,976
Turkmenistan	-	-	-	600	6,195	313	-	-	235	1,439	-	-	8,782
Ukraine	-	-	-	3,250	174,154	1,338	-	-	1,090	2,838	-	-	182,670
Uzbekistan	-	-	-	1,750	20,042	547	-	-	-	1,703	-	-	24,042
Total - Newly Independent States	**-**	**-**	**-**	**12,350**	**835,812**	**4,736**	**-**	**-**	**7,827**	**16,692**	**-**	**-**	877,417

ALL FUND SOURCES "SPIGOT" REPORT

FY 2000

($ in thousands)

Countries	CSD	DA	ESF	FMF	FSA	IMET	INCLE	MRA	NADR	Peace Corps	PKO	SEED	Total
Global													
Afghanistan Emergency Trust Fund	-	-	-	-	-	-	-	-	-	-	-	-	500
African Development Bank	-	-	-	-	-	-	-	-	-	-	-	-	4,100
African Development Fund	-	-	-	-	-	-	-	-	-	-	-	-	127,000
Anti-Crime Programs	-	-	-	-	-	-	30,000	-	-	-	-	-	30,000
Asia Middle East Regional	-	-	-	-	-	-	4,798	-	-	-	-	-	4,798
Asian Development Bank	-	-	-	-	-	-	-	-	-	-	-	-	13,728
Asian Development Fund	-	-	-	-	-	-	-	-	-	-	-	-	77,000
Asia-Near East Regional	6,494	35,048	-	-	-	-	-	-	-	-	-	-	41,542
ATA Program Management	-	-	-	-	-	-	-	-	7,116	-	-	-	7,116
CTBT Preparatory Commission	-	-	-	-	-	-	-	-	13,693	-	-	-	13,693
Debt Restructuring	-	-	-	-	-	-	-	-	-	-	-	-	123,000
Demining Administrative Expenses	-	-	-	-	-	-	-	-	500	-	-	-	500
Demining Crosscutting Initiatives	-	-	-	-	-	-	-	-	4,546	-	-	-	4,546
Demining Mine Surveys	-	-	-	-	-	-	-	-	1,400	-	-	-	1,400
Demining Research and Training	-	-	-	-	-	-	-	-	1,256	-	-	-	1,256
Enhanced International Peacekeeping	-	-	-	2,500	-	-	-	-	-	-	-	-	2,500
European Bank for Reconstruction and Developmen	-	-	-	-	-	-	-	-	-	-	-	-	35,779
Export Control Program Administration	-	-	-	-	-	-	-	-	175	-	-	-	175
Export-Import Bank - Administrative Expenses	-	-	-	-	-	-	-	-	-	-	-	-	54,900
Export-Import Bank - Direct Loans, Negative Subs	-	-	-	-	-	-	-	-	-	-	-	-	(15,000)
Export-Import Bank - Loan Subsidy	-	-	-	-	-	-	-	-	-	-	-	-	756,064
FMF Administrative Costs	-	-	-	30,495	-	-	-	-	-	-	-	-	30,495
General Costs	-	-	-	-	-	765	-	-	-	-	-	-	765
Global Environment Facility	-	-	-	-	-	-	-	-	-	-	-	-	35,800
Global Programs, Field Support & Research	134,950	285,683	-	-	-	-	-	-	-	-	-	-	420,633

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($ in thousands)

Countries	CSD	DA	ESF	FMF	FSA	IMET	INCLE	MRA	NADR	Peace Corps	PKO	SEED	Total
Holocaust Victims Fund	-	-	11,000	-	-	-	-	-	-	-	-	-	11,000
Human Rights and Democracy Funds	-	-	9,000	-	-	-	-	-	-	-	-	-	9,000
Humanitarian Response	26,856	44,207	-	-	-	-	-	-	-	-	-	-	71,063
INCLE - Other	-	-	-	-	-	-	35,800	-	-	-	-	-	35,800
Inter-American Development Bank (Ordinary Capit	-	-	-	-	-	-	-	-	-	-	-	-	25,611
Inter-American Investment Corporation	-	-	-	-	-	-	-	-	-	-	-	-	16,000
International Atomic Energy Agency Voluntary Con	-	-	-	-	-	-	-	-	43,000	-	-	-	43,000
International Civil Aviation Organization	-	-	-	-	-	-	-	-	-	-	-	-	300
International Conservation Programs	-	-	-	-	-	-	-	-	-	-	-	-	5,150
International Contributions for Scientific, Education	-	-	-	-	-	-	-	-	-	-	-	-	2,200
International Development Association	-	-	-	-	-	-	-	-	-	-	-	-	771,290
International Disaster Assistance	-	-	-	-	-	-	-	-	-	-	-	-	227,014
International Fund for Agricultural Development	-	2,500	-	-	-	-	-	-	-	-	-	-	5,000
International Panel on Climate Change/UN Framew	-	-	-	-	-	-	-	-	-	-	-	-	6,500
Inter-Regional Aviation Support	-	-	-	-	-	-	50,000	-	-	-	-	-	50,000
KEDO	-	-	-	-	-	-	-	-	55,307	-	-	-	61,307
Micro and Small Enterprise Development - Admin.	-	-	-	-	-	-	-	-	-	-	-	-	500
Micro and Small Enterprise Development - Subsidy	-	-	-	-	-	-	-	-	-	-	-	-	1,500
Montreal Protocol Multilateral Fund for the Protec	-	-	-	-	-	-	-	-	-	-	-	-	28,000
MRA Administrative Expenses	-	-	-	-	-	-	-	13,800	-	-	-	-	13,800
MRA Multiregional Activities	-	-	-	-	-	-	-	73,286	-	-	-	-	73,286
MRA Refugee Admissions	-	-	-	-	-	-	-	92,900	-	-	-	-	92,900
Multilateral Investment Guarantee Agency	-	-	-	-	-	-	-	-	-	-	-	-	4,000
NADR Regional Export Controls	-	-	-	-	-	-	-	-	1,120	-	-	-	1,120
Non-Proliferation and Disarmament Fund	-	-	-	-	-	-	-	-	15,000	-	-	-	15,000
Oceans, Environmental and Science Initiative	-	-	4,000	-	-	-	-	-	-	-	-	-	4,000

ALL FUND SOURCES "SPIGOT" REPORT

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($ in thousands)

Countries	CSD	DA	ESF	FMF	FSA	IMET	INCLE	MRA	NADR	Peace Corps	PKO	SEED	Total
OPIC - Administrative Expenses	-	-	-	-	-	-	-	-	-	-	-	-	34,934
OPIC - Credit Funding	-	-	-	-	-	-	-	-	-	-	-	-	23,842
OPIC - Net Offsetting Collections	-	-	-	-	-	-	-	-	-	-	-	-	(108,776)
Organization of American States Development Ass	-	-	-	-	-	-	-	-	-	-	-	-	5,150
Organizaton of American States Fund for Strengthe	-	-	-	-	-	-	-	-	-	-	-	-	2,500
Partnership to Eliminate Sweatshops	-	-	4,000	-	-	-	-	-	-	-	-	-	4,000
Peace Corps Other	-	-	-	-	-	-	-	-	-	108,240	-	-	108,240
Program & Policy Coordination	2,123	6,395	-	-	-	-	-	-	-	-	-	-	8,518
TDA / Multi-Regional Program	-	-	-	-	-	-	-	-	-	-	-	-	43,833
Terrorist Interdiction Program	-	-	-	-	-	-	-	-	1,250	-	-	-	1,250
Treasury Technical Assistance	-	-	-	-	-	-	-	-	-	-	-	-	1,500
U.S. Emergency Refugee and Migrations Assistanc	-	-	-	-	-	-	-	-	-	-	-	-	12,452
UN Development Fund for Women	-	-	-	-	-	-	-	-	-	-	-	-	1,000
UN Development Program	-	-	-	-	-	-	-	-	-	-	-	-	80,000
UN Environment Program	-	-	-	-	-	-	-	-	-	-	-	-	10,000
UN Population Fund	-	-	-	-	-	-	-	-	-	-	-	-	25,000
UN Voluntary Fund for Technical Cooperation in t	-	-	-	-	-	-	-	-	-	-	-	-	1,500
UN Voluntary Fund for Victims of Torture	-	-	-	-	-	-	-	-	-	-	-	-	5,000
UNICEF	109,582	-	-	-	-	-	-	-	-	-	-	-	109,582
Urban and environment Credit Program - Admin. E	-	-	-	-	-	-	-	-	-	-	-	-	4,990
Urban and environment Credit Program - Subsidy	-	-	-	-	-	-	-	-	-	-	-	-	1,500
USAID Inspector General Operating Expenses	-	-	-	-	-	-	-	-	-	-	-	-	24,950
USAID Operating Expenses	-	-	-	-	-	-	-	-	-	-	-	-	518,960
World Food Program	-	-	-	-	-	-	-	-	-	-	-	-	5,000
World Meteorological Organization	-	-	-	-	-	-	-	-	-	-	-	-	2,000

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Countries	CSD	DA	ESF	FMF	FSA	IMET	INCLE	MRA	NADR	Peace Corps	PKO	SEED	Total
Total - Global	**280,005**	**373,833**	**28,000**	**32,995**	-	**765**	**120,598**	**179,986**	**144,363**	**108,240**	-	-	4,273,556
South Asia													
Afghanistan	-	-	-	-	-	-	-	-	3,000	-	-	-	3,000
ATA Regional - South Asia	-	-	-	-	-	-	-	-	1,333	-	-	-	1,333
Bangladesh	14,836	31,063	-	-	-	456	-	-	-	977	-	-	47,332
India	22,750	28,700	-	-	-	480	-	-	285	-	-	-	52,215
Maldives	-	-	-	-	-	100	-	-	-	-	-	-	100
MRA South Asia	-	-	-	-	-	-	-	29,879	-	-	-	-	29,879
Nepal	7,000	9,900	-	-	-	216	-	-	-	1,754	-	-	18,870
Pakistan	-	-	-	-	-	-	3,250	-	-	-	-	-	3,250
South Asia Democracy	-	-	8,000	-	-	-	-	-	-	-	-	-	8,000
South Asia Regional Funds	-	-	3,000	-	-	-	-	-	-	-	-	-	3,000
Sri Lanka	700	3,650	-	-	-	203	-	-	-	-	-	-	4,553
Total - South Asia	**45,286**	**73,313**	**11,000**	-	-	**1,455**	**3,250**	**29,879**	**4,618**	**2,731**	-	-	171,532

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Countries	CSD	DA	ESF	FMF	FSA	IMET	INCLE	MRA	NADR	Peace Corps	PKO	SEED	Total
Western Hemisphere													
Administration of Justice/ICITAP	-	-	6,500	-	-	-	-	-	-	-	-	-	6,500
Argentina	-	-	-	450	-	740	-	-	-	-	-	-	1,190
ATA Regional - Western Hemisphere	-	-	-	-	-	-	-	-	3,003	-	-	-	3,003
Bahamas	-	-	-	50	-	112	1,000	-	-	-	-	-	1,162
Belize	-	-	-	100	-	161	-	-	-	1,277	-	-	1,538
Bolivia	7,583	25,388	-	-	-	548	158,000	-	-	2,865	-	-	194,384
Brazil	4,150	8,491	-	-	-	223	5,000	-	-	-	-	-	17,864
Caribbean Regional	-	540	-	-	-	-	-	-	-	-	-	-	540
Central American Regional Development	3,150	8,200	-	-	-	-	-	-	-	-	-	-	11,350
Chile	-	-	-	-	-	499	-	-	-	-	-	-	499
Colombia	-	-	4,000	-	-	900	894,429	-	-	-	-	-	899,329
Costa Rica	-	-	-	-	-	280	-	-	-	501	-	-	781
Cuba	-	-	3,500	-	-	-	-	-	-	-	-	-	3,500
Dominican Republic	3,300	6,800	3,000	400	-	487	-	-	-	3,501	-	-	17,488
Eastern Caribbean	-	-	7,000	1,300	-	487	-	-	-	2,289	-	-	11,076
Ecuador	550	11,720	1,500	-	-	518	21,200	-	1,000	2,358	-	-	38,846
El Salvador	10,495	19,508	4,950	-	-	523	-	-	-	2,004	-	-	37,480
Guatemala	7,810	13,150	20,000	-	-	228	3,000	-	-	3,334	-	-	47,522
Guyana	200	3,200	-	100	-	168	-	-	-	802	-	-	4,470
Haiti	-	-	52,550	300	-	222	-	-	-	1,367	3,800	-	58,239
Honduras	7,400	12,633	-	-	-	548	-	-	-	4,075	-	-	24,656
Inter-American Foundation	-	4,981	-	-	-	-	-	-	-	-	-	-	4,981
Jamaica	3,357	7,810	1,200	500	-	461	800	-	-	2,290	-	-	16,418
LAC Regional	12,830	22,969	-	-	-	-	-	-	-	-	-	-	35,799
Latin America Regional	-	-	-	-	-	-	14,806	-	-	-	-	-	14,806

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Countries	CSD	DA	ESF	FMF	FSA	IMET	INCLE	MRA	NADR	Peace Corps	PKO	SEED	Total
Mexico	4,200	9,562	2,000	-	-	865	4,071	-	-	-	-	-	20,698
MRA Western Hemisphere	-	-	-	-	-	-	-	16,486	-	-	-	-	16,486
Nicaragua	7,932	14,450	-	-	-	194	-	-	-	2,405	-	-	24,981
OAS/IADB / Central America Demining	-	-	-	-	-	-	-	-	1,903	-	-	-	1,903
Panama	-	3,500	1,000	-	-	117	4,987	-	-	1,795	-	-	11,399
Paraguay	-	5,175	1,000	-	-	210	-	-	-	2,925	-	-	9,310
Peru	7,000	27,904	4,000	-	-	455	80,000	-	1,000	-	-	-	120,359
Peru/Ecuador Peace	-	-	11,000	-	-	-	-	-	-	-	-	-	11,000
Suriname	-	-	-	-	-	102	-	-	-	889	-	-	991
Trinidad & Tobago	-	-	-	250	-	132	-	-	-	-	-	-	382
Uruguay	-	-	-	-	-	326	-	-	-	-	-	-	326
Venezuela	-	-	500	-	-	384	4,200	-	-	-	-	-	5,084
W. Hemisphere Regional Democracy	-	-	800	-	-	-	-	-	-	-	-	-	800
Total - Western Hemisphere	**79,957**	**205,981**	**124,500**	**3,450**	**-**	**9,890**	**1,191,493**	**16,486**	**6,906**	**34,677**	**3,800**	**-**	1,677,140
Totals	**724,448**	**1,210,260**	**2,792,187**	**4,788,297**	**835,812**	**49,810**	**1,322,341**	**622,625**	**215,780**	**244,069**	**149,952**	**582,970**	**16,543,322**

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Countries	CSD	DA	ESF	FMF	FSA	IMET	INCLE	MRA	NADR	Peace Corps	PKO	SEED	Total
Africa													
Africa Crisis Response Iniative	-	-	-	-	-	-	-	-	-	-	20,000	-	20,000
Africa Regional	37,674	81,196	-	-	-	-	-	-	-	-	-	-	118,870
Africa Regional Democracy Fund	-	-	13,951	-	-	-	-	-	-	-	-	-	13,951
Africa Regional Peacekeeping	-	-	-	-	-	-	-	-	-	-	26,500	-	26,500
Africa Regional Stability	-	-	-	17,911	-	-	-	-	-	-	-	-	17,911
African Development Foundation	-	15,965	-	-	-	-	-	-	-	-	-	-	15,965
Angola	7,287	2,554	3,986	-	-	50	-	-	2,844	-	-	-	16,721
ATA Regional - Africa	-	-	-	-	-	-	-	-	4,219	-	-	-	4,219
Benin	10,158	3,723	-	-	-	390	-	-	-	2,053	-	-	16,324
Botswana	-	-	-	-	-	580	-	-	-	-	-	-	580
Burkina Faso	-	-	-	-	-	-	-	-	-	1,898	-	-	1,898
Burundi	-	3,000	-	-	-	-	-	-	-	-	-	-	3,000
Cameroon	-	-	-	-	-	180	-	-	-	2,734	-	-	2,914
Cape Verde	-	-	-	-	-	120	-	-	-	1,184	-	-	1,304
Central African Republic	-	-	-	-	-	110	-	-	-	-	-	-	110
Chad	-	-	-	-	-	130	-	-	400	-	-	-	530
Cote D'Ivoire	-	-	-	-	-	-	-	-	-	3,090	-	-	3,090
Countries in Transition	-	-	15,945	-	-	-	-	-	-	-	-	-	15,945
Democratic Republic of Congo	14,657	1,288	-	-	-	-	-	-	-	-	-	-	15,945
Djibouti	-	-	-	-	-	150	-	-	400	-	-	-	550
Education for Development and Democracy	2,994	17,006	14,947	-	-	-	-	-	-	-	-	-	34,947
Eritrea	4,516	5,703	-	-	-	155	-	-	800	-	-	-	11,174
Ethiopia	26,086	14,061	-	-	-	175	-	-	420	-	-	-	40,742
Gabon	-	-	-	-	-	150	-	-	-	2,043	-	-	2,193
Gambia	-	-	-	-	-	-	-	-	-	1,560	-	-	1,560

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Countries	CSD	DA	ESF	FMF	FSA	IMET	INCLE	MRA	NADR	Peace Corps	PKO	SEED	Total
Ghana	15,419	18,558	-	-	-	450	-	-	-	2,807	-	-	37,234
Great Lakes Justice Initiative	-	-	9,966	-	-	-	-	-	-	-	-	-	9,966
Greater Horn of Africa Initiative	5,514	12,270	-	-	-	-	-	-	-	-	-	-	17,784
Guinea	9,354	9,055	-	-	-	230	-	-	-	2,941	-	-	21,580
Guinea-Bissau	-	-	-	-	-	50	-	-	500	-	-	-	550
Initiative for Southern Africa	-	16,349	-	-	-	-	-	-	-	-	-	-	16,349
Kenya	13,272	17,997	-	-	-	450	-	-	-	3,483	-	-	35,202
Lesotho	-	-	-	-	-	85	-	-	-	2,160	-	-	2,245
Liberia	1,350	4,720	-	-	-	-	-	-	-	-	-	-	6,070
Madagascar	4,185	15,158	-	-	-	160	-	-	-	2,411	-	-	21,914
Malawi	14,862	13,150	-	-	-	350	-	-	-	1,832	-	-	30,194
Mali	12,433	21,246	-	-	-	320	-	-	-	2,693	-	-	36,692
Mauritania	-	-	-	-	-	100	-	-	400	1,565	-	-	2,065
Mauritius	-	-	-	-	-	80	-	-	-	-	-	-	80
Mozambique	12,653	29,469	-	-	-	200	-	-	2,180	1,245	-	-	45,747
MRA Africa	-	-	-	-	-	-	-	180,900	-	-	-	-	180,900
Namibia	3,483	7,198	-	-	-	195	-	-	335	2,087	-	-	13,298
Niger	-	-	-	-	-	100	-	-	-	2,168	-	-	2,268
Nigeria	23,363	31,541	24,914	-	-	650	-	-	-	-	-	-	80,468
Organization of African Unity	-	-	997	-	-	-	-	-	-	-	-	-	997
Presidential Economic Growth Opportunity	-	-	1,993	-	-	-	-	-	-	-	-	-	1,993
Regional Organizations	-	-	997	-	-	-	-	-	-	-	-	-	997
Republic of the Congo	-	-	-	-	-	110	-	-	-	-	-	-	110
Rwanda	6,667	6,932	-	-	-	100	-	-	400	-	-	-	14,099
SADC Initiative	-	-	997	-	-	-	-	-	-	-	-	-	997
Safe Skies	-	-	1,993	-	-	-	-	-	-	-	-	-	1,993

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Countries	CSD	DA	ESF	FMF	FSA	IMET	INCLE	MRA	NADR	Peace Corps	PKO	SEED	Total
Sao Tome and Principe	-	-	-	-	-	85	-	-	-	-	-	-	85
Senegal	9,866	13,775	-	-	-	800	-	-	-	2,938	-	-	27,379
Seychelles	-	-	-	-	-	60	-	-	-	-	-	-	60
Sierra Leone	1,884	3,116	-	-	-	170	-	-	-	-	-	-	5,170
Somalia	500	2,500	-	-	-	-	-	-	1,400	-	-	-	4,400
South Africa	15,872	34,610	-	-	-	1,200	-	-	-	2,577	-	-	54,259
Sudan	500	3,500	-	-	-	-	-	-	-	-	-	-	4,000
Swaziland	-	-	-	-	-	85	-	-	-	-	-	-	85
Tanzania	10,725	12,164	-	-	-	200	-	-	-	2,592	-	-	25,681
Togo	-	-	-	-	-	50	-	-	-	1,756	-	-	1,806
Uganda	29,680	21,086	-	-	-	100	-	-	-	961	-	-	51,827
West Africa Regional	10,692	15,084	-	-	-	-	-	-	-	-	-	-	25,776
Zambia	26,538	10,546	-	-	-	175	-	-	500	2,748	-	-	40,507
Zimbabwe	6,438	6,384	-	-	-	-	-	-	1,000	987	-	-	14,809
Total - Africa	**338,622**	**470,904**	**90,686**	**17,911**	**-**	**8,745**	**-**	**180,900**	**15,798**	**54,513**	**46,500**	**-**	1,224,579

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Countries	CSD	DA	ESF	FMF	FSA	IMET	INCLE	MRA	NADR	Peace Corps	PKO	SEED	Total
East Asia & Pacific													
Accelerating Economic Recovery in Asia	-	-	4,982	-	-	-	-	-	-	-	-	-	4,982
ATA Regional - East Asia and the Pacific	-	-	-	-	-	-	-	-	2,349	-	-	-	2,349
Burma	2,000	1,000	3,488	-	-	-	-	-	-	-	-	-	6,488
Cambodia	9,420	-	14,948	-	-	-	-	-	2,475	-	-	-	26,843
China	-	-	-	-	-	-	-	-	-	1,581	-	-	1,581
Chinese Compensation	-	-	28,000	-	-	-	-	-	-	-	-	-	28,000
East Asia and Pacific Environmental Initiative	-	-	3,488	-	-	-	-	-	-	-	-	-	3,488
East Timor	-	-	24,914	1,791	-	-	-	-	-	-	8,500	-	35,205
Indonesia	19,580	52,505	49,828	-	-	200	-	-	-	-	-	-	122,113
Kiribati	-	-	-	-	-	-	-	-	-	1,053	-	-	1,053
Laos	-	-	-	-	-	50	4,200	-	793	-	-	-	5,043
Malaysia	-	-	-	-	-	700	-	-	120	-	-	-	820
Micronesia	-	-	-	-	-	-	-	-	-	1,675	-	-	1,675
Mongolia	-	-	11,959	1,990	-	650	-	-	-	1,698	-	-	16,297
MRA East Asia	-	-	-	-	-	-	-	26,600	-	-	-	-	26,600
Papua New Guinea	-	-	-	-	-	180	-	-	-	1,073	-	-	1,253
Philippines	9,450	30,634	3,986	1,990	-	1,500	-	-	-	2,048	-	-	49,608
Regional Democracy	-	-	5,882	-	-	-	-	-	-	-	-	-	5,882
Regional Security Fund	-	-	249	-	-	-	-	-	-	-	-	-	249
Regional Women's Issues	-	-	2,990	-	-	-	-	-	-	-	-	-	2,990
Samoa	-	-	-	-	-	120	-	-	-	1,474	-	-	1,594
Singapore	-	-	-	-	-	-	-	-	25	-	-	-	25
Solomon Islands	-	-	-	-	-	150	-	-	-	25	-	-	175
South Pacific Fisheries	-	-	13,952	-	-	-	-	-	-	-	-	-	13,952
Thailand	-	-	-	-	-	1,595	3,000	-	1,270	1,323	-	-	7,188

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Countries	CSD	DA	ESF	FMF	FSA	IMET	INCLE	MRA	NADR	Peace Corps	PKO	SEED	Total
Tonga	-	-	-	-	-	100	-	-	-	1,148	-	-	1,248
Vanuatu	-	-	-	-	-	100	-	-	-	1,160	-	-	1,260
Vietnam	2,494	1,500	-	-	-	50	-	-	1,675	-	-	-	5,719
Total - East Asia & Pacific	**42,944**	**85,639**	**168,666**	**5,771**	**-**	**5,395**	**7,200**	**26,600**	**8,707**	**14,258**	**8,500**	**-**	373,680

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Countries	CSD	DA	ESF	FMF	FSA	IMET	INCLE	MRA	NADR	Peace Corps	PKO	SEED	Total
Europe													
Albania	-	-	-	8,607	-	1,200	-	-	-	-	-	35,123	44,930
ATA Regional - Europe/NIS	-	-	-	-	-	-	-	-	11,336	-	-	-	11,336
Baltics	350	-	-	-	-	-	-	-	-	-	-	-	350
Bosnia and Herzegovina	-	-	-	5,970	-	1,175	-	-	-	-	-	79,824	86,969
Bulgaria	-	-	-	13,434	-	1,600	-	-	160	2,015	-	35,123	52,332
Central and Eastern European Regional	150	-	-	-	-	-	-	-	-	-	-	-	150
Croatia	-	-	-	3,980	-	1,025	-	-	-	-	-	44,527	49,532
Cyprus	-	-	14,948	-	-	-	-	-	140	-	-	-	15,088
Czech Republic	-	-	-	8,956	-	1,400	-	-	330	-	-	-	10,686
Estonia	-	-	-	6,169	-	750	-	-	314	477	-	-	7,710
Federal Republic of Yugoslavia	-	-	-	-	-	-	-	-	-	-	-	172,120	172,120
Greece	-	-	-	-	-	25	-	-	-	-	-	-	25
Hungary	-	-	-	8,956	-	1,400	-	-	509	-	-	-	10,865
International Fund for Ireland	-	-	24,914	-	-	-	-	-	-	-	-	-	24,914
Irish Visa Program	-	-	4,983	-	-	-	-	-	-	-	-	-	4,983
Kosovo	-	-	-	-	-	-	-	-	-	-	-	149,670	149,670
Latvia	-	-	-	5,174	-	750	-	-	254	762	-	-	6,940
Lithuania	-	-	-	6,468	-	800	-	-	384	762	-	-	8,414
Macedonia	-	-	-	13,582	-	750	-	-	245	959	-	32,927	48,463
Malta	-	-	-	2,985	-	150	-	-	5,150	-	-	-	8,285
MRA Europe	-	-	-	-	-	-	-	100,853	-	-	-	-	100,853
OSCE Bosnia	-	-	-	-	-	-	-	-	-	-	18,500	-	18,500
OSCE Croatia	-	-	-	-	-	-	-	-	-	-	3,300	-	3,300
OSCE Kosovo	-	-	-	-	-	-	-	-	-	-	15,500	-	15,500
OSCE Regional - Europe	-	-	-	-	-	-	-	-	-	-	16,700	-	16,700

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Countries	CSD	DA	ESF	FMF	FSA	IMET	INCLE	MRA	NADR	Peace Corps	PKO	SEED	Total
Poland	-	-	-	12,240	-	1,300	-	-	758	1,070	-	-	15,368
Portugal	-	-	-	-	-	750	-	-	-	-	-	-	750
Regional SEED	-	-	-	-	-	-	-	-	-	-	-	86,609	86,609
Romania	-	-	-	16,916	-	1,550	-	-	414	2,586	-	38,415	59,881
Slovakia	-	-	-	10,747	-	950	-	-	285	1,377	-	-	13,359
Slovenia	-	-	-	5,473	-	1,050	-	-	245	-	-	-	6,768
Turkey	-	-	-	-	-	1,600	-	-	30	-	-	-	1,630
Total - Europe	**500**	**-**	**44,845**	**129,657**	**-**	**18,225**	**-**	**100,853**	**20,554**	**10,008**	**54,000**	**674,338**	1,052,980

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Countries	CSD	DA	ESF	FMF	FSA	IMET	INCLE	MRA	NADR	Peace Corps	PKO	SEED	Total
Near East Asia													
Algeria	-	-	-	-	-	125	-	-	-	-	-	-	125
ATA Regional - Near East Asia	-	-	-	-	-	-	-	-	6,427	-	-	-	6,427
Bahrain	-	-	-	-	-	235	-	-	-	-	-	-	235
Egypt	-	-	692,603	1,293,592	-	1,100	-	-	-	-	-	-	1,987,295
Iraq Opposition	-	-	24,914	-	-	-	-	-	-	-	-	-	24,914
Israel	-	-	840,000	1,980,000	-	-	-	-	-	-	-	-	2,820,000
Jordan	-	-	149,483	74,630	-	1,700	-	-	977	1,670	-	-	228,460
Lebanon	-	-	34,879	-	-	575	-	-	800	-	-	-	36,254
Middle East Democracy	-	-	3,986	-	-	-	-	-	-	-	-	-	3,986
Middle East Fact Finding	-	-	2,790	-	-	-	-	-	-	-	-	-	2,790
Middle East Multilaterals	-	-	2,990	-	-	-	-	-	-	-	-	-	2,990
Middle East Regional Cooperation	-	-	4,983	-	-	-	-	-	-	-	-	-	4,983
Middle East Regional Export Controls	-	-	-	-	-	-	-	-	400	-	-	-	400
Morocco	4,902	5,685	-	2,488	-	955	-	-	-	2,607	-	-	16,637
MRA Near East and North Africa	-	-	-	-	-	-	-	99,147	-	-	-	-	99,147
MRA Refugees to Israel	-	-	-	-	-	-	-	59,868	-	-	-	-	59,868
Multinational Force and Observers	-	-	-	-	-	-	-	-	-	-	16,000	-	16,000
Oman	-	-	-	-	-	250	-	-	273	-	-	-	523
Tunisia	-	-	-	3,483	-	955	-	-	-	-	-	-	4,438
US - North Africa Partnership	-	-	3,986	-	-	-	-	-	-	-	-	-	3,986
West Bank/Gaza	-	-	84,707	-	-	-	-	-	-	-	-	-	84,707
Yemen	-	-	3,986	-	-	135	-	-	1,163	-	-	-	5,284
Total - Near East Asia	**4,902**	**5,685**	**1,849,307**	**3,354,193**	**-**	**6,030**	**-**	**159,015**	**10,040**	**4,277**	**16,000**	**-**	5,409,449

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Countries	CSD	DA	ESF	FMF	FSA	IMET	INCLE	MRA	NADR	Peace Corps	PKO	SEED	Total
Newly Independent States													
Armenia	-	-	-	-	89,802	-	-	-	1,350	1,343	-	-	92,495
Azerbaijan	-	-	-	-	34,250	-	-	-	1,350	-	-	-	35,600
Belarus	-	-	-	-	10,000	-	-	-	-	-	-	-	10,000
Central Asian Republics Regional	900	-	-	-	-	-	-	-	-	-	-	-	900
Eurasian Regional	800	-	-	-	-	-	-	-	-	-	-	-	800
Georgia	-	-	-	4,478	91,798	475	-	-	1,000	1,118	-	-	98,869
Kazakhstan	-	-	-	1,891	44,596	600	-	-	605	2,311	-	-	50,003
Kyrgyzstan	-	-	-	1,841	30,355	400	-	-	-	1,311	-	-	33,907
Moldova	-	-	-	1,493	43,710	600	-	-	325	1,579	-	-	47,707
NIS Regional Export Controls	-	-	-	-	-	-	-	-	470	-	-	-	470
Regional FSA	-	-	-	-	85,237	-	-	-	-	-	-	-	85,237
Russia	3,550	-	-	-	167,845	800	-	-	1,500	4,049	-	-	177,744
Science Centers	-	-	-	-	-	-	-	-	35,000	-	-	-	35,000
Tajikistan	-	-	-	-	11,230	-	-	-	-	-	-	-	11,230
Turkmenistan	-	-	-	697	6,200	325	-	-	-	1,583	-	-	8,805
Ukraine	1,025	-	-	3,980	169,630	1,500	-	-	770	3,212	-	-	180,117
Uzbekistan	-	-	-	2,438	23,565	550	-	-	330	2,247	-	-	29,130
Total - Newly Independent States	**6,275**	**-**	**-**	**16,818**	**808,218**	**5,250**	**-**	**-**	**42,700**	**18,753**	**-**	**-**	898,014

ALL FUND SOURCES "SPIGOT" REPORT

FY 2001

($ in thousands)

Countries	CSD	DA	ESF	FMF	FSA	IMET	INCLE	MRA	NADR	Peace Corps	PKO	SEED	Total
Global													
African Development Bank	-	-	-	-	-	-	-	-	-	-	-	-	6,087
African Development Fund	-	-	-	-	-	-	-	-	-	-	-	-	99,780
Anti-Crime Programs	-	-	-	-	-	-	45,000	-	-	-	-	-	45,000
Asia Middle East Regional	-	-	-	-	-	-	3,328	-	-	-	-	-	3,328
Asian Development Fund	-	-	-	-	-	-	-	-	-	-	-	-	71,842
Asia-Near East Regional	13,044	43,245	-	-	-	-	-	-	-	-	-	-	56,289
ATA Program Equipment	-	-	-	-	-	-	-	-	400	-	-	-	400
ATA Program Management	-	-	-	-	-	-	-	-	6,690	-	-	-	6,690
ATA WMD Preparedness Program	-	-	-	-	-	-	-	-	1,250	-	-	-	1,250
CTBT Preparatory Commission	-	-	-	-	-	-	-	-	21,056	-	-	-	21,056
Debt Restructuring	-	-	-	-	-	-	-	-	-	-	-	-	447,014
Demining Administrative Expenses	-	-	-	-	-	-	-	-	500	-	-	-	500
Demining Crosscutting Initiatives	-	-	-	-	-	-	-	-	5,450	-	-	-	5,450
Demining Mine Surveys	-	-	-	-	-	-	-	-	2,000	-	-	-	2,000
Demining New Country Programs	-	-	-	-	-	-	-	-	1,278	-	-	-	1,278
Demining Research and Training	-	-	-	-	-	-	-	-	1,200	-	-	-	1,200
Development Credit Program Subsidy - Admin. Ex	-	-	-	-	-	-	-	-	-	-	-	-	3,991
Development Credit Program Subsidy - Appropria	-	-	-	-	-	-	-	-	-	-	-	-	1,497
E-IMET Schools	-	-	-	-	-	1,800	-	-	-	-	-	-	1,800
Enhanced International Peacekeeping	-	-	-	5,970	-	-	-	-	-	-	-	-	5,970
Enterprise for the Americas Multilateral Investment	-	-	-	-	-	-	-	-	-	-	-	-	9,978
European Bank for Reconstruction and Developmen	-	-	-	-	-	-	-	-	-	-	-	-	35,700
Export Control Program Administration	-	-	-	-	-	-	-	-	300	-	-	-	300
Export Control Regional Advisors	-	-	-	-	-	-	-	-	2,755	-	-	-	2,755
Export-Import Bank - Administrative Expenses	-	-	-	-	-	-	-	-	-	-	-	-	61,864

ALL FUND SOURCES "SPIGOT" REPORT

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($ in thousands)

Countries	CSD	DA	ESF	FMF	FSA	IMET	INCLE	MRA	NADR	Peace Corps	PKO	SEED	Total
Export-Import Bank - Direct Loans, Negative Subs	-	-	-	-	-	-	-	-	-	-	-	-	(15,000)
Export-Import Bank - Loan Subsidy	-	-	-	-	-	-	-	-	-	-	-	-	863,097
External AIDS Partnerships	46,900	-	-	-	-	-	-	-	-	-	-	-	46,900
FMF Administrative Costs	-	-	-	32,838	-	-	-	-	-	-	-	-	32,838
General Costs	-	-	-	-	-	298	-	-	-	-	-	-	298
Global Alliance for Vaccines and Immunizations	48,100	-	-	-	-	-	-	-	-	-	-	-	48,100
Global Environment Facility	-	-	-	-	-	-	-	-	-	-	-	-	107,762
Global Programs, Field Support & Research	170,416	318,243	-	-	-	-	-	-	-	-	-	-	488,659
Human Rights and Democracy Funds	-	-	13,404	-	-	-	-	-	-	-	-	-	13,404
Humanitarian Response	29,732	48,938	-	-	-	-	-	-	-	-	-	-	78,670
INCLE - Other	-	-	-	-	-	-	37,500	-	-	-	-	-	37,500
Inter-American Investment Corporation	-	-	-	-	-	-	-	-	-	-	-	-	24,945
International Atomic Energy Agency Voluntary Con	-	-	-	-	-	-	-	-	47,000	-	-	-	47,000
International Civil Aviation Organization	-	-	-	-	-	-	-	-	-	-	-	-	300
International Conservation Programs	-	-	-	-	-	-	-	-	-	-	-	-	5,450
International Contributions for Scientific, Education	-	-	-	-	-	-	-	-	-	-	-	-	1,750
International Development Association	-	-	-	-	-	-	-	-	-	-	-	-	773,295
International Disaster Assistance	-	-	-	-	-	-	-	-	-	-	-	-	299,340
International Fund for Agricultural Development	-	-	-	-	-	-	-	-	-	-	-	-	4,989
International Panel on Climate Change/UN Framew	-	-	-	-	-	-	-	-	-	-	-	-	6,500
Inter-Regional Aviation Support	-	-	-	-	-	-	50,000	-	-	-	-	-	50,000
KEDO	-	-	-	-	-	-	-	-	54,879	-	-	-	54,879
Lockerbie Trial	-	-	-	-	-	-	-	-	15,000	-	-	-	15,000
Micro and Small Enterprise Development - Admin. I	-	-	-	-	-	-	-	-	-	-	-	-	499
Micro and Small Enterprise Development - Subsidy	-	-	-	-	-	-	-	-	-	-	-	-	1,497
Montreal Protocol Multilateral Fund for the Protec	-	-	-	-	-	-	-	-	-	-	-	-	26,000

ALL FUND SOURCES "SPIGOT" REPORT

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($ in thousands)

Countries	CSD	DA	ESF	FMF	FSA	IMET	INCLE	MRA	NADR	Peace Corps	PKO	SEED	Total
MRA Administrative Expenses	-	-	-	-	-	-	-	14,468	-	-	-	-	14,468
MRA Multiregional Activities	-	-	-	-	-	-	-	58,344	-	-	-	-	58,344
MRA Refugee Admissions	-	-	-	-	-	-	-	109,854	-	-	-	-	109,854
Multilateral Investment Guarantee Agency	-	-	-	-	-	-	-	-	-	-	-	-	9,978
NADR Regional Export Controls	-	-	-	-	-	-	-	-	450	-	-	-	450
Non-Proliferation and Disarmament Fund	-	-	-	-	-	-	-	-	14,967	-	-	-	14,967
Non-Proliferation Contingency	-	-	-	-	-	-	-	-	20,000	-	-	-	20,000
Oceans, Environmental and Science Initiative	-	-	4,983	-	-	-	-	-	-	-	-	-	4,983
OPIC - Administrative Expenses	-	-	-	-	-	-	-	-	-	-	-	-	37,916
OPIC - Credit Funding	-	-	-	-	-	-	-	-	-	-	-	-	23,947
OPIC - Net Offsetting Collections	-	-	-	-	-	-	-	-	-	-	-	-	(261,863)
Organization of American States Development Ass	-	-	-	-	-	-	-	-	-	-	-	-	5,500
Organizaton of American States Fund for Strengthe	-	-	-	-	-	-	-	-	-	-	-	-	2,500
Partnership to Eliminate Sweatshops	-	-	3,986	-	-	-	-	-	-	-	-	-	3,986
Peace Corps Other	-	-	-	-	-	-	-	-	-	123,554	-	-	123,554
Program & Policy Coordination	2,853	4,409	-	-	-	-	-	-	-	-	-	-	7,262
Small Arms Destruction	-	-	-	-	-	-	-	-	2,000	-	-	-	2,000
TDA / Multi-Regional Program	-	-	-	-	-	-	-	-	-	-	-	-	49,890
Terrorist Interdiction Program	-	-	-	-	-	-	-	-	4,000	-	-	-	4,000
Transition Initiatives	-	-	-	-	-	-	-	-	-	-	-	-	49,890
Treasury Technical Assistance	-	-	-	-	-	-	-	-	-	-	-	-	5,987
U.S. Emergency Refugee and Migrations Assistanc	-	-	-	-	-	-	-	-	-	-	-	-	14,967
UN Development Fund for Women	-	-	-	-	-	-	-	-	-	-	-	-	1,000
UN Development Program	-	-	-	-	-	-	-	-	-	-	-	-	87,091
UN Environment Program	-	-	-	-	-	-	-	-	-	-	-	-	10,000
UN Population Fund	-	-	-	-	-	-	-	-	-	-	-	-	25,000

ALL FUND SOURCES "SPIGOT" REPORT

FY 2001

($ in thousands)

Countries	CSD	DA	ESF	FMF	FSA	IMET	INCLE	MRA	NADR	Peace Corps	PKO	SEED	Total
UN Voluntary Fund for Technical Cooperation in t	-	-	-	-	-	-	-	-	-	-	-	-	1,500
UN Voluntary Fund for Victims of Torture	-	-	-	-	-	-	-	-	-	-	-	-	5,000
UNICEF	109,800	-	-	-	-	-	-	-	-	-	-	-	109,800
USAID Inspector General Operating Expenses	-	-	-	-	-	-	-	-	-	-	-	-	26,941
USAID Operating Expenses	-	-	-	-	-	-	-	-	-	-	-	-	531,827
World Food Program	-	-	-	-	-	-	-	-	-	-	-	-	5,000
World Meteorological Organization	-	-	-	-	-	-	-	-	-	-	-	-	2,000
World Trade Organization/Technical Assistance a	-	-	-	-	-	-	-	-	-	-	-	-	1,000
Total - Global	**420,845**	**414,835**	**22,373**	**38,808**	**-**	**2,098**	**135,828**	**182,666**	**201,175**	**123,554**	**-**	**-**	5,015,430
South Asia													
Afghanistan	-	-	-	-	-	-	-	-	2,800	-	-	-	2,800
ATA Regional - South Asia	-	-	-	-	-	-	-	-	3,020	-	-	-	3,020
Bangladesh	15,500	42,300	-	-	-	475	-	-	-	1,088	-	-	59,363
India	23,600	29,950	4,983	-	-	500	-	-	637	-	-	-	59,670
Maldives	-	-	-	-	-	110	-	-	-	-	-	-	110
MRA South Asia	-	-	-	-	-	-	-	34,800	-	-	-	-	34,800
Nepal	9,250	11,300	-	-	-	220	-	-	-	1,988	-	-	22,758
Pakistan	-	-	-	-	-	-	3,500	-	-	-	-	-	3,500
South Asia Democracy	-	-	4,983	-	-	-	-	-	-	-	-	-	4,983
South Asia Energy and Environment	-	-	3,488	-	-	-	-	-	-	-	-	-	3,488
South Asia Regional Stability Fund	-	-	997	-	-	-	-	-	-	-	-	-	997
Sri Lanka	300	3,000	-	-	-	245	-	-	-	-	-	-	3,545
Women and Children Support Fund	-	-	4,484	-	-	-	-	-	-	-	-	-	4,484
Total - South Asia	**48,650**	**86,550**	**18,935**	**-**	**-**	**1,550**	**3,500**	**34,800**	**6,457**	**3,076**	**-**	**-**	203,518

ALL FUND SOURCES "SPIGOT" REPORT

FY 2001

($ in thousands)

Countries	CSD	DA	ESF	FMF	FSA	IMET	INCLE	MRA	NADR	Peace Corps	PKO	SEED	Total
Western Hemisphere													
Administration of Justice/ICITAP	-	-	6,976	-	-	-	-	-	-	-	-	-	6,976
Argentina	-	-	-	995	-	800	-	-	-	-	-	-	1,795
ATA Regional - Western Hemisphere	-	-	-	-	-	-	-	-	2,309	-	-	-	2,309
Bahamas	-	-	-	139	-	115	1,200	-	-	-	-	-	1,454
Belize	-	-	-	199	-	275	-	-	-	1,351	-	-	1,825
Bolivia	6,248	26,071	1,993	-	-	650	52,000	-	-	3,080	-	-	90,042
Brazil	7,883	7,500	-	-	-	250	2,000	-	-	-	-	-	17,633
Caribbean Regional	1,497	-	-	-	-	-	-	-	-	-	-	-	1,497
Central American Regional Development	3,692	9,030	-	-	-	-	-	-	-	-	-	-	12,722
Chile	-	-	-	-	-	550	-	-	-	-	-	-	550
Colombia	-	-	-	-	-	1,040	48,000	-	-	-	-	-	49,040
Costa Rica	-	-	-	-	-	200	-	-	-	335	-	-	535
Cuba	-	-	4,982	-	-	-	-	-	-	-	-	-	4,982
Dominican Republic	6,385	9,490	3,488	647	-	450	-	-	-	3,387	-	-	23,847
Eastern Caribbean	-	-	6,975	1,542	-	560	-	-	-	2,243	-	-	11,320
Ecuador	-	8,559	5,481	-	-	550	2,200	-	963	2,736	-	-	20,489
El Salvador	9,757	24,370	4,982	-	-	525	-	-	-	2,233	-	-	41,867
Guatemala	7,755	17,297	13,951	-	-	250	3,000	-	-	3,801	-	-	46,054
Guyana	798	3,800	-	124	-	195	-	-	-	815	-	-	5,732
Haiti	-	-	46,835	448	-	-	-	-	-	1,340	1,721	-	50,344
Honduras	8,436	16,169	996	-	-	525	-	-	-	3,853	-	-	29,979
Inter-American Foundation	-	11,974	-	-	-	-	-	-	-	-	-	-	11,974
Jamaica	4,116	7,792	1,495	582	-	500	1,200	-	-	2,219	-	-	17,904
LAC Regional	19,501	32,018	-	-	-	-	-	-	-	-	-	-	51,519
Latin America Regional	-	-	-	-	-	-	7,957	-	-	-	-	-	7,957

ALL FUND SOURCES "SPIGOT" REPORT

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($ in thousands)

Countries	CSD	DA	ESF	FMF	FSA	IMET	INCLE	MRA	NADR	Peace Corps	PKO	SEED	Total
Mexico	5,987	8,640	6,178	-	-	1,000	10,000	-	-	-	-	-	31,805
MRA Western Hemisphere	-	-	-	-	-	-	-	13,626	-	-	-	-	13,626
Nicaragua	6,858	16,690	1,495	-	-	220	-	-	-	2,539	-	-	27,802
OAS/IADB / Central America Demining	-	-	-	-	-	-	-	-	1,350	-	-	-	1,350
Panama	-	3,700	996	-	-	150	1,000	-	-	1,998	-	-	7,844
Paraguay	-	6,345	3,488	-	-	200	-	-	-	3,291	-	-	13,324
Peru	9,230	29,071	2,200	-	-	475	48,000	-	861	-	-	-	89,837
Peru/Ecuador Peace	-	-	6,975	-	-	-	-	-	-	-	-	-	6,975
Suriname	-	-	-	-	-	100	-	-	-	757	-	-	857
Trinidad & Tobago	-	-	-	299	-	125	-	-	-	-	-	-	424
Uruguay	-	-	-	-	-	350	-	-	-	-	-	-	350
Venezuela	-	-	-	-	-	400	1,200	-	-	-	-	-	1,600
W. Hemisphere Regional Democracy	-	-	598	-	-	-	-	-	-	-	-	-	598
Total - Western Hemisphere	**98,143**	**238,516**	**120,084**	**4,975**	**-**	**10,455**	**177,757**	**13,626**	**5,483**	**35,978**	**1,721**	**-**	706,738
Totals	**960,881**	**1,302,129**	**2,314,896**	**3,568,133**	**808,218**	**57,748**	**324,285**	**698,460**	**310,914**	**264,417**	**126,721**	**674,338**	**14,884,388**

ALL FUND SOURCES "SPIGOT" REPORT

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($ in thousands)

Countries	CSD	DA	ESF	FMF	FSA	IMET	INCLE	MRA	NADR	Peace Corps	PKO	SEED	Total
Africa													
Africa Crisis Response Iniative	-	-	-	-	-	-	-	-	-	-	20,000	-	20,000
Africa Regional	64,818	124,727	-	-	-	-	-	-	-	-	-	-	189,545
Africa Regional Democracy Fund	-	-	15,000	-	-	-	-	-	-	-	-	-	15,000
Africa Regional Peacekeeping	-	-	-	-	-	-	-	-	-	-	51,000	-	51,000
Africa Regional Stability	-	-	-	3,000	-	-	-	-	-	-	-	-	3,000
African Development Foundation	-	16,042	-	-	-	-	-	-	-	-	-	-	16,042
Angola	6,160	3,403	2,000	-	-	100	-	-	2,800	-	-	-	14,463
ATA Regional - Africa	-	-	-	-	-	-	-	-	1,301	-	-	-	1,301
Benin	11,229	3,094	-	-	-	400	-	-	-	2,167	-	-	16,890
Botswana	-	-	-	-	-	580	-	-	-	-	-	-	580
Burkina Faso	-	-	-	-	-	50	-	-	-	1,817	-	-	1,867
Burundi	-	1,500	-	-	-	50	-	-	-	-	-	-	1,550
Cameroon	-	-	-	-	-	190	-	-	-	2,774	-	-	2,964
Cape Verde	-	-	-	-	-	120	-	-	-	1,163	-	-	1,283
Central African Republic	-	-	-	-	-	110	-	-	-	-	-	-	110
Chad	-	-	-	-	-	130	-	-	300	-	-	-	430
Comoros	-	-	-	-	-	50	-	-	-	-	-	-	50
Cote D'Ivoire	-	-	-	-	-	50	-	-	-	2,803	-	-	2,853
Countries in Transition	-	-	20,000	-	-	-	-	-	-	-	-	-	20,000
Democratic Republic of Congo	15,809	2,762	-	-	-	50	-	-	-	-	-	-	18,621
Djibouti	-	-	-	-	-	160	-	-	300	-	-	-	460
Education for Development and Democracy	-	-	15,000	-	-	-	-	-	-	-	-	-	15,000
Equatorial Guinea	-	-	-	-	-	50	-	-	-	-	-	-	50
Eritrea	5,197	5,643	-	-	-	375	-	-	950	-	-	-	12,165
Ethiopia	27,858	12,550	-	-	-	475	-	-	950	-	-	-	41,833

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Countries	CSD	DA	ESF	FMF	FSA	IMET	INCLE	MRA	NADR	Peace Corps	PKO	SEED	Total
Ethiopia/Eritrea	-	-	2,500	-	-	-	-	-	-	-	-	-	2,500
Gabon	-	-	-	-	-	160	-	-	-	1,870	-	-	2,030
Gambia	-	-	-	-	-	50	-	-	-	1,591	-	-	1,641
Ghana	15,878	19,378	-	-	-	470	-	-	-	2,851	-	-	38,577
Great Lakes Justice Initiative	-	-	10,000	-	-	-	-	-	-	-	-	-	10,000
Guinea	10,216	9,725	-	-	-	250	-	-	-	2,616	-	-	22,807
Guinea-Bissau	-	-	-	-	-	50	-	-	-	-	-	-	50
Kenya	14,406	18,941	-	-	-	460	-	-	-	3,490	-	-	37,297
Lesotho	-	-	-	-	-	100	-	-	-	2,156	-	-	2,256
Liberia	1,500	3,765	-	-	-	-	-	-	-	-	-	-	5,265
Madagascar	4,510	13,995	-	-	-	170	-	-	-	2,344	-	-	21,019
Malawi	14,755	10,006	-	-	-	360	-	-	-	1,889	-	-	27,010
Mali	12,717	20,292	-	-	-	325	-	-	-	2,595	-	-	35,929
Mauritania	-	-	-	-	-	100	-	-	230	1,541	-	-	1,871
Mauritius	-	-	-	-	-	100	-	-	-	-	-	-	100
Mozambique	11,936	29,224	-	-	-	215	-	-	2,210	1,223	-	-	44,808
MRA Africa	-	-	-	-	-	-	-	187,500	-	-	-	-	187,500
Namibia	4,494	4,432	-	-	-	200	-	-	65	1,886	-	-	11,077
Niger	-	-	-	-	-	110	-	-	-	2,077	-	-	2,187
Nigeria	23,695	30,305	25,000	10,000	-	750	-	-	-	-	-	-	89,750
Regional Organizations	-	-	4,000	-	-	-	-	-	-	-	-	-	4,000
Republic of the Congo	-	-	-	-	-	110	-	-	-	-	-	-	110
Rwanda	6,802	7,155	-	-	-	100	-	-	450	-	-	-	14,507
Safe Skies	-	-	3,000	-	-	-	-	-	-	-	-	-	3,000
Sao Tome and Principe	-	-	-	-	-	85	-	-	-	-	-	-	85
Senegal	8,502	15,977	-	-	-	850	-	-	-	2,947	-	-	28,276

ALL FUND SOURCES "SPIGOT" REPORT

FY 2002

($ in thousands)

Countries	CSD	DA	ESF	FMF	FSA	IMET	INCLE	MRA	NADR	Peace Corps	PKO	SEED	Total
Seychelles	-	-	-	-	-	75	-	-	-	-	-	-	75
Sierra Leone	1,884	3,516	9,000	-	-	200	-	-	-	-	-	-	14,600
Somalia	500	2,500	-	-	-	-	-	-	1,400	-	-	-	4,400
South Africa	18,429	34,275	-	6,000	-	1,450	-	-	-	2,701	-	-	62,855
Sudan	500	4,500	-	-	-	-	-	-	-	-	-	-	5,000
Swaziland	-	-	-	-	-	100	-	-	-	-	-	-	100
Tanzania	10,628	14,506	-	-	-	200	-	-	-	2,560	-	-	27,894
Togo	-	-	-	-	-	75	-	-	-	1,832	-	-	1,907
Uganda	29,336	20,868	-	-	-	100	-	-	-	797	-	-	51,101
Zambia	27,617	10,725	-	-	-	190	-	-	800	2,723	-	-	42,055
Zimbabwe	6,439	5,834	-	-	-	50	-	-	300	1,161	-	-	13,784
Total - Africa	**355,815**	**449,640**	**105,500**	**19,000**	**-**	**10,395**	**-**	**187,500**	**12,056**	**53,574**	**71,000**	**-**	1,264,480

ALL FUND SOURCES "SPIGOT" REPORT

FY 2002

($ in thousands)

Countries	CSD	DA	ESF	FMF	FSA	IMET	INCLE	MRA	NADR	Peace Corps	PKO	SEED	Total
East Asia & Pacific													
Accelerating Economic Recovery in Asia	-	-	5,000	-	-	-	-	-	-	-	-	-	5,000
ATA Regional - East Asia and the Pacific	-	-	-	-	-	-	-	-	2,523	-	-	-	2,523
Burma	2,000	1,000	3,500	-	-	-	-	-	-	-	-	-	6,500
Cambodia	10,000	-	25,000	-	-	250	-	-	2,225	-	-	-	37,475
China	-	-	-	-	-	-	-	-	-	1,728	-	-	1,728
China Rule of Law	-	-	5,000	-	-	-	-	-	-	-	-	-	5,000
East Asia and Pacific Environmental Initiative	-	-	4,000	-	-	-	-	-	-	-	-	-	4,000
East Timor	-	-	25,000	1,000	-	50	-	-	-	-	8,000	-	34,050
Indonesia	21,280	48,804	50,000	-	-	400	-	-	-	-	-	-	120,484
Kiribati	-	-	-	-	-	-	-	-	-	1,124	-	-	1,124
Laos	-	-	-	-	-	50	4,200	-	800	-	-	-	5,050
Malaysia	-	-	-	-	-	700	-	-	250	-	-	-	950
Micronesia	-	-	-	-	-	-	-	-	-	1,554	-	-	1,554
Mongolia	-	-	12,000	2,000	-	650	-	-	-	1,648	-	-	16,298
MRA East Asia	-	-	-	-	-	-	-	17,000	-	-	-	-	17,000
Papua New Guinea	-	-	-	-	-	200	-	-	-	740	-	-	940
Philippines	9,800	27,259	15,000	19,000	-	1,710	-	-	-	2,639	-	-	75,408
Regional Democracy	-	-	6,000	-	-	-	-	-	-	-	-	-	6,000
Regional Security Fund	-	-	250	-	-	-	-	-	-	-	-	-	250
Regional Women's Issues	-	-	5,000	-	-	-	-	-	-	-	-	-	5,000
Samoa	-	-	-	-	-	120	-	-	-	1,446	-	-	1,566
Solomon Islands	-	-	-	-	-	150	-	-	-	-	-	-	150
South Pacific Fisheries	-	-	14,000	-	-	-	-	-	-	-	-	-	14,000
Thailand	-	-	-	-	-	1,650	4,000	-	1,050	1,273	-	-	7,973
Tonga	-	-	-	-	-	115	-	-	-	1,085	-	-	1,200

ALL FUND SOURCES "SPIGOT" REPORT

FY 2002

($ in thousands)

Countries	CSD	DA	ESF	FMF	FSA	IMET	INCLE	MRA	NADR	Peace Corps	PKO	SEED	Total
Vanuatu	-	-	-	-	-	100	-	-	-	1,255	-	-	1,355
Vietnam	1,500	4,600	-	-	-	50	-	-	2,640	-	-	-	8,790
Total - East Asia & Pacific	**44,580**	**81,663**	**169,750**	**22,000**	**-**	**6,195**	**8,200**	**17,000**	**9,488**	**14,492**	**8,000**	**-**	381,368

ALL FUND SOURCES "SPIGOT" REPORT

FY 2002

($ in thousands)

Countries	CSD	DA	ESF	FMF	FSA	IMET	INCLE	MRA	NADR	Peace Corps	PKO	SEED	Total
Europe													
Albania	-	-	-	4,650	-	800	-	-	30	-	-	35,000	40,480
ATA Regional - Europe/NIS	-	-	-	-	-	-	-	-	13,616	-	-	-	13,616
Bosnia and Herzegovina	-	-	-	2,500	-	800	-	-	-	-	-	65,000	68,300
Bulgaria	-	-	-	10,000	-	1,200	-	-	30	2,183	-	35,000	48,413
Central and Eastern European Regional	770	-	-	-	-	-	-	-	-	-	-	-	770
Croatia	-	-	-	6,200	-	600	-	-	90	-	-	45,000	51,890
Cyprus	-	-	15,000	-	-	-	-	-	150	-	-	-	15,150
Czech Republic	-	-	-	12,000	-	1,800	-	-	170	-	-	-	13,970
Estonia	-	-	-	6,500	-	1,000	-	-	930	162	-	-	8,592
Federal Republic of Yugoslavia	-	-	-	-	-	-	-	-	210	-	-	145,000	145,210
Greece	-	-	-	-	-	500	-	-	-	-	-	-	500
Hungary	-	-	-	12,000	-	1,800	-	-	120	-	-	-	13,920
International Fund for Ireland	-	-	19,600	-	-	-	-	-	-	-	-	-	19,600
Irish Visa Program	-	-	5,000	-	-	-	-	-	-	-	-	-	5,000
Kosovo	-	-	-	-	-	-	-	-	-	-	-	120,000	120,000
Latvia	-	-	-	7,000	-	1,000	-	-	205	218	-	-	8,423
Lithuania	-	-	-	7,500	-	1,000	-	-	210	238	-	-	8,948
Macedonia	-	-	-	10,500	-	550	-	-	705	911	-	45,000	57,666
Malta	-	-	-	1,000	-	300	-	-	150	-	-	-	1,450
MRA Europe	-	-	-	-	-	-	-	79,000	-	-	-	-	79,000
OSCE Bosnia	-	-	-	-	-	-	-	-	-	-	20,500	-	20,500
OSCE Croatia	-	-	-	-	-	-	-	-	-	-	3,300	-	3,300
OSCE Kosovo	-	-	-	-	-	-	-	-	-	-	14,500	-	14,500
OSCE Regional - Europe	-	-	-	-	-	-	-	-	-	-	16,300	-	16,300
Poland	-	-	-	15,000	-	1,900	-	-	150	-	-	-	17,050

ALL FUND SOURCES "SPIGOT" REPORT

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($ in thousands)

Countries	CSD	DA	ESF	FMF	FSA	IMET	INCLE	MRA	NADR	Peace Corps	PKO	SEED	Total
Portugal	-	-	-	-	-	750	-	-	-	-	-	-	750
Regional SEED	-	-	-	-	-	-	-	-	-	-	-	82,000	82,000
Romania	-	-	-	11,500	-	1,400	-	-	360	2,857	-	38,000	54,117
Slovakia	-	-	-	8,500	-	850	-	-	300	416	-	-	10,066
Slovenia	-	-	-	4,500	-	800	-	-	30	-	-	-	5,330
Turkey	-	-	-	-	-	1,800	-	-	1,000	-	-	-	2,800
Total - Europe	**770**	**-**	**39,600**	**119,350**	**-**	**18,850**	**-**	**79,000**	**18,456**	**6,985**	**54,600**	**610,000**	947,611

ALL FUND SOURCES "SPIGOT" REPORT

FY 2002

($ in thousands)

Countries	CSD	DA	ESF	FMF	FSA	IMET	INCLE	MRA	NADR	Peace Corps	PKO	SEED	Total
Near East Asia													
Algeria	-	-	-	-	-	200	-	-	-	-	-	-	200
ATA Regional - Near East Asia	-	-	-	-	-	-	-	-	4,735	-	-	-	4,735
Bahrain	-	-	-	-	-	250	-	-	-	-	-	-	250
Egypt	-	-	655,000	1,300,000	-	1,200	-	-	-	-	-	-	1,956,200
Iraq Opposition	-	-	25,000	-	-	-	-	-	-	-	-	-	25,000
Israel	-	-	720,000	2,040,000	-	-	-	-	-	-	-	-	2,760,000
Jordan	-	-	150,000	75,000	-	1,800	-	-	1,650	1,411	-	-	229,861
Lebanon	-	-	32,000	-	-	600	-	-	1,200	-	-	-	33,800
Middle East Democracy	-	-	7,000	-	-	-	-	-	-	-	-	-	7,000
Middle East Multilaterals	-	-	3,000	-	-	-	-	-	-	-	-	-	3,000
Middle East Regional Cooperation	-	-	5,000	-	-	-	-	-	-	-	-	-	5,000
Middle East Regional Export Controls	-	-	-	-	-	-	-	-	550	-	-	-	550
Morocco	4,628	6,185	-	3,500	-	1,000	-	-	-	2,678	-	-	17,991
MRA Near East and North Africa	-	-	-	-	-	-	-	102,500	-	-	-	-	102,500
MRA Refugees to Israel	-	-	-	-	-	-	-	60,000	-	-	-	-	60,000
Multinational Force and Observers	-	-	-	-	-	-	-	-	-	-	16,400	-	16,400
Oman	-	-	-	-	-	275	-	-	200	-	-	-	475
Saudi Arabia	-	-	-	-	-	25	-	-	-	-	-	-	25
Tunisia	-	-	-	3,500	-	1,000	-	-	-	-	-	-	4,500
US - North Africa Partnership	-	-	5,000	-	-	-	-	-	-	-	-	-	5,000
West Bank/Gaza	-	-	75,000	-	-	-	-	-	-	-	-	-	75,000
Yemen	-	-	5,000	-	-	250	-	-	850	-	-	-	6,100
Total - Near East Asia	**4,628**	**6,185**	**1,682,000**	**3,422,000**	**-**	**6,600**	**-**	**162,500**	**9,185**	**4,089**	**16,400**	**-**	5,313,587

ALL FUND SOURCES "SPIGOT" REPORT

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($ in thousands)

Countries	CSD	DA	ESF	FMF	FSA	IMET	INCLE	MRA	NADR	Peace Corps	PKO	SEED	Total
Newly Independent States													
Armenia	-	-	-	-	70,000	-	-	-	1,800	1,331	-	-	73,131
Azerbaijan	-	-	-	-	50,000	-	-	-	1,800	-	-	-	51,800
Belarus	-	-	-	-	11,000	-	-	-	-	-	-	-	11,000
Eurasian Regional	500	-	-	-	-	-	-	-	-	-	-	-	500
Georgia	-	-	-	5,650	90,000	850	-	-	1,100	693	-	-	98,293
Kazakhstan	150	-	-	2,750	44,000	650	-	-	700	3,293	-	-	51,543
Kyrgyzstan	-	-	-	2,000	28,000	475	-	-	-	1,529	-	-	32,004
Moldova	-	-	-	1,800	44,000	850	-	-	-	1,589	-	-	48,239
NIS Regional Export Controls	-	-	-	-	-	-	-	-	500	-	-	-	500
Regional FSA	-	-	-	-	96,500	-	-	-	-	-	-	-	96,500
Russia	3,450	-	-	-	167,000	800	-	-	1,500	4,432	-	-	177,182
Science Centers	-	-	-	-	-	-	-	-	37,000	-	-	-	37,000
Tajikistan	-	-	-	-	11,000	75	-	-	-	-	-	-	11,075
Turkmenistan	-	-	-	700	5,500	300	-	-	-	1,529	-	-	8,029
Ukraine	980	-	-	4,800	169,000	1,700	-	-	800	3,419	-	-	180,699
Uzbekistan	650	-	-	2,950	22,000	800	-	-	300	2,293	-	-	28,993
Total - Newly Independent States	**5,730**	-	-	**20,650**	**808,000**	**6,500**	-	-	**45,500**	**20,108**	-	-	906,488

ALL FUND SOURCES "SPIGOT" REPORT

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($ in thousands)

Countries	CSD	DA	ESF	FMF	FSA	IMET	INCLE	MRA	NADR	Peace Corps	PKO	SEED	Total
Global													
African Development Bank	-	-	-	-	-	-	-	-	-	-	-	-	5,100
African Development Fund	-	-	-	-	-	-	-	-	-	-	-	-	100,000
Anti-Crime Programs	-	-	-	-	-	-	55,000	-	-	-	-	-	55,000
Asia Middle East Regional	-	-	-	-	-	-	7,050	-	-	-	-	-	7,050
Asian Development Fund	-	-	-	-	-	-	-	-	-	-	-	-	103,017
Asia-Near East Regional	12,487	33,344	-	-	-	-	-	-	-	-	-	-	45,831
ATA Program Management	-	-	-	-	-	-	-	-	6,000	-	-	-	6,000
ATA WMD Preparedness Program	-	-	-	-	-	-	-	-	1,000	-	-	-	1,000
CTBT Preparatory Commission	-	-	-	-	-	-	-	-	20,000	-	-	-	20,000
Debt Restructuring	-	-	-	-	-	-	-	-	-	-	-	-	224,000
Demining Administrative Expenses	-	-	-	-	-	-	-	-	500	-	-	-	500
Demining Crosscutting Initiatives	-	-	-	-	-	-	-	-	5,740	-	-	-	5,740
Demining Mine Surveys	-	-	-	-	-	-	-	-	2,000	-	-	-	2,000
Demining New Country Programs	-	-	-	-	-	-	-	-	1,200	-	-	-	1,200
Demining Research and Training	-	-	-	-	-	-	-	-	1,800	-	-	-	1,800
Development Credit Program Subsidy - Admin. Ex	-	-	-	-	-	-	-	-	-	-	-	-	7,500
E-IMET Schools	-	-	-	-	-	1,800	-	-	-	-	-	-	1,800
Enhanced International Peacekeeping	-	-	-	8,000	-	-	-	-	-	-	-	-	8,000
European Bank for Reconstruction and Developmen	-	-	-	-	-	-	-	-	-	-	-	-	35,779
Export Control Program Administration	-	-	-	-	-	-	-	-	845	-	-	-	845
Export Control Regional Advisors	-	-	-	-	-	-	-	-	2,955	-	-	-	2,955
Export-Import Bank - Administrative Expenses	-	-	-	-	-	-	-	-	-	-	-	-	65,000
Export-Import Bank - Direct Loans, Negative Subs	-	-	-	-	-	-	-	-	-	-	-	-	(11,000)
Export-Import Bank - Loan Subsidy	-	-	-	-	-	-	-	-	-	-	-	-	633,323
External AIDS Partnerships	53,100	-	-	-	-	-	-	-	-	-	-	-	53,100

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Countries	CSD	DA	ESF	FMF	FSA	IMET	INCLE	MRA	NADR	Peace Corps	PKO	SEED	Total
FMF Administrative Costs	-	-	-	35,000	-	-	-	-	-	-	-	-	35,000
General Costs	-	-	-	-	-	250	-	-	-	-	-	-	250
Global Alliance for Vaccines and Immunizations	50,000	-	-	-	-	-	-	-	-	-	-	-	50,000
Global Development Alliance	25,000	110,000	-	-	-	-	-	-	-	-	-	-	135,000
Global Environment Facility	-	-	-	-	-	-	-	-	-	-	-	-	107,500
Global Programs, Field Support & Research	165,500	284,200	-	-	-	-	-	-	-	-	-	-	449,700
Human Rights and Democracy Funds	-	-	13,500	-	-	-	-	-	-	-	-	-	13,500
Humanitarian Response	29,900	50,800	-	-	-	-	-	-	-	-	-	-	80,700
INCLE - Other	-	-	-	-	-	-	49,000	-	-	-	-	-	49,000
Inter-American Investment Corporation	-	-	-	-	-	-	-	-	-	-	-	-	25,000
International Atomic Energy Agency Voluntary Con	-	-	-	-	-	-	-	-	49,000	-	-	-	49,000
International Civil Aviation Organization	-	-	-	-	-	-	-	-	-	-	-	-	300
International Conservation Programs	-	-	-	-	-	-	-	-	-	-	-	-	5,700
International Contributions for Scientific, Education	-	-	-	-	-	-	-	-	-	-	-	-	1,750
International Development Association	-	-	-	-	-	-	-	-	-	-	-	-	803,400
International Disaster Assistance	-	-	-	-	-	-	-	-	-	-	-	-	200,000
International Fund for Agricultural Development	-	-	-	-	-	-	-	-	-	-	-	-	20,000
International Panel on Climate Change/UN Framew	-	-	-	-	-	-	-	-	-	-	-	-	6,500
Inter-Regional Aviation Support	-	-	-	-	-	-	60,000	-	-	-	-	-	60,000
KEDO	-	-	-	-	-	-	-	-	95,000	-	-	-	95,000
Lockerbie Trial	-	-	-	-	-	-	-	-	16,000	-	-	-	16,000
Montreal Protocol Multilateral Fund for the Protec	-	-	-	-	-	-	-	-	-	-	-	-	25,000
MRA Administrative Expenses	-	-	-	-	-	-	-	16,000	-	-	-	-	16,000
MRA Migration	-	-	-	-	-	-	-	17,000	-	-	-	-	17,000
MRA Multiregional Activities	-	-	-	-	-	-	-	56,000	-	-	-	-	56,000
MRA Refugee Admissions	-	-	-	-	-	-	-	130,000	-	-	-	-	130,000

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($ in thousands)

Countries	CSD	DA	ESF	FMF	FSA	IMET	INCLE	MRA	NADR	Peace Corps	PKO	SEED	Total
Multilateral Investment Guarantee Agency	-	-	-	-	-	-	-	-	-	-	-	-	10,000
NADR Regional Export Controls	-	-	-	-	-	-	-	-	900	-	-	-	900
Non-Proliferation and Disarmament Fund	-	-	-	-	-	-	-	-	14,000	-	-	-	14,000
Oceans, Environmental and Science Initiative	-	-	4,000	-	-	-	-	-	-	-	-	-	4,000
OPIC - Administrative Expenses	-	-	-	-	-	-	-	-	-	-	-	-	38,608
OPIC - Net Offsetting Collections	-	-	-	-	-	-	-	-	-	-	-	-	(289,608)
Organization of American States Development Ass	-	-	-	-	-	-	-	-	-	-	-	-	5,500
Organizaton of American States Fund for Strengthe	-	-	-	-	-	-	-	-	-	-	-	-	2,500
Partnership to Eliminate Sweatshops	-	-	5,000	-	-	-	-	-	-	-	-	-	5,000
Peace Corps Other	-	-	-	-	-	-	-	-	-	136,342	-	-	136,342
Policy Initiatives	-	-	62,150	10,000	-	-	-	-	-	-	-	-	72,150
Program & Policy Coordination	2,900	5,450	-	-	-	-	-	-	-	-	-	-	8,350
Small Arms Destruction	-	-	-	-	-	-	-	-	2,000	-	-	-	2,000
TDA / Multi-Regional Program	-	-	-	-	-	-	-	-	-	-	-	-	50,024
Terrorist Interdiction Program	-	-	-	-	-	-	-	-	4,000	-	-	-	4,000
Transition Initiatives	-	-	-	-	-	-	-	-	-	-	-	-	50,000
Treasury Technical Assistance	-	-	-	-	-	-	-	-	-	-	-	-	6,000
U.S. Emergency Refugee and Migrations Assistanc	-	-	-	-	-	-	-	-	-	-	-	-	15,000
UN Development Fund for Women	-	-	-	-	-	-	-	-	-	-	-	-	1,000
UN Development Program	-	-	-	-	-	-	-	-	-	-	-	-	87,100
UN Environment Program	-	-	-	-	-	-	-	-	-	-	-	-	10,750
UN Population Fund	-	-	-	-	-	-	-	-	-	-	-	-	25,000
UN Voluntary Fund for Technical Cooperation in t	-	-	-	-	-	-	-	-	-	-	-	-	1,500
UN Voluntary Fund for Victims of Torture	-	-	-	-	-	-	-	-	-	-	-	-	5,000
UNICEF	110,000	-	-	-	-	-	-	-	-	-	-	-	110,000
USAID Inspector General Operating Expenses	-	-	-	-	-	-	-	-	-	-	-	-	32,000

ALL FUND SOURCES "SPIGOT" REPORT

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($ in thousands)

Countries	CSD	DA	ESF	FMF	FSA	IMET	INCLE	MRA	NADR	Peace Corps	PKO	SEED	Total
USAID Operating Expenses	-	-	-	-	-	-	-	-	-	-	-	-	549,000
World Food Program	-	-	-	-	-	-	-	-	-	-	-	-	5,400
World Meteorological Organization	-	-	-	-	-	-	-	-	-	-	-	-	2,000
World Trade Organization/Technical Assistance a	-	-	-	-	-	-	-	-	-	-	-	-	1,000
Total - Global	**448,887**	**483,794**	**84,650**	**53,000**	**-**	**2,050**	**171,050**	**219,000**	**222,940**	**136,342**	**-**	**-**	4,787,356
South Asia													
Afghanistan	-	-	-	-	-	-	-	-	2,900	-	-	-	2,900
ATA Regional - South Asia	-	-	-	-	-	-	-	-	4,452	-	-	-	4,452
Bangladesh	14,500	38,300	3,000	-	-	525	-	-	-	1,194	-	-	57,519
Counter-Threat in Southwest Asia	-	-	-	-	-	-	3,000	-	-	-	-	-	3,000
India	25,840	32,710	7,000	-	-	650	-	-	900	-	-	-	67,100
Maldives	-	-	-	-	-	125	-	-	-	-	-	-	125
MRA South Asia	-	-	-	-	-	-	-	35,500	-	-	-	-	35,500
Nepal	9,750	10,300	3,000	-	-	225	-	-	-	1,859	-	-	25,134
Pakistan	-	-	7,000	-	-	-	3,500	-	-	-	-	-	10,500
South Asia Regional Funds	-	-	7,000	-	-	-	-	-	-	-	-	-	7,000
Sri Lanka	300	3,000	-	-	-	275	-	-	-	-	-	-	3,575
Sri Lanka/Maldives	-	-	3,000	-	-	-	-	-	-	-	-	-	3,000
Total - South Asia	**50,390**	**84,310**	**30,000**	**-**	**-**	**1,800**	**6,500**	**35,500**	**8,252**	**3,053**	**-**	**-**	219,805

ALL FUND SOURCES "SPIGOT" REPORT

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($ in thousands)

Countries	CSD	DA	ESF	FMF	FSA	IMET	INCLE	MRA	NADR	Peace Corps	PKO	SEED	Total
Western Hemisphere													
Administration of Justice/ICITAP	-	-	10,000	-	-	-	-	-	-	-	-	-	10,000
Argentina	-	-	-	2,000	-	850	-	-	-	-	-	-	2,850
ATA Regional - Western Hemisphere	-	-	-	-	-	-	-	-	4,373	-	-	-	4,373
Bahamas	-	-	-	100	-	140	1,200	-	-	-	-	-	1,440
Belize	-	-	-	300	-	275	-	-	-	1,502	-	-	2,077
Bolivia	6,400	25,080	10,000	2,000	-	700	101,000	-	-	3,122	-	-	148,302
Brazil	7,800	3,380	-	-	-	440	15,000	-	-	-	-	-	26,620
Caribbean Regional	3,000	-	-	-	-	-	-	-	-	-	-	-	3,000
Centers for Educational Excellence	-	-	7,000	-	-	-	-	-	-	-	-	-	7,000
Central American Regional Development	3,700	8,142	-	-	-	-	-	-	-	-	-	-	11,842
Chile	-	-	-	1,000	-	570	-	-	-	-	-	-	1,570
Colombia	-	-	-	-	-	1,180	399,000	-	-	-	-	-	400,180
Costa Rica	-	-	-	-	-	350	-	-	-	-	-	-	350
Cuba	-	-	5,000	-	-	-	-	-	-	-	-	-	5,000
Dominican Republic	6,500	7,282	2,000	220	-	500	-	-	-	3,407	-	-	19,909
Eastern Caribbean	-	-	11,000	2,130	-	675	-	-	-	2,063	-	-	15,868
Ecuador	-	6,480	30,000	1,000	-	625	39,000	-	250	2,769	-	-	80,124
El Salvador	9,700	19,403	21,000	3,500	-	800	-	-	-	2,355	-	-	56,758
Guatemala	8,500	16,210	10,000	-	-	350	4,000	-	-	3,835	-	-	42,895
Guyana	1,000	3,200	-	600	-	275	-	-	-	939	-	-	6,014
Haiti	-	-	35,000	600	-	-	-	-	-	1,431	-	-	37,031
Honduras	8,800	16,530	1,000	-	-	625	-	-	-	3,816	-	-	30,771
Inter-American Foundation	-	12,108	-	-	-	-	-	-	-	-	-	-	12,108
Jamaica	5,000	7,482	1,000	900	-	600	1,550	-	-	2,305	-	-	18,837
LAC Regional	16,300	32,425	-	-	-	-	-	-	-	-	-	-	48,725

ALL FUND SOURCES "SPIGOT" REPORT

FY 2002

($ in thousands)

Countries	CSD	DA	ESF	FMF	FSA	IMET	INCLE	MRA	NADR	Peace Corps	PKO	SEED	Total
Latin America Regional	-	-	-	-	-	-	12,500	-	-	-	-	-	12,500
Mexico	6,000	6,165	10,000	-	-	1,150	12,000	-	-	-	-	-	35,315
MRA Western Hemisphere	-	-	-	-	-	-	-	14,500	-	-	-	-	14,500
Nicaragua	7,000	17,000	1,500	-	-	375	-	-	-	2,659	-	-	28,534
OAS/IADB / Central America Demining	-	-	-	-	-	-	-	-	1,250	-	-	-	1,250
Panama	-	4,500	4,000	1,000	-	170	11,000	-	-	1,901	-	-	22,571
Paraguay	-	5,375	3,500	-	-	300	-	-	-	3,396	-	-	12,571
Peru	10,500	28,646	10,000	1,000	-	500	156,000	-	250	-	-	-	206,896
Peru/Ecuador Peace	-	-	5,000	-	-	-	-	-	-	-	-	-	5,000
Suriname	-	-	-	250	-	110	-	-	-	857	-	-	1,217
Trinidad & Tobago	-	-	-	400	-	135	-	-	-	-	-	-	535
Uruguay	-	-	-	1,000	-	415	-	-	-	-	-	-	1,415
Venezuela	-	-	500	-	-	500	10,000	-	-	-	-	-	11,000
Total - Western Hemisphere	**100,200**	**219,408**	**177,500**	**18,000**	**-**	**12,610**	**762,250**	**14,500**	**6,123**	**36,357**	**-**	**-**	1,346,948
Totals	**1,011,000**	**1,325,000**	**2,289,000**	**3,674,000**	**808,000**	**65,000**	**948,000**	**715,000**	**332,000**	**275,000**	**150,000**	**610,000**	**15,167,643**

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