

DEPARTMENT OF STATE

International Narcotics Control and Law Enforcement
International Narcotics Control and Law Enforcement Detail
Andean Counterdrug Initiative
Africa - INCLE
East Asia and the Pacific - INCLE
South Asia - INCLE
Western Hemisphere - INCLE
Global - INCLE
Emergency Refugee and Migration Assistance Fund
MRA/ERMA Program Summary
Nonproliferation, Anti-terrorism, Demining, and Related Programs

This page intentionally left blank.

International Narcotics Control and Law Enforcement
(\$ in thousands)

Account	FY 2002 Actual	FY 2003 Request	FY 2004 Request
ACI	645,000	731,000	731,000
INCLE	197,000	197,000	284,550
INCLE-ERF	73,000	0	0
INCLE-SUP	114,000	0	0

As we move through the first decade of the 21st century, the United States faces serious threats to its security from international terrorist networks and their allies in the illegal drug trade and international criminal enterprises. Terrorism, international drug trafficking and transnational organized crime simultaneously target Americans and American interests both at home and abroad. All three groups thrive in gaps between law enforcement jurisdictions and where law enforcement institutions are weak or corrupt and threaten not only our security but also that of our close friends, neighbors, and allies. International drugs and crime in particular jeopardize the global trend toward peace and freedom, undermine the rule of law, and menace local and regional stability, whether in Colombia, the Balkans, or Afghanistan.

To help meet these challenges, the Bureau for International Narcotics and Law Enforcement Affairs (INL) supports a robust and comprehensive range of bilateral, regional, and global initiatives to help foreign governments build strong law enforcement and related institutions that can stop such threats before they reach U.S. soil. International Narcotics Control and Law Enforcement (INCLE) funding will strengthen the ability of key drug source and transit states to destroy drug crops on the ground; to disrupt and dismantle drug trafficking operations and organizations, arrest their leaders, and seize their assets; and to tighten border security against drug and people traffickers, terrorists, and other criminal groups. Internationally, INL will work closely with other countries to set anti-drug and anticrime standards, agree on collective actions, close off safe havens for drug, crime, and terrorist groups, and share the financial and political burdens of combating such threats. In the wake of September 11, 2001, many anti-crime programs were refocused to emphasize and sharpen their counter-terrorism impact.

Recent INCLE program successes include:

- In Colombia, the U.S.-supported aerial spray program more than tripled its pace in 2002 over the previous year, spraying more than 122,000 hectares of coca.
- The U.S. reached agreement with Costa Rica to establish a fifth International Law Enforcement Academy, joining those in Thailand, Hungary, Botswana and a graduate facility in New Mexico. The ILEAs are geared toward regional problems and issues.
- Working with the UK and other allies, the U.S. pressed the new Afghan government to make counter-narcotics a national priority and supported counternarcotics efforts that reduced the 2002 opium poppy crop by 25-30 percent.
- To strengthen Pakistan's porous 1,500-mile border with Afghanistan against infiltration by drug traffickers, terrorists, and other illegal armed groups, the U.S. provided urgent assistance, including much-needed helicopters, to border control units. The Department also stepped up border security assistance and cooperation with Mexico and key Caribbean states as part of a "Third Border" initiative.
- To combat the increasing problem of trafficking in women, the Department identified and is now planning assistance to key at-risk countries to help prevent trafficking, punish traffickers and aid victims.

-- At the international level, the Department has provided financial and political support for three successful negotiating sessions in a process that should lead to a UN convention on corruption. The Department also continues to provide technical and diplomatic support for ratification of the UN Convention Against Transnational Organized Crime, which should come into force in 2003.

International Narcotics Control and Law Enforcement
(\$ in thousands)

	FY 2002 Actual	FY 2003 Request	FY 2004 Request
Andean Counterdrug Initiative			
Bolivia Total	87,600	91,000	91,000
<i>Bolivia - Alternative Development/Institution Building</i>	39,600	42,000	42,000
<i>Bolivia - Interdiction</i>	48,000	49,000	49,000
Brazil Total	6,000	12,000	12,000
Colombia Total	373,900	439,000	463,000
<i>Colombia - Alternative Development/Institution Building</i>	130,400	164,000	150,000
<i>Colombia - Interdiction</i>	243,500	275,000	313,000
Ecuador Total	25,000	37,000	35,000
<i>Ecuador - Alternative Development/Institution Building</i>	10,000	16,000	15,000
<i>Ecuador - Interdiction</i>	15,000	21,000	20,000
Panama Total	5,000	9,000	9,000
Peru Total	142,500	135,000	116,000
<i>Peru - Alternative Development/Institution Building</i>	67,500	69,000	50,000
<i>Peru - Interdiction</i>	75,000	66,000	66,000
Venezuela Total	5,000	8,000	5,000
Subtotal Andean Counterdrug Initiative	645,000	731,000	731,000
Africa			
Africa Regional	7,500	7,000	7,000
Subtotal - Africa	7,500	7,000	7,000
East Asia and the Pacific			
Indonesia SUP	4,000	-	-
Laos	4,200	3,000	3,000
Philippines	-	-	2,000
Thailand	4,000	3,750	2,000
Subtotal - East Asia and the Pacific	12,200	6,750	7,000
South Asia			
Afghanistan	6,000	-	40,000
Afghanistan SUP	60,000	-	-
Pakistan	2,500	4,000	38,000
Pakistan ERF	73,000	-	-
Pakistan SUP	15,000	-	-
Southwest Asia Initiatives	-	3,000	-
Subtotal - South Asia	156,500	7,000	78,000

International Narcotics Control and Law Enforcement
(\$ in thousands)

	FY 2002 Actual	FY 2003 Request	FY 2004 Request
Western Hemisphere			
Bahamas	1,200	1,200	1,000
Colombia SUP	6,000	-	-
Guatemala	3,500	3,400	3,000
Jamaica	1,550	1,300	1,500
Mexico	12,000	12,000	37,000
Mexico SUP	25,000	-	-
Latin America Regional	10,000	9,500	5,000
WHA Regional Border Control SUP	4,000	-	-
Subtotal - Western Hemisphere	63,250	27,400	47,500
Global			
Asia Regional	5,050	4,500	1,000
Civilian Police Program	-	5,000	2,700
INL Anticrime Programs	20,330	14,000	9,000
International Law Enforcement Academies	14,500	14,500	14,500
International Organizations	13,000	13,000	13,000
Interregional Aviation Support	60,000	65,000	70,000
Regional Narc. Training and Demand Reduction	5,000	5,000	5,000
Systems Support and Upgrades	6,000	4,000	5,000
Trafficking in Persons	7,670	10,000	10,000
United Nations Crime Center	-	-	1,000
Program Development and Support	13,000	13,850	13,850
Subtotal - Global	144,550	148,850	145,050
Total INCLE	1,029,000	928,000	1,015,550

Andean Counterdrug Initiative
(\$ in thousands)

Account	FY 2002 Actual	FY 2003 Request	FY 2004 Request
INCLE	645,000	731,000	731,000

The FY 2004 request of \$731 million will be used to continue the multi-year Andean Counternarcotics Initiative (ACI) that supports a unified Andean region campaign against drug trafficking, with the aim of eliminating the cultivation and refining of cocaine and opium, reducing the flow of drugs to the United States, and building a sustainable Andean law enforcement infrastructure that can break the narco-terrorist nexus and provide for the rule of law over national territory.

Colombia (\$463 million)

FY 2004 funding for Colombia will be used to continue and expand drug interdiction and eradication efforts by focusing assistance to the Colombia Army (COLAR) and the Colombian National Police (CNP). Critical aviation support to the COLAR will allow it to perform counternarcotics missions by providing maintenance and repair, fuel, training and operational support for increased operations resulting from the expanded legal authorities. Significant FY 2004 funding will also go toward reinforcing critical air bridge denial program operations against trafficking aircraft.

Additional military equipment, including upgrades to facilities and general operational support, will be provided to the Counterdrug Mobile Brigade, also operating under expanded authorities. Colombian National Police counternarcotics and counter-terrorism missions will be expanded to include additional presence in conflict zones. Required support will include the procurement of additional aircraft, infrastructure improvements and the establishment of secure and interoperable communications and information systems.

Funding for alternative development and institution building will be directed towards market access and building a licit agricultural economy, support to vulnerable groups such as internally displaced persons, support for democracy, and promoting the rule of law. Technical assistance and training to improve economic capabilities and provide viable income and employment options will be critical to discourage the cultivation of illicit crops.

Protection for threatened individuals and offices will continue, particularly those associated with peace and human rights activities. Projects will also promote a government and civil human rights protection infrastructure; the expansion of judicial capabilities and infrastructure designed to facilitate justice administration and peace initiatives; and transparency and accountability in all public offices.

Peru (\$116 million)

The principal goal of the U.S. counternarcotics strategy in Peru is to deny traffickers the ability to “spill over” from one country to another as law enforcement successes eliminate established drug cultivation and operational areas. Specifically, FY 2004 funds will support the eradication of illicit coca and opium poppy cultivation; law enforcement interdiction efforts on land and rivers against the operations of major Peruvian trafficking organizations; a renewed air bridge denial program designed to impede the aerial trafficking of drugs; and support for the Peruvian police air wing, which provides aerial transportation support for all of the above goals.

Funding for alternative development and institution building supports capital investment and technical assistance to help local governments build and sustain infrastructure against the spread of economic activities linked to narco-trafficking. Activities will include support for the development of sustainable cacao tree crops with large export value; enhance local infrastructures including power grids, roads and bridges; improve social and health conditions; assist municipal governments in implementing participatory democracy; improve administrative and financial skills in the public sector; and improve alternative development project management.

Bolivia (\$91 million)

FY 2004 funds will be used to continue ground and air interdiction operations, eradication operations and drug awareness, demand reduction and alternative development programs. The programs in Bolivia focus on support and maintenance of a network of interdiction bases established throughout the country during FY 2002 and FY 2003; a national secure communications grid; and additional personnel to control coca production, enhance interdiction efforts and provide intelligence support for the growing number and increased complexity of operations and investigations, including enhanced riverine patrols that interdict and provide intelligence and security to other counternarcotics units. Funds will be used to support aircraft and ground equipment reliability for all units. FY 2004 resources will also provide training to enhance law enforcement and judicial capabilities, as well as provide drug awareness and demand reduction education fostering interdiction efforts by reducing local market drug demand.

Ecuador (\$35 million)

The FY 2004 program for Ecuador reflects continued concern for the vulnerable northern border region, supporting the construction of a port cargo inspection station and counternarcotics police base in Esmeraldas province (northern border); the construction of integrated checkpoints in San Luis, Carchi province and La Troncal, Loja province; the construction of eight helipads; and reconstruction of the Pichinca counternarcotics police headquarters. Funding will continue support for counternarcotics police, port and canine operations including the acquisition of law enforcement and communications equipment; the purchase, maintenance, repair and operational costs of vehicles; aviation support; and the cost of providing a port advisor from the U.S. Customs Service. Other projects will provide police and judicial training essential to improving the detection and seizure of drugs and drug-related contraband. In addition, INL projects will focus on improving criminal prosecutions and money laundering and chemical investigation and enforcement units.

FY 2004 funds will also support research and development of sustainable cacao tree crops to provide vulnerable small farmers with a licit alternative to illicit drug cultivation. In the northern border region, projects designed to enhance local infrastructure (e.g., power grids, roads and bridges), improve social and health conditions, assist municipal governments in implementing participatory democracy, improve administrative and financial skills in the public sector, and improve alternative development project management capabilities will be implemented.

Brazil (\$12 million)

FY 2004 funding will support counternarcotics programs, including the establishment of a mobile operations center. This includes the construction, operational support, and training to further enhance riverine and maritime platform operations. Law enforcement capabilities at all levels (federal, state, civil and military) will be enhanced by providing equipment and training that concentrates on money laundering, transportation security, arms-trafficking control, witness protection and narcotics control. The northern border of Brazil will also be fortified with support for bases and tactical command centers as part of Operation COBRA.

Venezuela (\$5 million) and Panama (\$9 million)

Funding for interdiction efforts in Panama and Venezuela will focus on improving police and military operations including air, ground and water capabilities by providing training and equipment and by upgrading critical facilities. Funds will be used to train law enforcement units to improve drug detection, seizure and mobile inspection capabilities; enhance money laundering and chemical investigation efforts; expand the number of officers in outlying areas; provide advisors to train personnel on the proper use and maintenance of equipment; and provide assistance for institution building and strategic planning. Judicial sectors will be provided training to develop cadres of public prosecutors to enhance judicial and prosecutorial effectiveness and communications equipment and vehicles to operate wire intercepts and port and border point of entry security programs. Funding for institution building supports capital investment and technical assistance to help local governments build and sustain infrastructure against the spread of economic activities linked to narco-trafficking. Funding will also be used to continue research on links between risk factors, drug use and violence; develop strategies to deter drug use and evaluate the effectiveness of antidrug programs; and provide teachers and community leaders with anti-drug training and materials.

Africa
(\$ in thousands)

Account	FY 2002 Actual	FY 2003 Request	FY 2004 Request
INCLE	7,500	7,000	7,000

Criminal activities throughout the continent corrupt and weaken governments, undermine progress towards the establishment of democratic institutions, and hinder economic growth and foreign investment. Nigerian and South African criminal organizations are transnational in scope and have a direct impact on the United States. Funds will be used to provide training, technical assistance and equipment to support units that combat trafficking in people, narcotics and contraband, money laundering and financial crimes (including counterfeiting), public corruption, and illegal migration. Assistance will also be directed to strengthen border controls and interdiction efforts at sea, land, and air ports of entry; modernize training curricula and teaching methodologies in police academies; support institutional reform of law enforcement and criminal justice agencies; and train and equip civil disorder management units. In Nigeria, support will be directed at counterdrug and anti-financial crime units that are cooperating closely with U.S. law enforcement in fighting transnational crime. Funds will also be used to support the modernization of the Nigerian police force through improvements in training and management. In South Africa, funds will be used to provide technical assistance to a specialized unit attacking complex and organized crime, and to improve police performance at the national and local levels. Additionally, funds will be used to support programs that address border security issues and increase forensics laboratory skills. Programs in West African states (Senegal, Benin, Cape Verde and Ghana) will be continued to ensure that criminal activities that formerly originated in Nigeria are not simply displaced to neighboring states. Funding will continue to support programs in East Africa (Ethiopia, Djibouti, Tanzania, Uganda and Kenya), which is a transit hub for African and Asian criminal activities, including trafficking in narcotics and persons, alien smuggling, money laundering and financial crimes.

East Asia and the Pacific
(\$ in thousands)

Account	FY 2002 Actual	FY 2003 Request	FY 2004 Request
INCLE	8,200	6,750	7,000
INCLE-SUP	4,000	0	0

Laos (\$3 million)

In Laos, the world's third largest producer of opium, funds will support demand reduction programs, including the development of a nationwide train-the-trainer effort and increased demand reduction education and treatment at national and municipal level drug counseling centers. In addition, projects will support crop control; road construction to provide access to markets and government services, and food production and alternative income activities. Funds will also support training and equipment for the specialized Counter Narcotics Units and Lao Customs Department and National Commission for Drug Control and Supervision.

Philippines (\$2 million)

In the Philippines, a country in which the U.S. has key interests and which is a coalition partner in the war against terrorism, funds will be used to provide training, technical assistance, and communications and information management equipment to the Philippine National Police, the National Police Commission, the Philippine Drug Enforcement Agency, and civilian law enforcement units in the Autonomous Region in Muslim Mindanao and elsewhere. Funding will also be used to provide technical assistance to law enforcement and judicial training academies to provide technical assistance and training to support criminal justice legislative reform; improve police-prosecutor cooperation and court management; and build effective anti-corruption institutions.

Thailand (\$2 million)

In Thailand, a major transit country for heroin entering the U.S. and key U.S. ally, funds will be used to provide training, technical assistance, and equipment to enhance institutional capabilities for more effective investigations of major drug trafficking and other criminal organizations. Projects will continue funding a Resident Legal Advisory program to support reform of the criminal codes and other laws; support to the Anti-Money Laundering Office; and, opium poppy crop control programs consisting of small-scale and demonstration alternative development projects with special emphasis on the border areas.

South Asia
(\$ in thousands)

Account	FY 2002 Actual	FY 2003 Request	FY 2004 Request
INCLE	8,500	7,000	78,000
INCLE-ERF	73,000	0	0
INCLE-SUP	75,000	0	0

INCLE funding will continue to support the war on terrorism in two key front line states during FY 2004. Funds will support both Afghanistan and Pakistan in security, counternarcotics and law enforcement enhancements with the overall goal of promoting stability in the region.

Afghanistan (\$40 million)

For Afghanistan, building on programs begun with the FY 2002 Supplemental, funds will be used for counternarcotics programs, development of a civilian law enforcement capacity, and justice sector reform in support of a multinational effort to create effective and legitimate government institutions and restore stability. Funds for counternarcotics will be used to provide agricultural inputs and training for farmers to promote voluntary eradication and sustainable, alternative crops; vocational training programs to generate income for other vulnerable populations, such as women; training and equipment for border guards to improve interdiction capacity and cross-border cooperation; training and equipment for a counternarcotics force; and demand reduction projects including a public affairs program to encourage support for a drug-free society. Police assistance will complement the German-led law enforcement efforts by providing further training at the new Ministry of Interior police school in Kabul, and by expanding the program to modernize police organization and capacities in other provinces. Funds will assist Afghan trainers deliver basic skills curricula for lower-level police focusing on principles of supervision and management and stressing human rights. Funds will also be used to provide personal police equipment, expand the police identification card system and enhance police physical plant and infrastructure in the provinces. Justice sector funding will focus on modernizing criminal justice aspects of the law by providing training for judges and prosecutors on human rights, basic skills, and criminal procedures, and support the Ministry of Justice, Prosecutors Office, and the judicial commission in implementing justice reform. Funding provided to strengthen institutional capacities will be used to help refurbish and equip a training facility for legal professionals in Kabul, and develop professional standards.

Pakistan (\$38 million)

Pakistan, a key U.S. ally in the global war on terrorism, must address critical governance issues that threaten its legitimacy, especially in law enforcement and criminal justice. Funding will be used for project activities in three areas: border security, law enforcement development, and counternarcotics. Funds for border security will enhance the capacity of law enforcement agencies in Pakistan to secure the western border from terrorists, criminal elements, and narcotics traffickers. Funding will be used to provide maintenance, support, and operating expenses for the five Huey-IIIs and three fixed wing aircraft procured with FY 2002 Emergency Response Funds; establish a new forward operating location in Peshawar, extending air mobility for rapid response platoons and other law enforcement personnel into the North West Frontier Province (NWFP); provide equipment, infrastructure, technical assistance and training to facilitate cooperation among the relevant Government of Pakistan entities on border security intelligence, investigations, and operations; provide vehicles, communications, surveillance and related equipment to agencies with responsibilities for border control; establish 2-3 fixed border entry facilities and fencing to better control the flow of people and vehicles into Pakistan and make them subject to checks via the PISCES system and customs and immigration personnel. Funds for law enforcement development will

provide technical assistance and training for the development of strategic plans for providing law enforcement services and education; enhance the infrastructure and capabilities of the provincial and national law enforcement academies; improve the criminal investigative capacities of provincial and federal level law enforcement personnel; equip forensics laboratories; and provide vehicles and communications equipment to link police at the local, provincial, and federal levels to law enforcement agencies not covered under the border security program. Funds for counternarcotics programs will be used to continue ongoing programs such as: complete the Khyber road-building project; support the Anti-Narcotics Force, including its presence in the areas of opium poppy surveys and eradication; assist the narcotics courts; improve the capacities of the Pakistan Coast Guard and Maritime Security Agency; and support drug demand reduction programs.

Western Hemisphere
(\$ in thousands)

Account	FY 2002 Actual	FY 2003 Request	FY 2004 Request
INCLE	28,250	27,400	47,500
INCLE-SUP	35,000	0	0

South American drug trafficking groups continue to favor the Central America/Mexico and Caribbean corridors to transport drug shipments to the U.S., although trafficking and chemical diversion through non-Andean countries in South America is increasing. This creates a ripple effect of connected criminal activities in those countries, including increased drug abuse. Most of these are developing countries; their criminal justice systems are not equipped to address transnational organized crime and are vulnerable to intimidation or corruption. Drug abuse is escalating in all drug transit countries. Since INCLE funding is the principal source of USG support for anti-crime programs, it is critically important to the recipient governments.

Bahamas (\$1 million)

Funding for the Bahamas will be used to provide training, technical assistance and vehicles to Bahamian authorities, as well as to expand the Customs detector dog program. Funding will continue to provide critical support to the Operation Bahamas Turks and Caicos (OPBAT) interdiction bases, including the purchase of go-fast interceptor craft for the Bahamian Police in support of OPBAT operations.

Guatemala (\$3 million)

In Guatemala, INCLE funding will be used to provide training, equipment, and other support to the government's counternarcotics and law enforcement efforts. A top priority is rebuilding the anti-drug police force, rooting out and deterring corruption, and providing essential equipment, including modern computer systems. Funding will continue to support an eradication project to prevent a resurgence of drug crop cultivation. A U.S. Customs port advisor will assist in anti-smuggling efforts.

Jamaica (\$1.5 million)

In Jamaica, funds will support the procurement and maintenance of a fourth go-fast interceptor boat to be added to the fleet; the establishment of forward positioning sites; the provision of technical assistance, training and equipment for an expanded Contraband Enforcement Team, the Jamaican Constabulary Force's Fugitive Apprehension Team, the Counter-Drug Special Investigative Unit, and the Financial Crimes Unit; the establishment of an anti-corruption unit; and the expansion of existing demand reduction programs.

Mexico (\$37 million)

Given Mexico's central importance to the USG's own anti-drug and homeland security strategies, INCLE funding will be increased substantially. Mexico is both the principal cocaine transit route and a primary source for other drugs destined for the United States. Effective law enforcement cooperation with Mexico is critical to the USG's ability to dismantle the major trans-border trafficking groups and to confront other criminal threats. INCLE funding will provide training and technical assistance to promote the modernization and professionalization of Mexico's criminal justice institutions as well as to enhance their operational readiness – particularly in aerial and maritime interdiction and drug crop eradication. Following September 11, 2001, Mexico and the United States committed to a 22-point Border Security Accord to

ensure that the shared border is secure and efficiently managed. Increased INCLE funding will be directed to activities to advance that Accord, for example through projects, training and equipment to enhance Mexico's ability to secure its borders and ports. Various aviation programs will promote air fleet modernization, maintenance and repair; sensor system upgrade; and C26 support.

Latin America Regional (\$5 million)

Countries funded from the Latin America Regional account are primarily situated in the drug transit zone where violence, corruption and drug abuse associated with the drug trade put extreme pressure on social and governmental institutions. Funding will be directed towards improving the endgame interdiction capabilities of transit countries by modernizing investigative, judicial and prosecutorial capabilities and improving anti-corruption and anti-money laundering efforts. Funding for the Caribbean region will focus on interdiction, law enforcement, tactical and operational intelligence gathering and the administration of justice, with an emphasis on sustainability. In Central America, funding will continue to support efforts to modernize justice sector institutions and legal frameworks to allow successful prosecutions of drug traffickers, money launderers, alien smugglers and corrupt public officials. Funding will also support regional efforts to promote more effective interdiction, information sharing and coordinated counter-drug strategies. Funding provided to Paraguay, Chile, Uruguay and Argentina will support programs to disrupt cocaine trafficking at their borders and ports and improve investigative and prosecutorial efforts against traffickers and money launderers.

Global
(\$ in thousands)

Account	FY 2002 Actual	FY 2003 Request	FY 2004 Request
INCLE	144,550	148,850	145,050

Asia Regional (\$1 million)

Narcotics trafficking and related criminal activities threaten the stability of countries in the region by fostering the growth of terrorist networks, corrupting governments, and undermining democratic institutions. Asia Regional funds will be used to provide training, technical assistance and equipment to strengthen counternarcotics law enforcement, border control, and customs agencies and judicial institutions throughout Asia and the Pacific Islands. Funds also support INL positions in India and USEU Brussels.

Civilian Police Program (\$2.7 million)

Civilian Police (CIVPOL) Program funds continue to develop the capacity of the U.S. to provide civilian police, advisors, trainers, and justice experts to peacekeeping missions and related activities overseas; increase the U.S. police cadre of 500 experienced law enforcement personnel available for overseas assignment by an additional 250 people; fund contractor costs and maintain a contractor capacity to support these operations; provide uniforms and equipment, transportation arrangements and per diem for U.S. CIVPOL and associated costs for participating in-training programs required by operational demands; maintain databases of the U.S. cadre for U.S. contributions to international organizations, particularly, the Organization for Security Cooperation in Europe and the United Nations; maintain a capacity to provide procurement and construction services to support foreign police; and fund two personal services contractors assigned to Washington and a direct-hire officer to the US Mission to the United Nations in New York.

INL Anticrime Programs (\$9 million)

The international crime threat to U.S. national interests is manifest in multiple areas. We confront not only a dire terrorist challenge but also the unprecedented spread of transnational criminal groups that exploit the vulnerabilities of the global economy to amass illicit wealth using increasingly sophisticated and creative means. More than ever, effective international law enforcement cooperation is essential to ensure global stability and protect American communities, businesses and financial institutions. Included in this year's funding are both institution-building programs and global and regional diplomatic efforts.

Anti-Money Laundering/Terrorist Financing: INCLE funding supports the White House priority in addressing terrorist financing and money laundering threats to the United States. These include programs for the specific classified list of 19 priority countries determined by the National Security Council and also for countries such as Egypt and Guatemala that are on the Financial Action Task Force (FATF) "black list." These comprehensive programs focus on creating robust anti-money laundering regimes, law enforcement capabilities and regulatory agencies. INCLE funds also support international organizations like the FATF, which promotes the standard-setting and peer reviews vital to fighting terrorist financing.

Border Controls: A key objective of our war on terrorism is to strengthen our borders against such threats. Strong border controls also hinder narcotics traffickers, alien smugglers, and other contraband traders. While we have focused our efforts on the Caribbean and Central America, we are also addressing other regions important to the war on terror.

Alien Smuggling: One of the closest ties between transnational crime and terrorism is the likely use by terrorists of the infrastructure of alien smuggling to move clandestinely into the United States. Funds support priority countries to strengthen their capacity to identify, apprehend, and prosecute alien smugglers, and to destroy this infrastructure. Suriname, for example, has become a major staging area for organized crime networks to smuggle illegal Chinese aliens into the United States. We will be assessing immigration controls in Suriname and providing equipment and training to improve the capabilities of Surinamese immigration and police authorities.

Cyber Security, Cyber Crime, and Intellectual Property Rights Crime: To combat the prospect of a terrorist-related cyber and other attacks on critical U.S. infrastructures, as well as to protest against other forms of cyber-crime, we will provide technical assistance and training to build legal regimes and law enforcement capabilities in selected strategic countries. In addition, INCLE funds are supporting training for foreign law enforcement officials to combat theft of intellectual property, which has a growing IT component. Among the countries that we will focus this assistance on are the Philippines, Nigeria, Brazil, Argentina, India and Mexico.

Anti-Corruption: Any effective anti-crime/anti-terrorism program must also attack corruption. As part of the President's anti-corruption foreign policy initiative in the G8 and other forums, INCLE funding will support several international mechanisms (including at the UN, Council of Europe, OAS, and the OECD) to monitor anticorruption commitments made by over 60 governments, ensuring their translation into action by directing technical assistance to strategic countries. This includes support for technical assistance anti-corruption compacts. Funds will also provide rapid response assistance to support governments where new opportunities and political will suddenly emerge against corruption.

G-8 Lyon Group Presidency: The upcoming U.S. G-8 presidency in 2004 offers a critical opportunity for the U.S. to build global support for the war on terror. As chair of the Lyon anti-crime group, which along with the counter-terrorism Roma Group coordinates anti-crime and terrorism policies and technical assistance within the G-8, the United States will use INCLE funding to host and chair several plenary and working group meetings.

International Law Enforcement Academies (\$14.5 million)

INCLE funds will continue to support the work of established ILEAs in Bangkok, Budapest, Gaborone and Roswell, New Mexico. In addition, INL continues to negotiate for the establishment of a new ILEA in San Jose, Costa Rica. This ILEA is expected to open during calendar year 2003 and have a full program by the beginning of FY 2004. Other activities in FY 2004 will include modifying the core and specialized curriculum offered by the ILEAs to target areas of growing international criminal activity such as counter-terrorism, corruption and trafficking in persons.

International Organizations - IO (\$13 million)

U.S. support to multilateral organizations complements our bilateral programs and allows us to leverage our funds to gain increased buy-in and support from other countries for our overall counternarcotics efforts. Through these multilateral programs we are able to address problems on a regional basis and reach areas where it is difficult for the U.S. to operate bilaterally.

Funding for IOs will support UN International Drug Control Program (UNDCP) projects including ongoing alternative development projects in Burma and Laos; development and maintenance of data banks to track chemical precursors and to train law enforcement officials on chemical precursors; global program against money laundering; global legal advisory program; and general purpose funding and specific projects to be developed. In addition, IO funding will be used to support the Inter-American Drug Abuse Control

Commission (OAS/CICAD), the anti-drug arm of the Organization of American States. CICAD provides an essential forum for hemispheric cooperation as well as an important provider of training and technical assistance. INCLE funds will be used for projects and training to advance the Anti-Drug Strategy in the Hemisphere and to address the shortcomings in national anti-drug programs identified by the Multilateral Evaluation Mechanism (MEM). Funds will also support expansion of CICAD's increasingly sophisticated demand-side, supply-side and legal development programs.

Interregional Aviation Support (\$70 million)

Interregional Aviation funding will provide core level services necessary to operate a fleet of 164 fixed- and rotary-wing aircraft supporting counter-narcotics aviation programs in Colombia, Bolivia, and Peru, border security operations in Pakistan, and, as required, programs at other temporary deployment locations; contract administration support including salaries and benefits of Civil Service and Personal Services Contract employees; extensive field travel for staff oversight of four overseas locations executing highly technical and dangerous operations; and administrative services and program support (phone service, warehouse leases, miscellaneous support costs, Patrick Air Force Base support services, and procurement of parts and depot level component repairs for DOD source aircraft).

Program Development and Support (\$13.85 million)

Program Development and Support funds the domestic administrative operating costs associated with the Washington-based INL staff, including salaries and benefits of U.S. Direct Hire employees, personal services contracts, rehired annuitants and reimbursable support personnel, field travel, maintaining information resource management systems, and administrative support expenses such as office equipment rental, telephone services, printing and reproduction, miscellaneous contractual services, materials, supplies, furniture, furnishings and equipment.

Regional Narcotics Training and Demand Reduction (\$5 million)

The Regional Narcotics Training and Demand Reduction program seeks to reduce the worldwide demand for illicit drugs by motivating foreign governments and institutions to give increased attention to the deleterious affects of drug abuse on society. Reducing demand for drugs reduces a major source of revenue for terrorist organizations and thereby frustrates their ability to carryout out terrorist activities. Funds will assist countries to reduce drug consumption and helps to preserve the stability of society and government. Funds support the development of coalitions of private/public sector social institutions, the faith community, and law enforcement entities, enabling the USG to mobilize international opinion and cooperation against the drug trade, encourage governments to develop and implement strong anti-drug policies and programs, and strengthen support for USG counternarcotics policies and initiatives.

The demand reduction budget request will support international demand reduction programs that address new Presidential priorities including establishing Parents Drug Corps programs in foreign countries that will encourage parents to help children stay drug free by training them in prevention skills and methods; develop Student Assistance Programs to reduce illicit drug use among primary and secondary school students; support faith-based organizations to augment prevention, intervention, and recovery maintenance services; and create an International Community Anti-Drug Coalition Institute to provide training and technical assistance on forming and sustaining effective community, regional and international anti-drug coalitions of civil society/grassroots organizations to prevent the use of illegal drugs and mobilize international opinion against the drug trade. Addiction Technology Transfer Centers will disseminate the most effective approaches for delivering prevention, treatment and violence reduction services. Funds will also be used to expand the development of research-based, cross-cultural prevention and treatment programs whose results can be used to improve U.S.-based services.

Systems Support and Upgrades (\$5 million)

Funds support our Systems Support and Upgrades project by providing cost savings through standardization of services and support and aviation performance upgrades through economy of scale procurement. FY 2004 funding will support the sustainment of sensor packages in Barbados, Trinidad and Tobago, Mexico, and Colombia, as well as Peru's sensor package for their maritime surveillance and intelligence collection programs; provide spare parts, maintenance technical support, operators and mechanics training, and major component overhauls, and intelligence center upgrades to process and disseminate information gathered from these sensor aircraft for these countries.

Trafficking in Persons (\$10 million)

Funds will be directed at those Tiers 2 and 3 countries of the Trafficking in Persons Report where the government has shown a commitment to the issue, as well as to under-served countries or regions where there are trafficking problems. Funds will include training for police, immigration and criminal justice officials on investigating and prosecuting traffickers and monitoring international borders; legislative assistance; equipment such as computers, forensic crime kits, radios, and vehicles for anti-trafficking women and children police units or taskforces; awareness training by NGOs or international organizations for law enforcement officials on appropriate treatment of victims; renovation of shelters; creation of victim sensitive forensic interview rooms; establishment of national hotlines; development of anti-trafficking curriculums for police academies; and anti-trafficking research where there is limited information.

United Nations Crime Center (\$1 million)

Funds will support the United Nations Center for International Crime Prevention (CICP) to obtain ratification and implementation of the Convention against Corruption, including support for an anticipated Conference of the Parties and/or related monitoring mechanism, as well as to projects in individual countries to assist them in ensuring that they are in compliance with the terms of this and other treaties. Funds will also support technical assistance projects addressing organized crime (including trafficking in humans) and corruption.

Migration and Refugee Assistance
(\$ in thousands)

Account	FY 2002 Actual	FY 2003 Request	FY 2004 Request
MRA	705,000	705,000	760,197
MRA-ERF	100,000	0	0

Humanitarian response is one of seven U.S. national interests outlined in the International Affairs Strategic Plan (IASP). The foreign policy stakes of U.S. humanitarian programs are high. In the past year, the U.S. Government has responded to new humanitarian emergencies in Afghanistan, Liberia, Guinea, and the West Bank and Gaza, while continuing to address humanitarian needs and emergencies in such diverse places as the North Caucasus, Democratic Republic of the Congo, and Nepal. In the wake of 9/11, we face new threats, both from failed states and stateless terrorism networks. These threats have resulted in widespread dislocation and mass movement of peoples, horrific human rights violations, epidemics, disease, and starvation. We have realized that the humanitarian impact of our decisions to act – or not – cannot be ignored, and that effective humanitarian response to limit the suffering of victims of conflict is good foreign policy.

The Migration and Refugee Assistance (MRA) and the Emergency Refugee and Migration Assistance Fund (ERMA) appropriations are two of the primary funding mechanisms for demonstrating our compassion internationally. Funds appropriated to the MRA and ERMA accounts are managed by the Department of State’s Bureau of Population, Refugees, and Migration (PRM). MRA funds are appropriated annually in response to expected twelve-month requirements. The FY 2004 request for MRA will fund protection and assistance activities overseas, admission of refugees to the United States, international migration activities including resettlement of humanitarian migrants to Israel, and administrative expenses of PRM.

Key MRA and ERMA funding priorities in FY 2004 include: continuing our support for the large-scale return and reintegration of Afghan refugees and internally displaced persons (IDPs) as well as similar programs for Angola and Sri Lanka; bolstering efforts to enhance the protection of refugees, including programs that guard against the exploitation of beneficiaries of humanitarian assistance; pressing other donors to provide their fair share of assistance to international humanitarian organizations; and replenishing the ERMA account to ensure preparedness to respond to future humanitarian emergencies.

Protection, Assistance, and Durable Solutions

To support global protection and assistance requirements for populations of concern, PRM focuses MRA funds on three priority areas:

- Promoting effective access to protection and first asylum for refugees and conflict victims.
- Providing humanitarian assistance across geographic regions and according to internationally accepted standards.
- Supporting voluntary repatriation, including sustainable reintegration of refugees in countries of origin.

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. Although just one of many donors, the United States is in most cases the largest individual donor. The majority of refugee assistance funds (over 87% in FY 2002) are provided multilaterally through international organizations

(IOs), although funding is also provided bilaterally to non-governmental organizations (NGOs) that fill gaps in the international community's multilateral response. The primary recipients of U.S. funds and their major activities are discussed in the Overseas Assistance sections that follow.

Refugee Resettlement

PRM provides MRA funding to the UN High Commissioner for Refugees (UNHCR), the International Organization for Migration (IOM), and U.S. NGOs to provide U.S. resettlement opportunities to refugees in need of this durable solution and to encourage other countries to do the same. Funds support efforts to systematically identify resettlement cases, process them for admission to the United States, and then make initial reception and placement services available once they arrive. MRA funds to UNHCR enhance its capacity worldwide to screen populations and make recommendations to the U.S. program and to other resettlement programs. IOM receives MRA funds for overseas processing functions in some locations and transportation-related services for all refugees admitted by the U.S. program. MRA funds also support numerous U.S.-based NGOs involved both in overseas processing functions and in domestic reception and placement services. An on-going goal in FY 2004 is to continue making U.S. admissions programs for refugees more responsive to critical refugee rescue needs through developing referral capacity in UNHCR, at U.S. Embassies, and from assistance NGOs. At the same time, the program continues to address the challenges of security and fraud, which came into focus after 9-11 and have significantly increased the cost and operational complexity of admitting refugees to the U.S. During FY 2004, the program will continue to regain momentum after the setbacks of FY 2002.

International Migration

U.S. international migration policy aims to promote sound migration management, which balances governments' respect for the human rights of migrants with responsibility to maintain the security of borders. To support efforts to manage international migration flows humanely and effectively, PRM participates in a range of multilateral dialogues relating to migration and supports activities to promote international understanding of migration, with a special emphasis on protection of the basic human rights of migrants, including asylum seekers and victims of trafficking. PRM works closely with IOM, which 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. PRM also provides extensive support for humanitarian migration and integration of migrants to Israel ("Refugees to Israel").

Administrative Expenses

Responsible programming and monitoring of PRM resources requires a skilled and flexible workforce capable of responding to international crises, managing resources of almost \$800 million, and handling an array of significant humanitarian policy issues. The costs of this workforce—both domestic and overseas positions—are paid by the Administrative Expenses line of MRA. This includes all salaries and benefits as well as operating expenses for domestic and overseas offices. The FY 2004 request for administrative expenses is \$18.5 million, an increase of \$2.5 million over the FY 2003 request. The rise is primarily due to the fact that MRA will absorb costs formerly borne by ERMA or other appropriations for Afghanistan, Colombia and the Balkans offices. It also includes mandatory wage increases and inflationary costs. The budget request for the Department of State's Diplomatic and Consular Programs includes costs related to a small staff dedicated to international population policy management.

Overseas Assistance
(\$ in thousands)

Account	FY 2002 Actual	FY 2003 Request	FY 2004 Request
MRA	519,000	499,000	555,947
MRA-ERF	100,000	0	0

The FY 2004 request for Overseas Assistance is \$556 million, an increase of \$57 million from the FY 2003 request for this category. This increase primarily reflects support for the return and reintegration of long-standing refugee populations and other displaced people in countries such as Afghanistan, Angola, and Sri Lanka. This assistance will also continue the provision of life-saving protection and assistance to millions of refugees and conflict victims in places like Tanzania, Thailand, and Colombia

Our primary IO partners are:

- The United Nations High Commissioner for Refugees (UNHCR), PRM's principal international partner, is mandated by the UN to lead and coordinate international action for the worldwide protection of refugees and the resolution of refugee problems. UNHCR promotes international refugee agreements and monitors governments' compliance with international refugee law and standards. It also seeks to minimize the threat of violence, including sexual assault, to which many refugees are subject, even in countries of asylum. The agency also provides refugees with basic necessities such as water, shelter, food, and medicine. In 2004, UNHCR will continue efforts to direct protection and assistance activities toward refugee women and children, who comprise the majority of most refugee populations.
- The International Committee of the Red Cross (ICRC) is an independent, internationally funded humanitarian institution mandated under the Geneva Conventions, to which the United States is a party. The primary goals of the ICRC are to protect and assist civilian victims of armed conflict, trace missing persons, reunite 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, health, relief, and social services to the approximately 3.9 million registered Palestinian refugees located in Jordan, Syria, Lebanon, and 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 and humane migration of persons in need of such services.
- 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 for development operations. MRA funds are provided to WFP to help address unexpected, critical pipeline breaks in the refugee food supply.

The Department intends to use the funds requested for FY 2004 to respond to the calendar year 2004 requirements of the IOs listed above.

U.S. support may also be provided to other IOs and NGOs as required to meet specific program needs and objectives. Other IOs receiving MRA funds in the past include the UN International Children's Emergency Fund (UNICEF), the World Health Organization (WHO), and the UN Development Program (UNDP). The six largest of the thirty-one NGO recipients of MRA or ERMA funds for overseas assistance in FY 2002 were the International Rescue Committee, the American Refugee Committee, Mercy Corps, CARE, the International Medical Corps, and Save the Children. Programs of non-governmental organizations may commence at any point in the fiscal year, with funding typically provided for a twelve-month period.

The Department may reallocate funds between regions or organizations within the overseas assistance request in response to changing requirements.

Assistance Programs in Africa
(\$ in thousands)

Account	FY 2002 Actual	FY 2003 Request	FY 2004 Request
MRA	187,500	187,500	209,070

MRA assistance will contribute to the basic needs of some 3.5 million refugees and conflict victims spread across the African continent (both sub-Saharan and North Africa). The FY 2004 request reflects not only the welcome opportunities for refugee solutions that have come from a number of peace agreements in places such as Angola and Sierra Leone, but also the regrettable outbreak of conflict in places such as Côte d'Ivoire. The request also addresses the growing assistance and protection needs of refugees fleeing from continued instability in countries like Sudan and Liberia and conflict victims trapped in difficult circumstances such as those in southern Somalia, Sudan, and the Democratic Republic of Congo (DRC). Peace processes in Burundi, the DRC, and Sudan are encouraging, but have yet to make refugee returns a reality.

Key challenges include weakening donor response owing to urgent priorities elsewhere in the world, how to deal with protracted refugee situations (e.g., Sudanese refugees in Ethiopia, Kenya, and Uganda; Western Saharan refugees in Algeria; even the more recent Burundi and Congolese refugees in Tanzania), the concomitant disasters of drought/famine and threats to refugee health, including HIV/AIDS and malaria, concerns about the neutrality and security of refugee camps, and problems of humanitarian access.

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 in Africa. 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 repatriation and reintegration assistance for refugees able to return home usually includes transportation, 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, in the home community. Permanent settlement, or at least local integration in the country of asylum, may be possible for some, e.g., Angolans in Zambia and Eritreans in Sudan. There will continue to be a focus on the enduring challenge of achieving a coordinated hand-off to development agencies that can most effectively deal with post-conflict reconstruction.

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 securing the cooperation of the warring parties. This sensitive task has continually become even more difficult, as parties to conflict have increasingly rejected the principle of neutral humanitarian assistance. The ICRC program in Africa provides assistance to conflict victims and displaced persons, assistance to political prisoners and prisoners of war, and tracing services (for detainees and family members separated by conflict).

In recent years, MRA contributions to WFP have helped fill critical shortages in WFP refugee feeding programs undertaken in cooperation with UNHCR. Beneficiaries include: Sierra Leonean and Liberian refugees in Guinea; Sierra Leonean returnees; Liberian refugees in Sierra Leone; Ethiopian and Eritrean refugees in Sudan; Somali refugees in Ethiopia, Djibouti, and Kenya; Sudanese refugees in Uganda, Ethiopia, and Kenya; Angolan refugees in Zambia, Namibia, and the DR Congo; Congolese refugees in Tanzania and Zambia; Central African refugees in the Democratic Republic of Congo; Burundi refugees in Tanzania; and Western Saharan refugees in Algeria. In FY 2004, funds may be contributed to WFP for similar stopgap measures such as local/regional purchase of food to fill nutritional gaps.

NGOs are key partners of IOs in Africa, often in specialized areas such as health care, food distribution, education, and other assistance for children. Funds will be provided directly to NGOs to complement the programs of UNHCR and to address the need to bring basic assistance up to international life-sustaining standards of care. As examples, we think it important to support NGO efforts to augment health care for refugees in Ethiopia, Guinea, Kenya, Sierra Leone, and Tanzania. Our proposal also envisions funding NGO programs to promote refugee and returnee self-sufficiency in Angola, Guinea, Sierra Leone, Somalia, Uganda, and Zambia. UNICEF and other international organizations may also receive funding for assistance activities complementary to those of our key partners.

Assistance Programs in East Asia
(\$ in thousands)

Account	FY 2002 Actual	FY 2003 Request	FY 2004 Request
MRA	15,625	15,500	14,260

The largest group of refugees in East Asia continues to be Burmese. Of the Rohingya refugees who fled to Bangladesh from Burma in late 1991 to mid-1992, over 230,000 had voluntarily repatriated and only very small-scale repatriation continued at the beginning of 2003. USG contributions to UNHCR in FY 2004 will support the reintegration and recovery needs of Rohingyas who returned from Bangladesh within the past three years. Those remaining in Bangladesh at the end of the organized repatriation that is scheduled to end on June 30, 2003 -- an estimated 22,000 -- will need a durable solution. UNHCR is still negotiating with the Government of Bangladesh about this caseload.

At the beginning of 2003, about 135,000 refugees from a variety of ethnic groups in Burma still resided in camps in Thailand to which they fled to escape attacks by the Burmese army and its allies as well as from general persecution, such as forced labor and dislocation. The Thai Government continues to cooperate with UNHCR on the registration and protection of refugee camp populations. U.S. contributions to UNHCR will include funds to provide access to asylum seekers in border camps and to ensure that Thailand admits and receives new arrivals in a fair and transparent manner that is in accord with international standards.

The FY 2004 request will also continue funding NGOs working in Thailand along the Burmese border. These NGOs address needs not covered by UNHCR or other IOs, including public health programs, food aid, and some basic household assistance, such as blankets and mosquito nets.

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 ICRC delegations throughout East Asia largely concentrate on core activities of protection, tracing, dissemination, and medical assistance, including the provision of prosthetics for those injured by anti-personnel landmines.

Misguided agricultural policy and natural disasters since 1995 have led to severe food shortages in the Democratic People's Republic Korea (DPRK), prompting thousands of North Koreans to flee to the People's Republic of China. Although it is a party to the 1951 Refugee Convention and its 1967 Protocol, China has refused to allow UNHCR access to these individuals, whom they consider to be illegal economic migrants, to assess whether any have claims to refugee status. MRA has funded basic medical and poverty alleviation programs through UNDP to an American NGO for drought-stricken North Koreans who have crossed the border into northeastern China. We anticipate supporting similar requirements in FY 2004.

Assistance Programs in Europe
(\$ in thousands)

Account	FY 2002 Actual	FY 2003 Request	FY 2004 Request
MRA	81,520	77,000	58,100

The FY 2004 request for MRA assistance in Europe reflects continuing crises in the New Independent States (NIS) of the former Soviet Union and the need to bring the refugee situation in the Balkans to a successful conclusion.

In the former Soviet Union, the transformation from Soviet rule to independent states continues to be a volatile process. Some nine million people in the NIS are refugees, displaced persons, repatriates, or other migrants. The North Caucasus region of the Russian Federation, which had tens of thousands of IDPs and refugees from several conflicts even before the latest fighting, will continue to be an unstable region prone to outbreaks of violence. The conflict in Chechnya has intensified and shows no signs of abating. Some 110,000 IDPs in Ingushetiya are under increasing pressure to return to Chechnya, despite the insecurity there. The 160,000 IDPs in Chechnya lack access to even basic shelter, water, sanitation, health care, and education and will continue to require assistance. Our efforts to reintegrate returnees from the Tajik civil war will start to wind down in 2004, but the most vulnerable returnees, particularly the elderly and female-headed households, may still require assistance. There has been little progress in resolving the conflict in Abkhazia, which affects some 270,000 IDPs. Those IDPs, along with the more than one million who were displaced from the “frozen conflicts” in Nagorno-Karabakh and South Ossetia, will continue to require assistance. With the radically changed situation in Afghanistan, we expect that many of the 130,000 Afghan refugees still in the former Soviet Union – Tajikistan, Uzbekistan, Turkmenistan, Azerbaijan, and, above all, Russia (100,000 in Russia alone) – will return in 2004, or will seek other durable solutions, including resettlement.

In FY 2004, we will continue to support UNHCR’s work in the NIS. Many refugees, especially Chechens, are increasingly vulnerable and require greater protection from UNHCR, as governments in the region seek to close borders to crack down on terrorism. We will also continue to fund ICRC’s programs in the NIS, including emergency assistance, ICRC’s innovative tolerance education programs, and promotion of basic principles of international humanitarian law. ICRC is our most important partner in Chechnya, where it is able to maintain critical programs to assist displaced and vulnerable people, despite the difficult security situation.

In the NIS, funding to NGOs is primarily used to support emergency refugee and IDP needs not covered by UNHCR and ICRC. We will rely on NGOs in FY 2004 to fill key gaps in programs for refugees and IDPs, including emergency shelter, health care, water, sanitation, and educational needs. MRA funds may support WFP programs undertaken in cooperation with UNHCR in FY 2004 primarily for Chechen IDPs and refugees and vulnerable returnees in Tajikistan.

Having concluded successful minority return programs in Bosnia and Croatia, PRM’s major priority in the Balkans in 2004 will now be minority returns to Kosovo. PRM will continue to support efforts to stabilize and protect ethnic minority communities and facilitate returns from Serbia and Montenegro to Kosovo as conditions allow. More than 230,000 people from ethnic minorities remain displaced from Kosovo; providing options for return for these individuals is a key to promoting regional stability and preventing future conflict. In Bosnia and Croatia, PRM has made solid progress in building momentum for refugee returns and in persuading other donors to support them.

In FY 2004, we expect that UNHCR's programs in Bosnia and Croatia will be reduced to core operations. Its programs in Kosovo and Serbia will continue at a high level as greater numbers of minority IDPs return to Kosovo; these returnees will require protection, legal assistance, information, and reintegration assistance. UNHCR programs will seek to stabilize ethnic minority communities by building cross-ethnic understanding and creating the economic conditions to sustain the minority populations.

We will also continue to support ICRC's unique role among international agencies in the former Yugoslavia of facilitating exchange of information on missing persons, conducting prison visits, and building the capacity of local Red Cross societies.

PRM has partnered with NGOs in the former Yugoslavia for the past decade, with productive results. We plan to continue this partnership in FY 2004, albeit at a reduced level compared to previous years. This funding will support these organizations as they facilitate the return of minority IDPs to Kosovo. The work of these NGOs complements the work done by UNHCR and the UN Mission in Kosovo's Office of Returns and Communities.

Assistance Programs in the Near East
(\$ in thousands)

Account	FY 2002 Actual	FY 2003 Request	FY 2004 Request
MRA	102,900	102,500	102,320

The major focus for assistance in the Near East continues to be the long-standing Palestinian refugee population, which is assisted primarily through the UN Relief and Works Agency for Palestine Refugees in the Near East (UNRWA). The U.S. has been a major contributor toward UNRWA's programs since it began operations in 1950. Mandated by the United Nations to assist Palestinian refugees in Jordan, Syria, Lebanon, and the West Bank and Gaza, UNRWA has over 3.9 million registered refugees for whom it is responsible. The agency provides education, health care, and relief and social services. UNRWA schools and vocational training centers play a vital role in helping Palestinian refugees become economically self-reliant. U.S. support helps to provide some stability in the lives of the Palestinian refugee population in an increasingly difficult environment and contributes to a climate conducive to a peaceful resolution of regional problems. As was the case last year, some of this support will be directed at improving security services for the organization.

UNHCR serves some half million persons of concern in eight countries of the region: Egypt, Iraq, Israel, Jordan, Lebanon, Saudi Arabia, Syria, and Yemen. Throughout the Near East, UNHCR provides protection and assistance with emphasis on the special needs of women and children, counsels repatriation candidates, conducts status determination interviews and resettlement processing, negotiates with host governments regarding conditions for refugees, and provides some vocational skills training and self-help activities.

ICRC activities in the Near East are directed at civilian victims of conflict, people deprived of their freedom (prisoners of war), the wounded and sick, missing persons, civil society, national Red Crescent Societies, government authorities, and national armed forces. ICRC cooperates with national societies on the dissemination of international humanitarian law and on strengthening their tracing services. It runs prosthetic/orthotic centers and trains technicians in this work. 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's programs will continue to provide emergency shelter, food and water, medical care, and protection to civilians displaced by conflict in the region.

Funds may also be contributed for special projects of other IOs or NGOs designed to complement the assistance efforts of our major IO partners or to meet the special needs of refugees in the region, such as Iraqis in Lebanon and Iran.

Assistance Programs in South Asia
(\$ in thousands)

Account	FY 2002 Actual	FY 2003 Request	FY 2004 Request
MRA	46,600	30,300	79,040
MRA-ERF	100,000	0	0

Afghan refugees are expected to continue to return home in record numbers in 2004 with more than 1.5 million estimated. Along with reintegration assistance for some 3.5 million returns in 2002 and 2003, the FY 2004 MRA request of \$72 million for Afghans will provide critical humanitarian assistance for these returnees through the United Nations, other IOs, and NGOs. Most of the returnees avail themselves of UNHCR's assistance, although a smaller number return spontaneously. While the returnees receive travel and minimal reintegration assistance, most of them return to damaged or destroyed homes, a devastated physical and economic infrastructure, and little in the way of employment opportunities. The majority of refugee returnees settle in urban areas, which has placed additional strain on the cities' already overburdened infrastructures. Even as the country rebuilds itself, many segments of the Afghan population continue to require humanitarian assistance. It is currently estimated that as much as twenty percent of Afghanistan's population of 26 million remains dependent on some form of humanitarian relief. Substantial reintegration assistance for refugees and IDPs who returned home in 2002 will be necessary through at least the end of 2003. UNHCR estimates that an additional 1.2 million refugees and over 300,000 IDPs will return home in 2003 and that comparable numbers will return home in 2004. The ultimate success of this program will largely depend on the ability of the Afghan government, the United Nations, and the international community to anchor returnees in their home communities by responding to unmet humanitarian needs, rebuilding infrastructure, and creating economic opportunities.

Despite the massive repatriation effort of 2002, UNHCR estimates that over 3 million Afghan refugees remained in Pakistan, Iran, and Central Asia at the beginning of 2003. According to UNHCR, over half of these refugees likely will remain in a third country at least until 2004 due to the security situation, persecution of certain ethnic groups, and Afghanistan's limited capacity to absorb additional returnees. We will need to continue supporting UNHCR and its partners' protection and assistance work on behalf of refugees in these countries. UNHCR's protection and assistance activities for Afghan refugees and returnees will continue to take account of especially vulnerable populations, including women, children, disabled persons, and members of persecuted ethnic groups.

We will also continue to support ICRC's programs benefiting 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.

We also plan to fund other international organizations and NGOs to supplement the repatriation and reintegration assistance to Afghan refugees. In early 2003, the Transitional Assistance Program for Afghanistan (TAPA) was released following an extensive review between the Afghan government and the UN; it is organized to reflect the program sectors outlined in the National Development Budget and runs at least through the end of the first quarter of 2004. The document focuses on the need to support government leadership and capacity building requirements, while responding to ongoing humanitarian and reconstruction needs. In 2003 and beyond, UNHCR and the Afghan government will increasingly rely on UN agencies, other international organizations, and NGOs to ensure that the critical needs of returning refugees, IDPs, and other vulnerable persons are met during the transition from relief to recovery. To this

end, the Department will look favorably on other IO and NGO projects that address education, water and sanitation, health, shelter, and employment - key elements in anchoring returnees in their communities. The Department will also continue to give special attention to the needs of Afghan women and girls, particularly through projects implemented by NGOs. As WFP's food requirements will remain significant for Afghanistan and Afghan refugees in Pakistan, the Department may need to coordinate with UNHCR and USAID to provide support for food for Afghan refugees and returnees, as well as for WFP's logistical operations.

In Nepal, 100,000 Bhutanese refugees in seven refugee camps receive protection and assistance from UNHCR, including primary education for all refugee children in the camps and teacher training, kerosene for cooking in order to reduce environmental degradation, and income generating and skills projects. It supports Tibetan refugees in transit to India as well as the Bhutanese refugee population. UNHCR provides transiting Tibetan refugees food, shelter, and health care and also maintains a Reception Center for Tibetan refugees in Kathmandu.

In recent years, U.S. contributions to WFP have supported feeding programs for Bhutanese refugees. In FY 2004, PRM may contribute funds to WFP for such programs undertaken in cooperation with UNHCR.

Another important country of humanitarian interest in the region is Sri Lanka. 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 in camps in India's southern Tamil Nadu State. The February 2002 cease-fire agreement between the Government of Sri Lanka and the Liberation Tigers of Tamil Eelam is holding, peace talks are in progress, and refugees and IDPs are returning to their homes. By the end of 2002, 1,000 refugees had repatriated. UNHCR, other UN agencies, and the government have coordinated on a joint strategy for reintegration assistance, and we are planning to support this effort.

UNHCR is also concerned with the reintegration of internally displaced persons (IDPs) in Sri Lanka. In 2002, some 183,000 IDPs returned home. (There were 800,000 IDPs at the beginning of 2002.) Assuming these returns continue, UNHCR will be providing the repatriating refugees and IDPs with protection and relief items, such as plastic sheeting and domestic items, and complementary social services provided in government welfare centers. We would also support the programs of ICRC, which is involved in protection, tracing, medical assistance, and human rights training.

India is host to over 130,000 Tibetan refugees. The Department supports through the Tibet Fund the immediate needs of approximately 2,500 new Tibetan refugees who arrive in India each year. In addition, with no resolution to the Kashmir conflict in sight, support for ICRC's critical protection of detainees and conflict victims will also continue through U.S. contributions to its regional appeal.

Assistance Programs in the Western Hemisphere
(\$ in thousands)

Account	FY 2002 Actual	FY 2003 Request	FY 2004 Request
MRA	13,723	14,500	21,000

The civil conflict in Colombia continues to be a primary cause of displacement and humanitarian suffering in the Western Hemisphere. For the past several years, many of the needs of the more than two million IDPs inside Colombia, and the several thousand refugees outside Colombia, have been addressed through a combination of MRA and special appropriations for the USG's Andean Counter-Drug Initiative. In FY 2004, the Department is increasing its request for MRA to lessen a dependency on special appropriations to meet these needs.

In 2003, for the first time, the UN issued a coordinated Humanitarian Action Plan (HAP) for Colombia. It included an appeal of over \$62 million. The HAP promotes coordination of activities and eliminates program overlap. ICRC is the primary provider of emergency assistance to IDPs in Colombia, and the bulk of our MRA funding in Colombia would go to support its efforts. ICRC's appeal rose to \$25 million in 2003, up from \$16 million in 2002. UNHCR is also assisting the Colombian government in responding to the assistance and protection needs of IDPs. UNHCR activities in Colombia, which are included in the HAP, include capacity building with a number of IDP associations that will receive support to start income-generating activities. In addition, the agency works with local government and indigenous organizations to enhance local capacity, improve emergency response and contingency planning, and disseminate information on IDP rights under the law. In neighboring countries, UNHCR works with host governments to promote refugee-related legislation, support NGO and local government refugee response, and facilitate voluntary returns of Colombian refugees. Finally, we are also providing some assistance to IDPs through NGOs, most significantly Cooperative Housing Foundation, which is a major contributor in the shelter sector.

While Colombia represents the most significant humanitarian assistance requirement in the region, ongoing UNHCR and ICRC programs of protection and humanitarian law dissemination throughout the hemisphere are needed to maintain a capacity for dealing with the needs of refugees and conflict victims now and in the future. U.S. contributions will help support UNHCR programs that work with states to put in place effective protection regimes. UNHCR training workshops in the Caribbean are particularly important, as UNHCR has no permanent staff in the region, instead operating through a system of "honorary liaisons." Funds will also be contributed to ICRC assistance programs in Central and South America, primarily for Mexico, and Venezuela, and for its network of five regional offices and delegations.

The MRA request also includes funding for the custody, care, safety, transportation, and other needs of undocumented aliens interdicted in the Caribbean region, who the Attorney General has identified as persons in need of protection, as required by the President's recent Executive Order regarding Undocumented Aliens in the Caribbean Region.

Multiregional Activities
(\$ in thousands)

Account	FY 2002 Actual	FY 2003 Request	FY 2004 Request
MRA	56,000	56,000	55,657

The MRA multiregional line supports activities of international and non-governmental organizations that do not appear in any specific regional program (e.g., centrally-funded, multiregional activities). The request for MRA multiregional funding will provide U.S. contributions to the headquarters and global program costs of UNHCR, the headquarters budget of ICRC, and the multiregional refugee activities of other international or non-governmental organizations. Multiregional program activities also include interagency coordination efforts, emergency response units of international organizations, and monitoring and evaluation activities. A particular emphasis of our multiregional funding is to promote initiatives in such areas as refugee women and children, sexual and gender-based violence (SGBV), refugee protection, and HIV/AIDS prevention, which ultimately become integrated into the regular programs of our partners and lead to more effective and efficient programs in support of refugee needs.

Funding for UNHCR headquarters covers important support activities carried out by UNHCR staff in Geneva and is funded through voluntary contributions by governments. Funding for UNHCR's Global Operations supports key global activities of priority interest to the U.S. – activities on behalf of refugee women, refugee children, and the environment, health-related projects including HIV/AIDS programs, refugee registration, global resettlement projects, and education programs.

A key priority in our funding for UNHCR out of the multiregional line is the prevention of sexual exploitation and the improvement of UNHCR's protection presence in the field. The problem of refugee protection gained new resonance in FY 2002 with allegations of sexual exploitation of beneficiaries of humanitarian assistance, especially women and children, in West Africa. The MRA request includes funding to address this problem, primarily through the addition of up to 75 new UNHCR protection officer positions, protection training workshops for all staff, the mainstreaming of a protection staffing surge capacity within the organization, and the development of an enhanced registration system.

Funding for the ICRC headquarters budget covers the permanent activities carried out by ICRC staff in Geneva; field-related costs are normally attributed to the regional appeals. The contribution will be calculated at not less than 10 percent of the 2004 ICRC headquarters budget in accordance with the Foreign Relations Authorization Act of 1988 and 1989. The ICRC headquarters budget is funded through voluntary contributions by governments and national societies of the Red Cross. U.S. contributions to ICRC's regional emergency appeals are described under the previous regional sections of this document. (The ICRC contribution is paid in Swiss francs, and the dollar amount will vary according to the exchange rate at the time of payment.)

The multiregional program also supports positions held by Americans with UNHCR, IOM, and WFP, through their Junior Professional Officer (JPO) programs.

Migration
(\$ in thousands)

Account	FY 2002 Actual	FY 2003 Request	FY 2004 Request
MRA	15,132	15,700	16,500

International migration activities include cooperation with other governments and with international and non-governmental organizations to encourage humane and effective migration management, particularly at the regional level. U.S. funds for migration activities are primarily disbursed through IOM. The FY 2004 request for migration activities 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 26.327 percent 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.)

Assistance in this category will be provided to support the international migration policy goals for which PRM has primary responsibility, especially the promotion and protection of the human rights of vulnerable migrants, including asylum seekers and victims of trafficking. A key goal of the FY 2004 request for migration is to continue our support to programs aimed at combatting trafficking in persons and assisting its victims. Anti-trafficking programming will be closely coordinated with the State Department's Office to Monitor and Combat Trafficking in Persons and other U.S. anti-trafficking efforts.

Another principal migration activity is participation in and support for regional migration dialogues. Since 1996, the United States has been involved in the Regional Conference on Migration (RCM), a forum where ten North and Central American governments and the Dominican Republic discuss and cooperate on common migration challenges. In addition, the United States 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. Through MRA, PRM also supports newer regional dialogues, such as the South American Conference on Migration (SACM), the Migration Dialogue for Southern Africa (MIDSA) for member states of the Southern African Development Community (SADC), and nascent migration dialogues among members of the Economic Community of West African States (ECOWAS).

Migration and asylum also figure prominently on the foreign policy agenda with countries in Europe and the NIS. Justice and Home Affairs issues are increasingly important in the dialogue between the United States and the European Union (EU). 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. Through MRA, PRM also will continue to support efforts to develop effective and humane migration management systems in the New Independent States (NIS).

Refugee Admissions
(\$ in thousands)

Account	FY 2002 Actual	FY 2003 Request	FY 2004 Request
MRA	110,000	130,000	135,750

The President, following the annual consultation process with Congress later in FY 2003, will determine the FY 2004 number of refugee admissions and its allocation by region. The specific regional ceilings established in the consultations process will be based on an assessment of worldwide refugee needs at that time. The request will fund refugee admissions activities and the processing and transportation of a small number of Amerasian immigrants. As a result of the issues of security and fraud that came into focus after 9-11, the operational complexity of admitting refugees to the United States has significantly increased.

In FY 2004, PRM will continue to give priority to enhancing accessibility to the refugee admissions program for individuals in need of protection, including pipeline development through UNHCR and other partners, and to enhancing the quality of the initial resettlement services received by each arriving refugee. Actual U.S. refugee admissions for FY 2002 and the established FY 2003 ceilings are shown in the following table:

Geographic Region	FY 2002 Actual	FY 2003 Ceiling
Africa	2,505	20,000
East Asia	3,512	4,000
Former Yugoslavia	5,480	2,500
NIS/Baltics	9,990	14,000
Latin America/Caribbean	1,929	2,500
Near East/South Asia	3,697	7,000
Unallocated Reserve		20,000
Total	27,113	70,000

Africa

Although expected to be the largest program during FY 2002, African admissions were more severely impacted by post 9-11 security reviews than admissions from any other region. During FY 2003 the program is expected to recover, and a large backlog of interviewed refugees awaiting the results of security screenings are expected to travel. During FY 2004, the program is expected to be back on track as we continue to process populations in both East and West Africa in need of resettlement. A number of large groups of African refugees for whom no other durable solution appears possible are currently under review for processing and will likely comprise the FY 2004 caseload.

East Asia

FY 2004 will likely see processing of a small residual caseload from the Orderly Departure Program and a small number of Amerasian cases in Vietnam as well as several hundred Burmese and refugees from other Asian countries around the region.

Europe

The FY 2004 program will include primarily persons from the former Soviet Union and residual cases from the republics of the former Yugoslavia. Admissions from the former Soviet Union will be persons of

special interest to the United States, including Jews, Evangelical Christians, Baku Armenians, and certain Ukrainian religious activists. Also under consideration is a group of Meskhetian Turks in the Krasnodar region of Russia. The Department of State will continue to closely monitor the situation of religious minorities in Russia.

Near East and South Asia

In FY 2004, admissions of Iranians (primarily religious minorities) and small numbers of other nationalities are expected to continue. We are prepared to continue to admit vulnerable Afghans, including women at risk.

Latin America and the Caribbean

Admissions in this region during FY 2004 will be comprised of in-country processing for Cubans and the small Colombian program.

Summary of Costs

The funds requested for FY 2004 are directly related to costs incurred on behalf of refugees whose actual admission will occur in FY 2004 or in 2005. After the Immigration and Naturalization Service (INS) approves a refugee, the refugee receives a medical examination, sponsorship in the United States is assured, travel arrangements are prepared, security reviews are completed, and all other steps necessary for admission to the United States are taken. Most transportation and reception and placement 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, centralized data management, and overseas cultural 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 a small number of Amerasian immigrants and their qualifying family members. The few 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 UNHCR, IOM, and NGOs 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 a U.S.-based Refugee Processing Center, which manages the refugee admissions database and case allocation and sponsorship functions.

Transportation and Related Services

For FY 2004, 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 airfare 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 made available to IOM from refugees previously resettled. In addition, some refugees, primarily from the former Soviet Union, will elect to travel on tickets purchased with private funds.

Reception and Placement Program

Through the Department's Reception and Placement program (R&P), private voluntary agencies receive funds to provide basic services to refugees for initial resettlement in the United States. These agencies are expected to augment federal funds by drawing on private cash and in-kind contributions, which are essential to the success of this program. Services include pre-arrival planning, reception at the airport, initial provision of basic necessities, including housing, food and clothing, 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 resettled refugees, the Department and the voluntary agencies in FY 2001 developed "operational guidance" which better defines the standards agencies are expected to meet in carrying out their R&P responsibilities. The Department is continuing to explore ways to expand its program monitoring efforts, particularly the possibility of engaging an outside consultant to do more widespread monitoring than the small R&P staff can do.

The Department coordinates with the domestic refugee assistance programs administered by the Office of Refugee Resettlement in the Department of Health and Human Services (HHS/ORR).

In 2002, the Administration conducted a Program Assessment Review Tool (PART) examination of the Refugee Admissions to the United States program. The program scored well for planning and management and the PART found that program managers at the Department of State collaborate closely with grantees and state government to ensure effective use of funds. Because of overly broad goals in FY 2003 and previously, management has devoted significant attention to including more focused and quantifiable goals in the draft FY 2004 performance plan.

Refugees to Israel
(\$ in thousands)

Account	FY 2002 Actual	FY 2003 Request	FY 2004 Request
MRA	60,000	60,000	50,000

The FY 2003 request includes funding 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. Because of an anticipated decline in the number of migrants to Israel in FY 2004 who would need such services, we have decreased our request for this program by \$10 million.

In FY 2002, the Administration conducted a Program Assessment Review Tool (PART) examination of the Refugees to Israel program. The review determined that the program purpose is clear, but there is a decreasing need for the program. The program consists of a grant to the United Israel Appeal, which is negotiated yearly. The program continues to work with the grantee in developing annual performance goals reflective of the program performance. Progress in strategic planning and development of goals has been accomplished in the recent past and efforts will be ongoing for further improvements in the future.

MRA Administrative Expenses
(\$ in thousands)

Account	FY 2002 Actual	FY 2003 Request	FY 2004 Request
MRA	16,000	16,000	18,500

The FY 2004 request of \$18,500,000 for administrative expenses provides the Bureau with the resources essential to manage effectively and responsibly \$800 million in critical humanitarian programs funded through the MRA and ERMA appropriations. PRM staff play a key role in evaluating humanitarian conditions around the world; carrying out humanitarian diplomacy; designing, implementing and monitoring humanitarian projects; and ensuring that humanitarian issues are integrated into broader foreign policy efforts.

The administrative budget of \$18.5 million attempts to regularize expenses previously handled through special funding mechanisms. The FY 2004 request reflects an increase of \$2.5 million over FY 2002, although it remains only 2% of the total FY 2004 MRA request, the same percentage it was in FY 2002 and FY 2003. The increase is necessary primarily because in FY 2004 MRA will fund refugee coordinator positions and operating expenses in Kabul and Colombia as well as PRM's offices in the Balkans, which have previously been funded out of ERMA or a special Colombia appropriation. It also reflects mandatory increases in staff salaries and benefits.

Costs related to the small staff dedicated to international population policy management are included in the Department of State's Diplomatic and Consular Programs account.

U.S. Emergency Refugee and Migration Assistance Fund
(\$ in thousands)

Account	FY 2002 Actual	FY 2003 Request	FY 2004 Request
ERMA	15,000	15,000	40,000

The U.S. Emergency Refugee and Migration Assistance Fund (ERMA) is a no-year appropriation, drawn upon by the President to meet “unexpected urgent refugee and migration needs” whenever the President determines that it is “important to the national interest” to do so. The Migration and Refugee Assistance Act of 1962, as amended, provides permanent authorization for the account of up to \$100 million. The FY 2004 request of \$40 million will provide the flexibility needed to respond to unexpected refugee and migration emergencies.

In FY 2002 and FY 2003 (as of January 15, 2003), a total of \$62.6 million was drawn down from the ERMA Fund for the following needs:

Africa

Presidential Determination 2003-09: \$11 million

On January 7, 2003, \$11 million was authorized to address unexpected urgent refugee and migration needs arising from the crises in Côte d’Ivoire (\$1.5 million) and Liberia (\$3.4 million), and from the return of refugees to Sierra Leone (\$700,000) and Angola (\$5.4 million).

Presidential Determination 2002-29: \$6.6 million

On August 30, 2002, \$4.5 million was authorized for contributions to the Office of the United Nations High Commissioner for Refugees and to the International Committee of the Red Cross to address unexpected urgent refugee and migration needs arising from the crisis in Liberia (\$4.5 million) and from the return of refugees to Sierra Leone (\$2.1 million).

Presidential Determination 2001-22 - Urgent Response Capacity (URC) Fund within ERMA. On August 2002, \$1.855 million of URC funds were used to respond to new refugee flows in Kenya (\$820,000) and new repatriation opportunities to Somalia (\$475,000) and to Angola (\$560,000).

Near East

Presidential Determination 2002-13:

On April 12, 2002, \$20 million was authorized for a contribution to the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) to meet unexpected urgent refugee needs due to the crisis in the West Bank and Gaza.

Presidential Determination 2001-22 – Urgent Response Capacity (URC) Funds within ERMA. On December 2002, \$2.9 million of URC funds were used for a contribution to UNHCR ’s Operational Reserve to meet emergency preparedness requirements

South Asia

Presidential Determination 2001-30: \$25 million

On September 28, 2001, \$25 million was authorized to meet the urgent and unexpected refugee and migration needs of a new exodus of refugees from Afghanistan. (Note that while the Presidential Determination was signed in FY 2001, funds were not drawn down until FY 2002.)

MRA\ERMA Program Summary
(\$ in thousands)

	FY 2002 Actual	FY 2003 Request	FY 2004 Request
Migration and Refugee Assistance			
MRA Administrative Expenses	16,000	16,000	18,500
MRA Africa	187,500	187,500	209,070
MRA East Asia	15,625	15,500	14,260
MRA Europe	81,520	77,000	58,100
MRA Migration	15,132	15,700	16,500
MRA Multiregional Activities	56,000	56,000	55,657
MRA Near East	102,900	102,500	102,320
MRA Refugee Admissions	110,000	130,000	135,750
MRA Refugees to Israel	60,000	60,000	50,000
MRA South Asia	46,600	30,300	79,040
MRA South Asia ERF	100,000	-	-
MRA Western Hemisphere	13,723	14,500	21,000
Total MRA	805,000	705,000	760,197
U.S. Emergency Refugee and Migration Assistance Fund			
U.S. Emergency Refugee and Migration Assistance Fund	15,000	15,000	40,000
Total ERMA	15,000	15,000	40,000
Total MRA/ERMA	820,000	720,000	800,197

Nonproliferation, Anti-terrorism, Demining, and Related Programs
(\$ in thousands)

Account	FY 2002 Actual	FY 2003 Request	FY 2004 Request
NADR	313,500	372,400	385,200
NADR-ERF	138,200	0	0
NADR-SUP	83,000	0	0

The Nonproliferation, Anti-terrorism, Demining, and Related Programs (NADR) account supports a broad range of U.S. national interests by funding critical, security-related programs. 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 2004 request 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, and their associated technologies.

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, Asia, and the Pacific Rim; and access to critical resources and markets.

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) of chemical, biological, or nuclear origin, and missiles that could deliver such weapons. First and foremost is the immediate challenge of halting the clandestine spread of WMD materials and technology to rogue states, terrorist groups, and other non-state actors. Synonymous with this challenge is the need to reinvigorate the international community's commitment to support nonproliferation efforts and responsible nonproliferation behavior. The FY 2004 NADR request will fund bilateral and multilateral assistance programs that directly support U.S. nonproliferation objectives:

- to deny proliferators the supplies of materials and technology they need for their programs;
- to prevent and contain WMD and missile capabilities as well as advanced conventional weapons in key countries and regions;
- to secure and guard against leakage of WMD- and missile-related materials and expertise, primarily in Russia and other Eurasian countries;
- to promote the strengthening of international agreements that formalize and help verify nonproliferation constraints; and
- to ensure that peaceful nuclear cooperation serves nuclear safety, environmental, and nonproliferation goals.

NADR supports three nonproliferation programs on a bilateral basis: the Nonproliferation and Disarmament Fund (NDF), a contingency fund for unanticipated requirements or opportunities; the Science Centers and Bio-Chem Redirection programs, which finance civilian research by former Soviet weapons experts in

Russia, Ukraine, and the other Eurasian countries; and Export Control and Related Border Security assistance programs, which are designed to strengthen national export control systems in key countries. NADR funds also leverage other international donors in two 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, allow expansion in nuclear safety cooperation with key countries, and combat nuclear and radiological terrorism. Funding for the Comprehensive Nuclear Test Ban Treaty (CTBT) helps strengthen the current international testing moratorium by supporting the establishment of the International Monitoring System (IMS) to detect nuclear explosions.

Anti-terrorism Efforts

The NADR account also supports a comprehensive approach to preventing and countering terrorist attacks on U.S. citizens and interests and to minimize the impact of any attacks that may occur, whether at home or abroad. NADR funds the Anti-terrorism Assistance (ATA) program, Terrorist Interdiction Program (TIP), and Counterterrorism Engagement with Allies. ATA provides technical training and equipment to assist foreign countries in protecting facilities, individuals, and infrastructure. A program assessment was completed for the ATA program and concluded that it is moderately effective. The ATA program was found to have a clear purpose, strategic planning, and good management. At the same time, the assessment noted that long-term performance measurement needs to be improved to gauge progress toward the ATA program's overall goals. The TIP improves countries' capabilities to prevent the transit of terrorists and their materials between borders. CT Engagement programs build international political will leading to concrete steps in the war on terrorism and enable senior level foreign officials to develop plans in the event of an actual incident. The FY 2004 request will support ongoing core ATA programs and the development of new courses and activities to meet the evolving terrorist threat, new TIP countries' efforts to interdict terrorists, and U.S. efforts to sustain and further the counterterrorism agenda in the international arena.

Regional Stability and Humanitarian Assistance

Finally, the NADR account funds programs that promote peace and regional stability, as well as meet humanitarian needs in post-conflict situations. The Humanitarian Demining Program (HDP) supports efforts to eliminate the threat to civilians resulting from the indiscriminate use of landmines and unexploded ordnance, which destabilize and damage efforts to restore peace and prosperity for years after conflict has ceased. Humanitarian mine action allows 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 Department is also requesting funds to continue the matching contribution program with the International Trust Fund for Demining and Mine Victims' Assistance, which conducts and monitors mine action activities primarily in the Balkan region.

In FY 2004, NADR will also fund the Small Arms/Light Weapons (SA/LW) destruction program, which is designed to eliminate stockpiles of excess small arms and light weapons left over from Cold War and post-Cold War conflicts. As with the Humanitarian Demining Program, the SA/LW program promotes regional stability and minimizes threats to civilian populations by destroying excess stockpiles of weapons that fuel the international illicit arms market, in turn exacerbating regional and civil conflicts which claim thousands of lives and displace millions of civilians every year.

Individual NADR program justifications follow.

Nonproliferation, Anti-terrorism, Demining, and Related Programs
(\$ in thousands)

	FY 2002 Actual	FY 2003 Request	FY 2004 Request
Nonproliferation Programs			
Nonproliferation and Disarmament Fund	14,000	15,000	35,000
Export Control and Related Border Security Assistance	17,000	36,000	40,000
Export Control and Related Border Security Assistance - ERF	24,700	-	-
Science Centers/Bio Redirection	37,000	52,000	59,000
Science Centers/Bio Redirection - ERF	30,000	-	-
IAEA Voluntary Contribution	50,000	50,000	50,000
CTBT International Monitoring System	16,566	18,200	19,300
KEDO	90,500	75,000	-
OPCW Voluntary Contribution	2,000	-	-
Subtotal - Nonproliferation Programs	281,766	246,200	203,300
Anti-Terrorism Programs			
Anti-terrorism Assistance	39,434	64,200	106,400
Anti-terrorism Assistance - ERF	45,500	-	-
Anti-terrorism Assistance - SUP	73,000	-	-
Terrorist Interdiction Program	4,000	5,000	11,000
Terrorist Interdiction Program - ERF	4,000	-	-
Terrorist Interdiction Program - SUP	10,000	-	-
CT Engagement w/Allies	-	-	2,500
CT Engagement with Allies - ERF	3,000	-	-
Israel CT Assistance - ERF	28,000	-	-
Subtotal - Anti-Terrorism Programs	206,934	69,200	119,900
Regional Stability & Humanitarian Assistance			
Humanitarian Demining Program	40,000	45,000	50,000
Humanitarian Demining Program - ERF	3,000	-	-
International Trust Fund	-	10,000	10,000
Small Arms/Light Weapons Destruction	3,000	2,000	2,000
Subtotal - Regional Stability & Humanitarian Assistance	46,000	57,000	62,000
Total	534,700	372,400	385,200

Nonproliferation and Disarmament Fund
(\$ in thousands)

Account	FY 2002 Actual	FY 2003 Request	FY 2004 Request
NADR-NDF	14,000	15,000	35,000

The Nonproliferation and Disarmament Fund (NDF) permits the Department to respond quickly and effectively to unanticipated or unusually difficult nonproliferation requirements/opportunities by funding and executing specific projects. In FY 2004, funds are also requested under the NDF to provide programmatic and funding support for the new Dangerous Materials Initiative (DMI) described below.

The objectives of the NDF are established by the FREEDOM Support Act of 1992 and 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; and 3) limiting the spread of advanced conventional weapons and their delivery systems.

NDF activities, past and present, include: destroying SS-23 and SCUD missiles in Central Europe; assisting in the removal of Highly Enriched Uranium (HEU) and other nuclear materials from Central Asia; safeguarding nuclear materials; funding the development of Low Enriched Uranium fuel for Russian-built research reactors; initiating and executing programs to detect nuclear materials in Central Europe, Central Asia, and other countries of the former Soviet Union; and providing specialized nuclear safeguards equipment to the International Atomic Energy Agency.

During the past year, NDF has managed the removal of 50 kg of fresh HEU from an exposed location in Yugoslavia to Russia for down blending. It has destroyed 24 SS-23 warheads, missiles, launchers and associated support equipment; 47 SCUD warheads, launchers and support equipment; and 50 FROG rocket systems and support equipment. This eliminated the last of the SS-23 missile systems covered by the INF Treaty. In addition, its activities have focused on the acquisition of nuclear reactor components illegally destined for the Middle East and their subsequent return to the United States, provision and deployment of nuclear detection systems to Turkey, and continued deployment and development of the Tracker automated export control system. The Tracker system is being developed in cooperation with allies in Western and Central Europe. It is currently deployed in nine Central European countries. Western European deployments are scheduled to begin in 2004.

The Administration is requesting \$35 million for the NDF in FY 2004 to fund critical activities, both traditional NDF projects and pilot DMI undertakings. DMI is an effort to inventory, secure, and remove dangerous materials from insecure locations worldwide. Additional new requirements could include destroying conventional and possibly chemical weapons in sensitive areas such as the Middle East and the Balkans. An estimated breakdown of four key NDF activities in priority order follows.

Traditional NDF Activities: \$8.75 million for missile destruction, weapons destruction (both conventional and WMD), construction of a sodium reprocessing facility for the BN-350 reactor in Kazakhstan, conversion of reactors from HEU to LEU fuel, emergency interdiction support; confidence-building measures and other unanticipated opportunities.

Tracker/Other Automated Systems: \$8.75 million to enhance the Tracker automated export control system to better handle biological, chemical and radiological materials and expand its use geographically (e.g. South Asia and the Middle East).

Nuclear and Radiological: \$8.75 million to support a worldwide fissile materials protection initiative, retrieval and secure storage of lost radiological and fissile materials, and procurement of specific nuclear safeguards equipment.

Biological Weapons Terrorism Initiative: \$8.75 million to assist foreign governments to develop laws and regulations, inventory biological materials, and track the movement and secure existing stocks of biological materials.

To ensure that the NDF can continue to respond quickly to difficult challenges, the Administration requests that the NDF funding, as in previous years, be made available notwithstanding any other provision of law, that the funds appropriated 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. The NDF has traditionally expended 4.5% of its funds for administration and operational costs and requests a similar percentage for FY 2004.

Export Control and Related Border Security Assistance
(\$ in thousands)

Account	FY 2002 Actual	FY 2003 Request	FY 2004 Request
NADR-EXBS	17,000	36,000	40,000
NADR-EXBS-ERF	24,700	0	0

A key tool in stemming the proliferation of weapons of mass destruction (WMD), their missile delivery systems, and other weapons is effective export controls and related border security. To meet this objective, the U.S. works to ensure that potential suppliers, countries along key transit routes, and countries with substantial volumes of transshipment trade have proper controls on transfers of arms, dual-use goods, and related technologies. These controls are designed to prevent transfers of such items to end-users and end-users of proliferation concern, including rogue states and terrorist networks.

An integral part of this effort involves working to ensure that these countries have the capability to effectively enforce such controls, including the means and expertise to interdict illicit shipments of strategic trade items. The U.S. Export Control and Related Border Security Assistance (EXBS) program provides essential technical and material assistance to recipient countries to help them carry out these nonproliferation efforts. The EXBS program, drawing on expertise from a number of U.S. agencies and the private sector, assists governments in strengthening their export controls by improving their legal and regulatory framework, licensing processes, border control and investigative capabilities, outreach to industry, and interagency coordination.

For FY 2004, the Administration is requesting \$40 million to help strengthen other countries' export controls through the EXBS program. The program will continue its focus on potential WMD source countries, while expanding relatively new activities with potential source countries in South Asia and key transit/transshipment states along high-risk smuggling routes in the Balkans, the Middle East, and Southeast Asia. The EXBS program will also provide sophisticated detection equipment to the Baltic states, which have the political will and the legal basis to interdict WMD but have little of the enforcement equipment needed. In FY 2004, budgeted NADR export control assistance funds would be used in the following ways:

- \$6.7 million to strengthen the capabilities of potential source countries in the NIS -- Russia, Ukraine, and Kazakhstan -- which retain significant WMD materials and expertise from the Soviet era, to interdict illicit exports of weapons and related dual-use goods and technologies. Funds will assist recipient countries in enhancing enforcement capabilities and promoting industry compliance with national export laws.
- \$6.8 million to enhance border control security capabilities and build effective legal control in high-risk transit and smuggling routes from potential source countries that run through Central Asia and the Caucasus.
- \$2 million to tighten export controls in South Asia to ensure that India and Pakistan do not become a source for sensitive materials and technology to proliferators or potential terrorists.
- \$10.35 million to establish the legal/regulatory basis for export controls, and to provide enforcement training and detection equipment to prevent countries in Central and Eastern Europe, including those of the Balkans and the Baltics, from being sources or conduits for illicit WMD-related and arms transfers.

- \$4.28 million to fund programs in the Middle East, the Mediterranean, and Southeast 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, missile delivery systems, other weapons, and related items.
- \$6.02 million to continue and expand the worldwide nonproliferation advisors program, which currently has 14 offices covering 21 countries. Funds will support the work of in-country and regional advisors, including overseeing and coordinating implementation of assistance projects, assessing foreign export control/border security capabilities and practices, recommending projects, and ensuring effective operation of U.S.-provided equipment.
- \$2.6 million to support regional initiatives, including conferences, training, and equipment (e.g. data sharing network).
- \$850,000 for program administration for: contract support for database development and management, and accounts reconciliation; replacement, repair and maintenance of detection and imaging equipment; and costs associated with team visits, such as translators and transportation to border points.

A country and program breakout for the FY 2004 EXBS program follows. Further information on individual country programs may be found in the respective country narratives.

Export Control and Related Border Security Assistance
(\$ in thousands)

	FY 2002 Actual	FY 2003 Request	FY 2004 Request
Africa			
South Africa	-	-	50
Subtotal - Africa	-	-	50
East Asia and the Pacific			
Southeast Asia Regional Funds	-	-	700
Malaysia	150	300	100
Thailand	70	50	1,500
Vietnam	20	50	50
Subtotal - East Asia and the Pacific	240	400	2,350
Europe and Eurasia			
NIS Regional Export Controls	500	500	1,400
Albania	-	140	300
Armenia	600	1,850	1,000
Azerbaijan	500	1,850	1,500
Azerbaijan ERF	3,000	-	-
Bosnia and Herzegovina	-	30	600
Bulgaria	410	730	500
Croatia	40	90	750
Cyprus	55	260	300
Czech Republic	200	400	-
Estonia	68	100	1,750
Federal Republic of Yugoslavia	-	100	750
Hungary	240	270	-
Kazakhstan	655	1,750	2,200
Kazakhstan ERF	2,000	-	-
Kyrgyz Republic	-	1,200	1,400
Latvia	1,113	1,400	1,800
Lithuania	748	920	1,800
Macedonia	180	190	300
Malta	119	480	100
Moldova	-	2,320	1,000
Poland	300	600	-
Romania	275	560	600
Russia	1,500	3,980	3,000
Slovakia	407	700	300
Slovenia	350	550	300
Tajikistan	-	50	300
Tajikistan ERF	7,500	-	-
Turkey	1,000	600	600

Export Control and Related Border Security Assistance
(\$ in thousands)

	FY 2002 Actual	FY 2003 Request	FY 2004 Request
Turkey ERF	1,200	-	-
Turkmenistan	-	50	200
Turkmenistan ERF	7,000	-	-
Ukraine	800	2,620	1,500
Uzbekistan	300	1,200	1,400
Uzbekistan ERF	4,000	-	-
Subtotal - Europe and Eurasia	35,060	25,490	25,650
Near East			
Egypt	50	135	250
Jordan	745	250	750
Oman	20	100	100
Saudi Arabia	30	80	80
United Arab Emirates	350	350	250
Yemen	50	150	100
Subtotal - Near East	1,245	1,065	1,530
South Asia			
Afghanistan	-	-	250
India	800	1,750	1,000
Pakistan	100	-	1,000
Subtotal - South Asia	900	1,750	2,250
Western Hemisphere			
WHA Regional	-	-	50
Panama	-	-	50
Subtotal - Western Hemisphere	-	-	100
Global			
Export Control Program Administration	445	500	650
Export Control Regional Advisors	2,580	5,895	6,020
NADR Regional Export Controls	1,030	900	1,200
Program Equipment	-	-	200
Regional Advisors Training	200	-	-
Subtotal - Global	4,255	7,295	8,070
Total	41,700	36,000	40,000

Science Centers/Bio Redirection
(\$ in thousands)

Account	FY 2002 Actual	FY 2003 Request	FY 2004 Request
NADR-SC	37,000	52,000	59,000
NADR-SC-ERF	30,000	0	0

Note: FY 2002 includes a one-time transfer of unobligated DOD funds to the NADR account for the Bio-Redirection program as part of the FY 2002 Emergency Response Funds appropriation.

Funding for the Science Centers and Bio-Chem Redirection programs finances civilian research by former Soviet weapons scientists as an alternative to providing weapons of mass destruction (WMD) and missile expertise to terrorist networks or proliferant states. The Science Centers program operates from two headquarters in Moscow and Kiev under international agreements, with financial support from the United States, Canada, the European Union, Japan, Norway, and South Korea, and increasing industry financial support. The Centers focus on all categories of former Soviet WMD scientists - nuclear, chemical, biological, and missile - located in the ten independent republics of the former Soviet Union that are currently participants in the program: Russia, Ukraine, Belarus, Kazakhstan, Uzbekistan, the Kyrgyz Republic, Armenia, Georgia, Azerbaijan and Tajikistan.

In late 1997, the U.S. Government launched a coordinated interagency program to engage former Soviet biological weapons scientists. Similar in concept to the Science Centers, the Bio-Redirection effort is designed to provide incentives for former biological weapons scientists not to market their skills to countries of proliferation concern or terrorist groups while also promoting access and transparency at facilities formerly associated with the Soviet Union's biological weapons programs. The effort also seeks to leverage U.S. nonproliferation assistance funding by focusing joint research projects on areas of critical public health, agricultural, and environmental research. The Biological Weapons Redirection program was funded from its inception through FY 2002 from the FREEDOM Support Act; the FY 2003 budget shifted the request to NADR, a more appropriate account from which to fund these activities. The Departments of State, Defense, Health and Human Services, Energy, Agriculture and the Environmental Protection Agency all contribute to the overall effort by collaborating with Russian/Eurasian institutes and scientists in their areas of expertise. Health and Human Services, Agriculture, and EPA participation in the Bio-Redirection program is supported by Department of State funding.

The Bush Administration's assistance to Russia review recommended an additional effort to engage CW expertise modeled after the bioengagement program. In response to this recommendation, we are supporting engagement efforts using Science Center resources. We have initiated collaborative projects through the ISTC and support scientific exchange visits and other activities. We anticipate that a limited number of chemical facilities will be involved in the BioIndustry initiative. The FY2004 request would allow further expansion to engage scientists and expertise associated with the FSU CW program.

In the post-September 11 environment, there is increased concern that rogue states and terrorists may attempt to procure WMD expertise, material or technology from individuals and facilities in the former Soviet Union, many of which continue to suffer economically. These two programs respond directly to that concern. For FY 2004, the Administration is requesting \$59 million to sustain existing Science Center activities.

Science Centers

This program has evolved from its initial “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 scientific research and technology development. In addition to engaging almost 50,000 scientists and engineers since 1993, the program has supported nearly 2,000 scientific research and technology development projects, along with patent and technology commercialization support, western-style professional and business management training through regional training centers, communication technology upgrade support, and travel support. One objective is to give scientists and engineers the opportunity to form long-term research relationships and industrial partnerships, leading to self-sustainability and integration into the international scientific community. Budgeted FY 2004 funds would allow the Science Centers to:

- Continue to engage thousands of former WMD scientists in peaceful research and support ongoing activities that foster commercial development and provide international commercial research opportunities for WMD scientists. This is done through increased private sector participation in the Partner Program, continued business training, and valorization and commercialization reviews of projects that have promising technological applications. These activities support long-term sustainability graduation from Science Center support.
- Sustain and expand an active oversight and monitoring program. Consistent with past practice, approximately 10 percent of NADR funds will be used for administrative support and oversight, including expanded financial and technical audits of selected projects.
- In response to a recommendation from the White House review of Russia Nonproliferation Programs, a small amount of funds have been dedicated to initial implementation of a strategy to engage former Soviet Chemical Weapons scientists and engineers, patterned after the Bio-Redirection program described below.

Bio-Chem Redirection

The program originated with one Russian institute, now involves some 40 institutes across Eurasia, and continues to engage additional institutes and to start new project work. In consultation with other USG agencies involved, the Department of State provides overall program coordination and policy guidance, and also provides funds to support program activities carried out by the Departments of Health and Human Service, Agriculture, and the Environmental Protection Agency. The involvement of other USG agencies, including Defense, Energy, DHHS, USDA, and EPA, provides technical and scientific expertise otherwise unavailable to State. Through a FY 2002 one time transfer of \$30 million from DOD, the State Department began the BioIndustry Initiative which focuses on the redirection of former BW production facilities toward peaceful uses and accelerated drug and vaccine development.

The initiative aims to facilitate Russian-U.S. industry partnerships within the area of biotechnology and seeks to further develop elements of the infrastructure required to support a Russian biotechnology industry, while providing former weapon scientists an opportunity to move toward longer-term self-sustainability through civilian employment. In FY 2004, the budget for the Bio-Redirection program would continue to support nonproliferation activities with:

- DHHS/Biotechnology Engagement Program (BTEP) to support individual and regional projects primarily in Russia, and program management, oversight and audits. Specific activities may

include infectious disease research projects; scientist exchanges; good laboratory, manufacturing, and clinical practices training; regional field epidemiology training; facility upgrades; and emergency response exercises for biological hazards.

- USDA/Agricultural Research Service (ARS) Collaborative Research in Biotechnology program to support individual and regional research projects in plant and animal disease detection, characterization, monitoring and prevention, in addition to program management, oversight and audits primarily in Russia and Central Asia. The program also will fund the continued literature access of five Russian institutes through the USDA's National Agricultural Library database.
- EPA to support individual and regional projects primarily in Russia and Central Asia and program management, oversight and audits. The highest priority is the environmental monitoring laboratory in Stepnogorsk, Kazakhstan. Additional EPA activities include engaging former weapons scientists in detoxification, bioremediation, and phytoremediation projects; and collaboration on projects including PCB contamination, chemical destruction, the development of Acute Exposure Guideline Levels (AEGLs) for hazardous chemicals, and environmental contamination.
- The BioIndustry Initiative to support individual and regional activities, program management, oversight and audits. Specific activities may include: business and marketing plan development, identification of potential products, asset characterization workshops, aiding with the industry pairing and commercialization of Russian research, and assisting in the development and implementation of a Russian Bioconsortium.

International Atomic Energy Agency - Voluntary Contribution
(\$ in thousands)

Account	FY 2002 Actual	FY 2003 Request	FY 2004 Request
NADR-IAEA	50,000	50,000	50,000

The Non-Proliferation Treaty (NPT) is the bedrock of our nuclear nonproliferation strategy. To buttress the NPT, the United States works to strengthen its verification organization, the International Atomic Energy Agency (IAEA). The IAEA is a critical and effective instrument for verifying compliance with international nuclear nonproliferation agreements. Its program of international safeguards monitors the presence and use of nuclear material worldwide and provides assurance that it is not diverted to make nuclear weapons. IAEA safeguards serve both as an essential barrier against the spread of nuclear weapons and as a first line of defense against nuclear terrorism. In addition, the IAEA's expanding nuclear security programs will help states around the world improve their ability to protect nuclear material and facilities, prevent nuclear smuggling, and apply better controls on radioactive materials to reduce the risk of radiological dispersal devices (aka "dirty bombs"). The United States has strongly supported the IAEA since its creation in 1957.

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 majority of the voluntary contribution would go for safeguards (e.g., equipment development and procurement, training, country issues, and environmental sample analysis), the nuclear security fund (physical protection of nuclear material, control of radioactive materials and facilities) and nuclear safety programs. Since September 11, 2001 we have shifted an increasing share of voluntary contribution funds toward safeguards, safety and security, accelerating the trend since 1998, when the share was just 40%. For FY 2004, the Administration is requesting \$50 million for voluntary contributions to the IAEA. The IAEA has proposed an increase in its safeguards budget beginning in 2004, and this may permit some shift in extrabudgetary funding from safeguards equipment to meet growing needs in safety and security.

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.

In September 2001, as part of the war on terrorism, the IAEA initiated a review of its programs with a view to enhancing those that will help states protect against acts of nuclear and radiological terrorism. In March 2002, the IAEA Board of Governors approved a multi-dimensional action plan that will help states around the world address this critical problem. The IAEA established an extrabudgetary fund, the Nuclear Security Fund, to support these activities. Overall contributions to date total about \$12 million dollars, the bulk of which is from the United States. These funds support IAEA efforts to combat nuclear terrorism; the IAEA is developing and enhancing international standards and providing training and assistance on all aspects of the problem. This includes training in physical protection techniques, assessment of security measures at specific nuclear facilities, and combating nuclear smuggling.

The FY 2004 request will address these critical needs, including activities designed to counter nuclear terrorism, implement strengthened safeguards, develop advanced safeguards technology and procedures,

confront unique safeguards challenges, combat nuclear smuggling, and strengthen nuclear safety measures in Eastern European and Eurasian 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 (NPT).

Specific projects planned for FY 2004 include:

- Providing expert assistance and other support to expand international missions to assess the adequacy of physical protection measures in place at nuclear installations worldwide (known as International Physical Protection Advisory Services) to help counter the threat of nuclear terrorism;
- Developing improved techniques for safeguarding spent fuel, particularly by reducing the demands on inspectors in safeguarding transfers of spent fuel to dry storage;
- Installing unattended radiation monitoring equipment in critical nuclear fuel cycle facilities (e.g. reprocessing and spent fuel conditioning facilities), and replacing obsolete surveillance systems with modern digital systems worldwide;
- Replacement of the IAEA's obsolete mainframe-based safeguards database with a modern client-server network integrating the expanding variety of information used in strengthening safeguards;
- Training inspectors in the application of safeguards, and providing new information analysis and survey tools for use in inspections for the strengthened safeguards system;
- Developing robust safeguards approaches for nuclear facilities in states that do not accept the Additional Protocol;
- Strengthening quality control and detection capabilities 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.

CTBT International Monitoring System
(\$ in thousands)

Account	FY 2002 Actual	FY 2003 Request	FY 2004 Request
NADR-CTBT	16,566	18,200	19,300

As a key element of our 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, the International Monitoring System (IMS), on which work began following CTBT signing in 1996, provides important security benefits to the United States 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 321 seismic, hydroacoustic, infrasound, and radionuclide stations. A number of these stations will provide the United States with new or improved data from regions not otherwise available and will strengthen U.S. verification capability.

In 2000, the first 11 IMS stations were certified as meeting agreed specifications for performance and reliability. In 2001, another 12 stations were certified, including seismic stations in France, Iran, Norway, Spain, and the United States and a second hydrophone station in the Indian Ocean. In 2002, another 23 stations were certified, including seismic stations in Kazakhstan, Kenya, and Ukraine. This brings the total of certified stations to 46, or 14% of the full IMS network. IMS is the largest program in the CTBT Preparatory Commission (Prepcom) budget. Other substantial programs include the International Data Centre (IDC) and data links between IMS stations and the IDC and between the IDC and member states. A more modest effort is devoted to development of a capability to conduct on-site inspections.

The FY 2004 request in NADR will fund the U.S. contribution to the ongoing work of the Prepcom. This level reflects a U.S. funding share (22 percent), consistent with the current UN scale of assessments, upon which the Prepcom's budget is apportioned among CTBT signatories. Moreover, under U.S. policy, the United States intends to fund its share of only IMS and IMS-related activities, which constitute the largest part of the Prepcom Budget. The United States will not fund other activities, including those related to establishing the on-site inspection system. By maintaining significant support for the Prepcom budget and leadership in work on technical and other issues, the United States will continue to be able to influence and guide the Prepcom's efforts to devise the best possible multilateral regime for monitoring nuclear explosions.

Anti-terrorism Assistance
(\$ in thousands)

Account	FY 2002 Actual	FY 2003 Request	FY 2004 Request
NADR-ATA	39,434	64,200	106,400
NADR-ATA-ERF	45,500	0	0
NADR-ATA-SUP	73,000	0	0

The Antiterrorism Assistance (ATA) Program is one of the world’s preeminent providers of antiterrorism training, equipment, and advice to foreign countries. ATA bolsters the skills and abilities of foreign law enforcement and security officials who have primary responsibility in their nations for taking decisive action against international terrorist cells and networks that seek to target U.S. citizens and interests overseas and at home. These officials also have the primary responsibility for responding to and mitigating the impact of terrorist attacks that occur in their nations. As such, ATA directly enhances the security of U.S. citizens and interests at home and abroad.

Since the attacks of September 11, 2001, the ATA program has received additional funding in two major supplemental appropriations. These funds are being used to expand ATA’s role as the primary U.S. Government provider of antiterrorism training and equipment to the law enforcement organizations of allied nations needing assistance in the War on Terrorism. The funds enable implementation of a three-part assistance strategy:

- expanding the scope and volume of existing U.S.-based training capabilities;
- initiating new in-country programs in participant nations critical to the attainment of U.S. policy objectives; and
- adding flexibility to the program to respond rapidly and effectively to demands whenever and wherever they occur.

The program strives not only to enable recipient nations to fight terrorism by establishing a highly credible “first line of defense” for U.S. citizens, embassies, and facilities overseas, but also to do so in a manner that defends the U.S. homeland from terrorist plotting initiated abroad. The U.S. has made great progress in building the international will to act in concert against terrorism, but many governments that strive to eliminate terrorism in their own nations do not have the capability to act effectively in the law enforcement and security fields. ATA is a key element in building the capacity of many of our coalition partners to respond to and take strong decisive action against terrorism.

For the FY 2004 programs, ATA will sustain an augmented effort aimed at the “southern crescent” of terrorism, which extends from East Asia through Central and South Asia to the Middle East and into particularly vulnerable African countries. These priority regions and countries are identified through intelligence analyses as the highest actual and potential threat areas. The bulk of projected ATA training in FY 2004 is planned for the front-line states – countries that represent the most vulnerable sites for terrorist infiltration, transit, and activities. Funding also supports program management, including travel, translations, use of training facilities and related space, transportation of equipment items, and various other administrative expenses for ongoing, new, and expanded initiatives. These core training and support programs are budgeted at \$63.2 million for FY 2004.

The requested increase (\$43.2 million) in the ATA program request will provide for the development and initial implementation of new courses, continuation of in-country training programs, equipment grants, and mobile emergency training.

For the FY 2004 budget, the ATA program was reviewed using the Administration's Program Assessment and Rating Tool. The overall rating for the program was "moderately effective." The assessment found that the ATA program does teach effective ways to counter terrorist threats and generally meets its annual performance goals. However, the program's long-term goals do not have performance indicators or other long-term targets.

Additional findings include:

- The events of September 11th have compelled the Department to improve strategic planning and to expand the program's capacity to provide on-site training.
- Courses covering such areas as airport security, bomb detection, hostage rescue, and crisis management have been expanded to cover new training needs including weapons of mass destruction (WMD) incident response.
- The program collects information relating to achievement of program mission and allocates resources to specific country program activities. Spending is monitored to make sure there are no improper payments. ATA program plans are constantly reviewed in the context of new priorities as outlined by the Secretary of State's Coordinator for Counter-Terrorism.
- The ATA program is establishing quantifiable measures for its training programs.

In response to these findings, the FY 2004 budget proposes a funding level that will allow the program to continue all training programs currently underway and to expand courses to new functional areas that respond to the evolving terrorist threat. In addition, the Department will improve long-term performance measurement and establish measures to gauge progress toward long-term goals.

Development and Initial Implementation of New Courses - (\$8.8 million)

ATA will develop the following courses in order to meet evolving terrorist threats and critical training needs as evidenced by recent international terrorist incidents: Coordinated, large-scale Practical Exercises which measure the application and sustainment of ATA sponsored courses; Firearms Instructor; a three-course Anti-kidnapping program; and Hospital Emergency Room Intake Management as part of the Weapons of Mass Destruction (WMD) Preparedness effort.

Continuation of In-Country Training Programs - (\$19.4 million)

During FY 2003, major counterterrorism training programs will be initiated in Afghanistan, Pakistan, and Indonesia using FY 2002 supplemental appropriation funds. The funding requested for these programs is essential to achieve the intended level of counterterrorism capabilities in each nation, and to ensure their ability to sustain these capabilities independently in the long-term.

Afghanistan (\$10.4 million): In FY 2003, ATA is working to create a Presidential Protective Service to provide first echelon personal security for Afghan President Karzai while the U.S. provides presidential protection in the interim. Although we anticipate this phase will be completed within one year, FY 2004 funding is needed to provide any follow on support and begin to construct and provide an ATA sustainment program. ATA will utilize the newly created train-the-trainer program while continuing to provide training to advance the skills of the Afghan special agents. The comprehensive program will consist of two simultaneous phases of administration and management plus advanced operational training. This training is designed to provide increased infrastructure and stability to the new service. In addition, ATA is prepared to provide counterterrorism training packages from within its standard training program. These courses are primarily designed for senior police management and administrative personnel.

Pakistan (\$5 million): Funding is needed to ensure that training programs being delivered to vetted, elite national police units with a national mandate for counter-terrorism investigation and tactical operations can continue until the units are fully trained and equipped. ATA will provide the units with additional mission-specific training to respond to and investigate acts of terror anywhere in Pakistan. The additional training will be determined by the needs identified by the DS/ATA trainers in-country, the Pakistani Government, and assessments conducted by DS/ATA personnel. The funding is essential to achieving the intended level of counter-terrorism capabilities in Pakistan and ensuring their ability to sustain those capabilities independently in the long-term.

Indonesia (\$4 million): FY 2004 funding will provide for the continued training of a civilian-led police unit created to combat terrorism in Indonesia, an area of primary concern where domestic, regional, and international terrorists may transit or operate. Mission-specific training and start-up equipment are currently being provided to the unit to respond to and investigate acts of terror anywhere in Indonesia. The additional funding will provide the unit with mission-specific training identified by the DS/ATA trainers in-country, the Indonesian Government, and assessments conducted by DS/ATA personnel. The funding is essential to achieving the intended level of counter-terrorism capabilities in Indonesia and ensuring their ability to sustain those capabilities independently in the long-term.

Equipment Grants – (\$5.3 million)

“Enabling” equipment grants ensure the successful transfer of knowledge and skills gained in the classroom to the operational environment. These grants support the entire ATA program, and include the very same equipment with which the student delegations receive their training. Without the associated equipment grants, the training activities would often amount to only academic exercises.

Mobile Emergency Training Teams (METT) – (\$10 million)

In the immediate post-9/11 environment, ATA program participant nations with very limited security personnel were increasingly compelled to either not send, or quickly withdraw, their students from training to respond to operational crises. In response to that dilemma, ATA developed the METT concept as a means to rapidly deliver in-country training in critical security skills: VIP protection; bomb squad ; and Crisis Response Team operations. Although the initial supplemental appropriation funding for METT was entirely reprogrammed for establishment of the Presidential Protective Service for Afghan President Karzai, the critical need remains as originally justified and funded.

Anti-terrorism Assistance
(\$ in thousands)

	FY 2002 Actual	FY 2003 Request	FY 2004 Request
Training			
Afghanistan	1,434	-	10,400
Afghanistan - ERF	15,000	-	-
Afghanistan - SUP	20,000	-	-
Africa	2,280	5,296	4,906
Africa - ERF	359	-	-
Colombia - SUP	25,000	-	-
East Asia and the Pacific	2,826	2,366	5,656
East Asia and the Pacific - ERF	2,646	-	-
Europe and Eurasia	9,609	17,517	19,051
Europe and Eurasia - ERF	10,057	-	-
Indonesia	-	-	4,000
Indonesia - SUP	8,000	-	-
Mobile Emergency Training Team	-	-	10,000
Near East Asia	6,437	9,012	13,087
Near East Asia - ERF	4,835	-	-
Pakistan	-	-	5,000
Pakistan - SUP	10,000	-	-
South Asia	4,575	9,867	5,219
South Asia - ERF	2,307	-	-
Western Hemisphere	2,377	8,442	2,297
Western Hemisphere - ERF	154	-	-
WMD Preparedness Program	1,000	1,000	-
WMD Preparedness Program - ERF	1,000	-	-
Subtotal - Training	129,896	53,500	79,616
Program Administration			
New Course Development	674	-	2,184
New Course Development - ERF	4,117	-	-
Program Equipment	-	-	5,300
Program Management	8,222	10,700	19,300
Program Management - ERF	5,025	-	-
Terrorist Financing - SUP	10,000	-	-
Subtotal - Program Administration	28,038	10,700	26,784
Total	157,934	64,200	106,400

CT Engagement w/Allies
(\$ in thousands)

Account	FY 2002 Actual	FY 2003 Request	FY 2004 Request
NADR-CTE	0	0	2,500
NADR-CTE-ERF	3,000	0	0

Counterterrorism Senior Official Policy Workshop - \$2,000,000

The Counterterrorism (CT) Senior Official Policy Workshops (“Workshop”) improve the capability of the U.S. and interested friendly governments to effectively respond to Weapons of Mass Destruction (WMD) terrorist incidents overseas. Because the U.S. relies on its foreign partners to protect U.S. citizens and interests overseas, the Workshop enhances the security of U.S. citizens and interests abroad.

The Workshop is part of the U.S. Counterterrorism Preparedness Program, designed to engage senior officials and WMD Technical Experts at the strategic, policy-level. The Workshops draw from lessons learned and materials developed for the U.S. domestic preparedness programs to increase senior host nation officials’ awareness of the complexities of preventing and effectively mitigating a terrorist incident. The Workshops also attempt to garner senior host nation officials’ support for follow-on first responder training offered by the State Department’s Anti-terrorism Assistance Program, which provides the necessary training, technologies, and procedures to improve the country’s overall operational capabilities to prevent, and respond to terrorist incidents. Workshops have previously been funded within the ATA budget at approximately \$1 million annually.

In the aftermath of September 11th, the interagency identified 51 countries as counterterrorism priority countries that have a vulnerability to WMD terrorism. To date, Workshops have been completed in 18 countries with over 700 senior officials from CT priority states participating in the program. In light of the 33 Tiered-List countries remaining, all of the FY 2004 request would advance the completion of workshops in CT priority countries.

FY 2004 funds would be dedicated to conducting Workshops in ten CT priority countries: Greece (three Workshops focusing on 2004 Olympic Security), Pakistan, Saudi Arabia, Oman, Ethiopia, Indonesia, Mexico, and Brazil. Funding provides for a needs assessment by the Workshop team, translation and interpretation services, and the conduct of the Workshop.

Bilateral and Multilateral Engagements - \$500,000

Bilateral and multilateral engagements are critical to building and sustaining the international coalition against terrorism. As part of this effort, the Department conducts several multilateral conferences per year that bring together senior officials from key regions of the world to discuss a range of CT issues and open the channels of communication among counterparts. In addition, the Department conducts numerous bilateral engagements at which U.S. officials and their foreign counterparts further their specific CT goals and priorities, share concerns, and overcome challenges.

The Department’s CT Conference with Central Asia and the Caucasus conducted in July 2001 proved to be an invaluable engagement with the Central Asian countries that only months later found themselves on the front lines in the Global War On Terrorism. The Department’s Southeast Asia Conference, held in August 2002, increased the political will of those governments to act against terrorism, which resulted in increased arrests of members of the terrorist group Jemaah Islamiyah (JI) throughout Southeast Asia.

Important bilateral engagements such as the U.S.-Pakistan Joint Working Group and the U.S.-India Joint Working Group resulted in direct FBI in-country follow-up to restart cases that were previously stalled in those countries. The U.S.-China Joint Working Group resulted in China agreeing to the establishment of an FBI Legal Attaché Office in Beijing.

FY 2004 funding will enable the Department to continue these important engagements and expand its dialogue to other regional organizations, such as the South Africa Development Community, and to countries, such as Japan.

Terrorist Interdiction Program
(\$ in thousands)

Account	FY 2002 Actual	FY 2003 Request	FY 2004 Request
NADR-TIP	4,000	5,000	11,000
NADR-TIP-ERF	4,000	0	0
NADR-TIP-SUP	10,000	0	0

Securing America's borders begins at the borders of our friends and allies overseas. September 11th demonstrated the importance of preventing terrorists from crossing international borders to stage attacks. The Terrorist Interdiction Program (TIP) bolsters the border security of countries at a high-risk for terrorist transit by providing them with a computer database system that allows their border control officials to quickly identify and detain or track suspect persons attempting to cross their borders. By assisting countries to better control their borders, TIP enhances the security of Americans both at home and abroad.

TIP is a joint program that installs and maintains the Personal Identification Secure Comparison and Evaluation System (PISCES) in selected points of entry in a participating country. PISCES is a database system that provides border control officials with the tools that allow them to quickly identify 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 quickly and accurately for purposes 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. Funding for TIP will also be used to provide training for immigration officials to use the system to collect, compare and analyze data that can be utilized to arrest and investigate suspects.

In the aftermath of September 11th, the list of countries identified as potential recipients of the program increased from 34 to 60. These 60 countries were identified by the interagency as counterterrorism priority countries that have known terrorist nodes, are key international transit points, and have the political will to cooperate. In addition, the scope of the TIP expanded from a program that installed the system in one to two international airports to a comprehensive program that aims to install in all significant border points.

For FY 2004, the Department will install TIP in up to ten new countries in North and East Africa, the Western Hemisphere, the Middle East, and South and East Asia, as well as maintain installations in South Asia and the Middle East. Funding also supports program management and other various administrative expenses.

Humanitarian Demining Program
(\$ in thousands)

Account	FY 2002 Actual	FY 2003 Request	FY 2004 Request
NADR-HD	40,000	45,000	50,000
NADR-HD-ERF	3,000	0	0

The U.S. Humanitarian Demining Program seeks to relieve human suffering caused by landmines and unexploded ordnance (UXO) while promoting U.S. foreign policy interests. Program objectives are to reduce civilian casualties, to create conditions for the safe return of refugees and internally displaced persons (IDPs) to their homes, and to support affected countries' stability by restoring agricultural land and infrastructure. This reduces the impact of landmines and UXO on a countries' socio-economic development. The United States furthers these objectives by supporting mine action projects and by helping to develop indigenous mine action capabilities in mine-affected nations, where appropriate.

The FY 2004 request for \$50 million demonstrates a continued U.S. commitment to foster a world that is safe from landmines. Since 1993, the United States has contributed more than \$600 million from Department of State, Department of Defense and U.S. Agency for International Development sources to support mine action activities in over forty countries. NADR Humanitarian Demining Program funding is being requested for 22 country programs and a variety of multi-nation mine action initiatives. Funds will be provided to commercial firms, international organizations, and non-governmental organizations via contracts and grants and will be used to support mine clearance operations, to purchase mine detection and clearance equipment and supplies, to facilitate training for mine action and/or to provide mine risk education and instructional materials based on country need. Additional funds for mine action are being requested and justified under the NADR International Trust Fund section.

The humanitarian demining program has achieved a number of successes. For example:

- Afghanistan: Following the start of the campaign against terrorism, the U.S. Government, working closely with the United Nations, recommenced mine action support to meet priority needs and to rebuild mine action capability. In 2002, the UN Mine Action Program for Afghanistan (MAPA) reports that clearance operations returned to 100 percent of their previous capacity and that MAPA-coordinated efforts cleared 23,825,611 square meters of high priority area in the first quarter alone.
- Azerbaijan: In FY 2000 the USG began supporting the Azerbaijan Agency for National Mine Action (ANAMA). ANAMA is rapidly developing into an integrated mine action center, including mine detection dog teams and mine risk education activities. To date, Azerbaijani deminers have cleared more than 981,000 square meters of land and destroyed more than 1,300 mines and pieces of UXO.
- Cambodia: The Cambodia Mine Action Center has a fully trained staff of over 2,000 Cambodians. From 1992 to June 2002, they cleared some 97,662,889 square meters of land, destroyed over 159,000 landmines and over 680,627 pieces of UXO.
- Honduras: Since 1993, U.S. trained Honduran deminers have cleared approximately 333,000 square meters of land and destroyed more than 2,200 land mines. Honduras is expected to declare itself impact free by the end of 2003.

- Mozambique: In August 2002, mine clearance of the Sena rail line was completed, allowing Mozambique to begin rail line restoration. The restored rail line will open large areas of the Zambezi River Valley for development.
- Quick Reaction Demining Force (QRDF): In FY 2002, the QRDF had two highly successful deployments. In Sri Lanka, the QRDF cleared nearly 123,000 square meters of land, located on the Jaffna Peninsula, thus allowing the resettlement of a large portion of the 800,000 IDPs. In Sudan, the QRDF opened eight kilometers of a critical stretch of road in support of the Nuba Mountain Ceasefire Accord.

Country Programs

The FY 2004 request will sustain and expand existing U.S. demining efforts in those countries most severely affected by landmines (Afghanistan, Angola, Cambodia, Sri Lanka and Vietnam). It will also permit expansion into several additional landmine-affected countries, with potential new participants including Colombia, Iraq, Tajikistan, Sudan, and the Democratic Republic of Congo and other mine-affected countries in support of the Global War on Terror (GWOT). Provision of assistance is based on a careful assessment of both the socio-economic impact of landmines in a particular nation and on the overall U.S. humanitarian objectives reflected in the National Security Strategy. For countries with a mature program, funds will both replenish equipment and support expansion of other efficient and proven methods, such as mine detection dog teams. The OAS/IADB Demining funding line and activity description has been changed in FY 2004 to include Ecuador and Peru as well as Central America.

Surveys, Crosscutting Initiatives and Research & Training

Demining funds are also requested to support multi-country activities carried out under the program lines identified as follows:

- Landmine surveys: Surveys are an important step in the development of each country's mine action plan. The international community relies increasingly on survey results to determine funding priorities. Funds will be used to support preliminary assessments as well as new and ongoing landmine surveys.
- Crosscutting Initiatives: These funds support: 1) mine risk education awareness projects, 2) programs to increase data and information exchange among the global demining community, and 3) the Quick Reaction Demining Force (QRDF) which is available for deployment on an emergency basis worldwide.
- Research & Training: These funds support: 1) non-technical research on mine action issues such as research into the conditions under which mine detection dogs are most useful; and 2) training to develop indigenous mine action capacity, including management training of senior and middle managers of national mine action staff.

Administrative Expenses

Administrative expense funding supports travel, supplies, utilities and contractual support, particularly for computer operations, on behalf of the organization administering the humanitarian demining program. Frequent travel is essential to provide aggressive program oversight and ensure the efficient and effective use of mine action funds.

Humanitarian Demining Program
(\$ in thousands)

	FY 2002 Actual	FY 2003 Request	FY 2004 Request
Africa			
Angola	2,800	3,500	5,300
Chad	350	350	650
Djibouti	404	250	-
Eritrea	1,602	1,100	1,000
Ethiopia	1,275	1,000	300
Mauritania	-	200	100
Mozambique	2,110	3,010	1,750
Namibia	65	90	150
Nigeria	1,449	-	-
Rwanda	350	450	-
Somalia	1,200	1,200	1,300
Zambia	816	700	300
Zimbabwe	-	270	-
Subtotal - Africa	12,421	12,120	10,850
East Asia and the Pacific			
Cambodia	2,290	3,020	3,000
Laos	1,328	1,200	1,700
Thailand	650	-	-
Vietnam	1,500	1,700	1,600
Subtotal - East Asia and the Pacific	5,768	5,920	6,300
Europe and Eurasia			
Armenia	1,200	750	-
Azerbaijan	1,380	1,380	1,800
Estonia	200	-	-
Georgia	1,100	1,100	2,100
Subtotal - Europe and Eurasia	3,880	3,230	3,900
Near East			
Jordan	850	750	500
Lebanon	1,200	900	900
Oman	495	50	-
Yemen	750	765	750
Subtotal - Near East	3,295	2,465	2,150

Humanitarian Demining Program
(\$ in thousands)

	FY 2002 Actual	FY 2003 Request	FY 2004 Request
South Asia			
Afghanistan	4,000	-	8,300
Afghanistan ERF	3,000	-	-
Sri Lanka	-	-	1,600
Subtotal - South Asia	7,000	-	9,900
Western Hemisphere			
OAS/IADB Demining	1,695	1,100	3,000
Ecuador	370	250	-
Peru	225	175	-
Subtotal - Western Hemisphere	2,290	1,525	3,000
Global			
Demining Mine Surveys	3,284	5,070	3,000
Demining Administrative Expenses	500	675	900
Demining Crosscutting Initiatives	3,962	5,740	4,975
Demining New Country Programs	-	6,730	3,500
Demining Research and Training	600	1,525	1,525
Subtotal - Global	8,346	19,740	13,900
Total	43,000	45,000	50,000

International Trust Fund

(\$ in thousands)

Account	FY 2002 Actual	FY 2003 Request	FY 2004 Request
NADR-ITF	0	10,000	10,000

The program in support of the International Trust Fund (ITF) for Demining and Mine Victims' Assistance is a special component of the U.S. Humanitarian Demining Program (HDP). The ITF seeks to relieve human suffering caused by landmines and unexploded ordnance (UXO). U.S. contributions to the ITF foster regional stability through mine action.

The ITF was established by the Republic of Slovenia, yet operates as an independent international organization. It commenced financial operations in September 1998, initially focusing on Bosnia and Herzegovina. The ITF has been a success both operationally and financially and has become the demining instrument of choice for the international community in the Balkans. Currently, the ITF provides financial support for over two-thirds of all demining operations being conducted in the region. Due to its success in the Balkans, the ITF Managing Board decided to expand its humanitarian assistance to include the Caucasus. Among ITF's successes are:

- Lowered costs per square meter cleared in Bosnia and Herzegovina and in Croatia from \$1.80 to \$1.39, and from \$1.86 to \$1.19, respectively, since 1999.
- The clearance of 27,550,123 square meters of land in five Balkan countries from 1999 to July 2002.
- Advances in regional cooperation through its work as a founding member of the South East Europe Mine Action Coordination Council (SEEMAC).
- Mine victims assistance programs through the Slovenian Rehabilitation Institute and the Rehabilitation Centers in Bosnia and Herzegovina.

In May 1998, Congress appropriated \$28 million for the ITF to assist mine-affected countries in the Balkan region, and in FY 2002 another \$14 million was appropriated. This \$42 million, though appropriated to the Department of Defense, was administered by the State Department. As of July 2002, all these funds had been provided to the ITF to match other donor contributions, thus effectively doubling donor contributions. In FY 2003, the source of US Government funding for the ITF was shifted from the Department of Defense to the State Department since the State Department had a history of administering the funding and since ITF activities correspond to those of the NADR-funded Humanitarian Demining Program.

The FY 2004 request for \$10 million will continue matching dollar-for-dollar the contribution of other international donors. In 2002, the ITF operated in Albania, Bosnia and Herzegovina, Croatia, the Federal Republic of Yugoslavia and Macedonia, coordinating a broad range of mine action activities. While USG funding (and ITF operations) will continue to focus on the Balkans, a small portion of the requested funding may be used for new activities in other regions, such as the Caucasus.

Small Arms/Light Weapons Destruction
(\$ in thousands)

Account	FY 2002 Actual	FY 2003 Request	FY 2004 Request
NADR-SALW	3,000	2,000	2,000

Destroying surplus and illicit stocks of military small arms/light weapons (SA/LW) and associated ammunition 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. Large Cold War surplus stocks in Eastern Europe, Latin America, and Southeast Asia, often poorly secured and susceptible to theft or illicit transfer, have become a major source of arms on the global black market. SA/LW generally refers to military-style automatic rifles, machine guns, man-portable anti-tank and anti-aircraft missiles, rocket-propelled grenade launchers, and light mortars.

If not expeditiously destroyed, stocks of arms and ammunition left over after the cessation of hostilities frequently re-circulate into neighboring regions, exacerbating conflict and crime. 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 investment and complements the war on terrorism. The FY 2004 NADR/SALW request addresses priority SA/LW destruction needs worldwide.

In Albania, authorities continue to collect weapons. Over 100,000 weapons have been destroyed in the past two years through the combined assistance of the U.S., Norway and Germany, enhancing regional stability and preventing leakage into Kosovo and Macedonia. Through the EAPC/PPF Trust Fund project, the U.S. (using FY 2002 funds) along with several of our NATO allies are supporting the destruction of over 5000 tons of poorly secured ammunition.

Eight years after the Dayton Accords, Bosnia and Herzegovina (BiH) is consolidating and drawing-down the two entity forces. The resulting surplus SA/LW -- estimated to be in the hundreds of thousands -- poses a threat to continued stabilization of the country and the region. The international community can seize this opportunity to support destruction as a concrete contribution to rebuilding this war-torn society.

A source for gray market transfers to almost every conflict zone in the world, Bulgaria is struggling to control the proliferation of its enormous surplus -- a result of its military draw-down and Cold-War legacy as one of the largest Warsaw Pact arms producers. Approximately 78,000 weapons and over 800,000 pieces of ammunition were destroyed with FY 2001 funds and an additional 25,000 SA/LW and associated ammunition will be destroyed with FY 2002 funds. Partnering with other donors through the Stability Pact, we intend to continue our support in FY 2004.

Romania, like Bulgaria, will continue to downsize its military leaving enormous surplus of SA/LW that could easily fall onto the illicit market. We committed just over a million dollars in FY 2002 for the destruction of 195,000 SA/LW and 36,000,000 rounds of associated ammunition. The UK, Norway, and the Netherlands have joined us in our efforts to eradicate excess SA/LW and ammunition stocks in Romania.

As a result of its civil war in the 1980s, Nicaragua still has excess SA/LW at risk of leaking into other conflicts in Latin America as well as into Africa and the Middle East. In FY 2004, we hope to build upon destruction efforts we plan to begin in FY 2003.

In anticipation that peace talks between the Government of Sri Lanka and the LTTE will lead to lasting peace, we need to have SA/LW destruction funds readily available to support the demobilization and demilitarization efforts. Although exact quantities of weapons are not yet identified, we expect to begin a destruction project in FY 2004.

Awash in excess SA/LW since the end of the Cold War, Ukraine has proven to be a source of arms being transferred to embargoed groups and governments in Africa and South America. NATO/PfP authorities have identified over 1.5 million excess SA/LW and over 133,000 tons of unsafe and unserviceable ammunition in Ukraine. A Greek-led effort to support destruction through the PfP Trust Fund is expected to cost approximately \$11 million. We expect an initial U.S. contribution to this effort in FY 2003 with additional funds in FY 2004.

Lastly we are setting aside funding for a U.S.-hosted conference during FY 2004 in advance of the major UN SA/LW Review Conference in 2006. A U.S.-hosted conference will provide an opportunity to assert U.S. leadership on multilateral diplomatic initiatives relating to the illicit trade in SA/LW and allow us to shape the international agenda in ways favorable to U.S. interests.

Small Arms/Light Weapons Destruction
(\$ in thousands)

	FY 2002 Actual	FY 2003 Request	FY 2004 Request
Africa			
Angola	70	-	-
Guinea	103	-	-
Guinea-Bissau	-	200	-
Mozambique	149	120	-
Senegal	92	-	-
Sierra Leone	-	200	-
Subtotal - Africa	414	520	-
East Asia and the Pacific			
Philippines	95	-	-
Subtotal - East Asia and the Pacific	95	-	-
Europe and Eurasia			
Albania	450	350	200
Bosnia and Herzegovina	-	-	200
Bulgaria	980	-	200
Kazakhstan	-	200	-
Latvia	-	200	-
Romania	1,061	-	400
Ukraine	-	430	500
Subtotal - Europe and Eurasia	2,491	1,180	1,500
South Asia			
Sri Lanka	-	-	100
Subtotal - South Asia	-	-	100
Western Hemisphere			
Nicaragua	-	200	300
Paraguay	-	100	-
Subtotal - Western Hemisphere	-	300	300
Global			
SA/LW Conference	-	-	100
Subtotal - Global	-	-	100
Total	3,000	2,000	2,000

THIS PAGE INTENTIONALLY LEFT BLANK

DEPARTMENT OF THE TREASURY

Treasury Technical Assistance
Debt Restructuring

This page intentionally left blank.

Treasury Technical Assistance
(\$ in thousands)

Account	FY 2002 Actual	FY 2003 Request	FY 2004 Request
TTA	6,500	10,000	14,000
TTA-ERF	3,000	0	0

The FY 2004 request for Treasury International Affairs Technical Assistance is \$14 million. The program provides financial advisors to countries seeking assistance in implementing significant economic reforms, especially during crucial periods of transition to market-based economies. The program supports economic policy and financial management reforms, focusing on the functional areas of budget, taxation, government debt, financial institutions, and financial crimes law enforcement. In FY 2004, \$5 million of these funds will be used by Treasury Technical Assistance to fund interagency assessment missions, as well as resident and short-term advisor projects, to countries combating terrorist finance activity. The funding flexibility and rapid response times of this program are critical elements in helping countries combat the financing of terrorist activities.

Debt Restructuring
(\$ in thousands)

Account	FY 2002 Actual	FY 2003 Request	FY 2004 Request
DR	229,000	0	395,000

The FY 2004 request provides an additional \$75 million for the Trust Fund for Heavily Indebted Poor Countries (HIPC). These funds will go towards fulfilling the President's commitment at the G-8 Summit in Kananaskis, Canada to contribute the United States' share to filling the projected HIPC Trust Fund financing gap. In addition, the request provides \$300 million to fund bilateral debt reduction for the Democratic Republic of the Congo under the HIPC initiative, as well as, \$20 million for the Treasury Debt Restructuring account for debt reduction under the Tropical Forest Conservation Act (TFCA).

COMPLEX FOREIGN CONTINGENCIES

U.S. Emergency Fund for Complex Foreign Crises

This page intentionally left blank.

Complex Foreign Contingencies
(\$ in thousands)

Account	FY 2002 Actual	FY 2003 Request	FY 2004 Request
CFC	0	0	100,000

This new appropriation is sought to assist the President to quickly and effectively respond to or prevent unforeseen complex foreign crises by providing resources that can be drawn upon at the onset of a crisis. These funds will be used to fund a range of foreign assistance activities, including support for peace and humanitarian intervention operations to prevent or respond to foreign territorial disputes, armed ethnic and civil conflicts that pose threats to regional and international peace, and acts of ethnic cleansing, mass killing or genocide. These funds will not be used to provide assistance in response to natural disasters because existing contingency funding is available for that purpose.

Use of this appropriation will require a determination by the President that a complex emergency exists and that it is in the national interest to furnish assistance in response.

THIS PAGE INTENTIONALLY LEFT BLANK

EMERGENCY PLAN FOR AIDS RELIEF

Emergency Plan for AIDS Relief

This page intentionally left blank.

Emergency Plan for AIDS Relief
(\$ in thousands)

Account	FY 2002 Actual	FY 2003 Request	FY 2004 Request
EPAR	0	0	450,000

President Bush announced the Emergency Plan for AIDS Relief, a five-year, \$15 billion initiative to turn the tide in the global effort to combat the HIV/AIDS pandemic. The pledge virtually triples the current U.S. commitment to fighting AIDS internationally. It includes \$10 billion in new funds. \$1.04 billion in baseline accounts including funding for USAID, HHS, and CDC will be augmented to reach \$2 billion in funding in FY 2004:

- State Department -- \$450 million;
- USAID -- \$895 million, including \$100 million for the Global Fund and \$150 million for the International Mother & Child HIV Prevention; and
- HHS/CDC/NIH -- \$690 million including \$100 million for the Global Fund and \$150 million for the International Mother & Child HIV Prevention.

The President's Emergency Plan for AIDS Relief will help the most afflicted countries in Africa and the Caribbean wage and win the war against HIV/AIDS, extending and saving lives. The following countries will be the focus of the initiative: Botswana, Cote d'Ivoire, Ethiopia, Guyana, Haiti, Kenya, Mozambique, Namibia, Nigeria, Rwanda, South Africa, Tanzania, Uganda, and Zambia.

In each of these countries, the United States will work with private groups and willing governments to put in place a comprehensive system for diagnosing, preventing and treating AIDS. Central hospitals will have laboratories, specialized doctors, and nurses to anchor the system. Satellite clinics will provide antiretroviral drugs and education on the prevention of AIDS. By truck and motorcycle, nurses and local healers will reach the farthest villages and farms to test for the disease and to deliver life-saving drugs.

The initiative is intended to:

- Prevent 7 million new infections (60 percent of the projected 12 million new infections in the target countries);
- Provide antiretroviral drugs for 2 million HIV-infected people; and
- Care for 10 million HIV-infected individuals and AIDS orphans.

THIS PAGE INTENTIONALLY LEFT BLANK

FAMINE FUND

Famine Fund

This page intentionally left blank.

Famine Fund
(\$ in thousands)

Account	FY 2002 Actual	FY 2003 Request	FY 2004 Request
FF	0	0	200,000

The FY 2004 budget includes a new \$200 million fund with flexible authorities to provide emergency food, grants or support to meet dire needs on a case-by-case basis.

This commitment reflects more than a fifteen percent increase in USAID food assistance, one of the largest increases in programs in the budget.

THIS PAGE INTENTIONALLY LEFT BLANK