



Strategic Goal 1: Regional Stability

Avert and Resolve Local and Regional Conflicts to Preserve Peace and Minimize Harm to the National Interests of the United States

I. Strategic Goal Public Benefit

The United States must provide for the safety of Americans at home and abroad, protect against threats to its interests worldwide, and honor commitments to its allies and friends. The activities of the Department are cost-effective means for enhancing and ensuring stability in all regions of the world. Through diplomatic means, the United States builds and strengthens relations with neighbors and allies worldwide by shaping regional environments and by educating foreign audiences in ways that can prevent, contain, or resolve conflicts, and foster cooperative efforts. The benefits to the U.S. are greatest when the world is safer and more stable. Factors that contribute to regional instability include, but are not limited to economic instability, health crises, the illegal trade in toxic chemicals and dumping of hazardous wastes, exploitation of natural resources, trafficking in persons and in illegal conflict diamonds and systemic, state-sponsored denial of women's political and legal rights. The Department also advances U.S. national security interests through the resolution of regional instability, so that Americans, at home and abroad, are safe from violence. The Department achieves these regional stability objectives by focusing on two main performance goals: "Close Ties with Allies and Friends" and "Resolution of Regional Conflicts."

II. Resource Summary (\$ in Millions)

	FY 2003 Actual	FY 2004 Estimate	FY 2005 Request	Change from FY 2004	
				Amount	%
Staff ¹	1,247	1,246	1,239	(7)	(0.6%)
Funds ²	\$8,424	\$5,870	\$5,943	\$72	1.2%

¹ Department of State direct-funded positions.

² Funds include both Department of State Appropriations Act Resources and Foreign Operations Resources, where applicable, which include resources for other USG agencies to which the Department provides foreign policy guidance (e.g., USAID, EXIM, OPIC, TDA, Peace Corps).



III. Strategic Goal Context

Shown below are the two performance goals, initiatives/programs, resources, bureaus and partners that contribute to accomplishment of the "Regional Stability" strategic goal. Acronyms are defined in the glossary at the back of this publication.

Strategic Goal	Performance Goal (Short Title)	Initiative/ Program	Major Resources	Lead Bureau(s)	External Partners
Regional Stability	Close Ties with Allies and Friends	Transatlantic Relationship	D&CP, FMF, IMET, ESF	EUR	N/A
		International Military Education and Training	D&CP, IMET, FMF	PM	Office of the Secretary of Defense (OSD)/Defense Security Cooperation Agency Joint Staff, OSD/DSCA
		Military Assistance for New NATO/NATO-Aspirant Nations	D&CP, FMF, IMET	EUR	DoD, Joint Staff
		Regional Stability in East Asia and the Pacific	D&CP	EAP	DoD
	Resolution of Regional Conflicts	Conflict Management and Resolution	D&CP, PKO, IMET, FMF	AF	DoD, UNDPKO ¹ , France, UK, Belgium, ECOWAS, Nigeria, Senegal, Ghana, Kenya, Benin, Mali
		Indo-Pak Relations - Kashmir	D&CP, FMF, INCLE, ESF, DA, PD	SA	USAID, NSC, DoD, UN Agencies
		Enhanced and Expanded Euro-Atlantic Partnership	D&CP	AC, EUR	OSD, JCS, IC, NSC Joint Consultative Group (JCG) in Vienna, NATO
		Peacekeeping Participation	D&CP, FMF	PM	OSD/Special Operations and Low Intensity Conflict
		Implementation of the Road Map	D&CP, ESF	NEA, EB	NSC, USAID, CIA
		Iraq & Gulf Security	D&CP, FMF, IMET, ESF, INCLE, HRDF, IRRF	NEA	NSC, USAID, DoD, Treasury, Commerce, Agriculture, FAA, Education, HHS, International Broadcasting Bureau, DOJ, Energy, UN
		PKO - OSCE	D&CP, FMF, IMET, INCLE, FSA	EUR	OSD, Joint Staff, CIA, NSC
		Security Assistance - Sub-Saharan Africa	D&CP, PKO, ESF, IMET, FMF	AF	Norway, DoD, ECOWAS, UNDPKO, Netherlands, Belgium, France, UK, Nigeria, Senegal, Ghana, Kenya, South Africa, Benin, Mali, Ethiopia, Malawi
		Restrict ACW Transfers	D&CP	NP	32 Member States of Wassenaar

¹ United Nations Department for Peacekeeping Operations



IV. Performance Summary

For each Initiative/Program that supports accomplishment of this strategic goal, the most critical FY 2005 performance indicators and targets are shown below.

Annual Performance Goal #1				
CLOSE, STRONG, AND EFFECTIVE U.S. TIES WITH ALLIES, FRIENDS, PARTNERS, AND REGIONAL ORGANIZATIONS				
I/P #1: Transatlantic Relationship				
An enhanced and expanded Euro-Atlantic Partnership to promote stability, security, democracy, and prosperity within the region and build support for U.S. strategic goals beyond Europe.				
Results			Targets	
2000 & 2001	2002	2003	2004	2005
Outcome Indicator				
Indicator #1: Status of Transatlantic Security Relationships				
<p>2000: Allies revised Transatlantic Framework for Strategic Concept, European Security and Defense Initiative (ESDI) elements, and Open Door Policy.</p> <p>Membership Action Plan launched.</p> <p>NATO-Russia relationship expanded beyond Stabilization Force (SFOR) and Kosovo Force (KFOR).</p> <p>2001: Minimal progress on the Defense Capabilities Initiative, protracted discussion on NATO-EU arrangements.</p> <p>Redefined European Security and Defense Program (ESDP) goals.</p> <p>Expansion of NATO ties to Partner States. Significant progress on MAP.</p>	<p>Europeans made pledges at Prague to improve their capabilities. Seven new members invited at Prague. Berlin Plus would have allowed the EU to borrow NATO assets and capabilities for European-led operations, but was not agreed upon.</p> <p>Allied Heads of State and Government committed at Prague to enhance military capabilities by filling key shortfalls through the New Capabilities Initiative. The initiative will encourage pooling and specialization, introduce the NATO Response force (NRF) and reform NATO's Command Structure. U.S. export controls with key European allies streamlined to promote transatlantic defense industrial integration.</p> <p>NATO-Russia Council (NRC) and 2002 work plan established in May 2002.</p>	<p>Agreement reached with Allies to reform NATO's command structure. European partners committed themselves to boosting European capabilities. NATO Response Force in process of development.</p> <p>Seven new members invited to join Alliance. Ratifications by Allies on track to welcome new members by May 2004.</p> <p>Progress made on NATO-Russia projects, including military-to-military cooperation. Retooling Partnership for Peace to better meet the needs of the Central Asia/Caucasus partners. NATO-Ukraine Action Plan launched in which Ukraine, with NATO's assistance, agreed to undertake necessary reforms.</p>	<p>ESDP capable of substantial operations. Initial operating capability of NRF.</p> <p>Allies complete full integration into NATO as MAP cycle continues for aspirants.</p> <p>Progress on Partnership-for-Peace (PfP) projects tailored to needs of individual partners.</p>	<p>Full operating capability of the NATO Response Force.</p> <p>Increase in European military capabilities through continued investment to fill remaining shortfalls.</p> <p>Consideration of EU-led mission in Bosnia, subject to Balkan policy consideration, and with appropriate NATO-EU agreement and interagency consensus.</p> <p>NATO operations continue in Afghanistan and Iraq as needed.</p>



I/P #2: International Military Education and Training				
Strengthen the military capabilities of allies, friends, partners, and international organizations, which in turn serves U.S. national interests in many ways.				
Results			Targets	
2000 & 2001	2002	2003	2004	2005
Output Indicator				
(P) Indicator #2: Number of Individuals Receiving Training Under IMET				
2000: N/A	10,417 individuals	10,736 individuals	11,689 individuals	11,484 individuals
2001: 8,386 individuals				

I/P #3: Military Assistance for New NATO and NATO Aspirant Nations				
U.S. military equipment, services, and training for the governments of the ten new NATO countries recently offered NATO membership - Czech Republic, Hungary, Poland, Estonia, Latvia, Lithuania, Bulgaria, Romania, Slovakia, and Slovenia.				
Results			Targets	
2000 & 2001	2002	2003	2004	2005
Outcome Indicator				
(P) Indicator #3: Percentage of Aspirants Making Progress Achieving NATO Defined and Measured, Country-Specific Membership Action Plans				
2000: N/A	Sixty percent of NATO aspirants are making progress toward achieving NATO-defined and measured, country-specific Membership Action Plans. Prague Summit issues membership invitations to seven countries: Estonia, Bulgaria, Latvia, Lithuania, Romania, Slovakia, and Slovenia.	Accession Protocols signed by 19 Allies in March; U.S. Senate ratification in May. Invitees' reforms take place, in line with NATO requirements for membership.	One hundred percent of NATO aspirants are making progress toward NATO-defined and measured, country-specific Member Action Plans.	All new allies contribute to each aspect of alliance activities, including mentoring of aspirants, and are integrated into revised command arrangements.
2001: Numerous countries' participation in OEF, ISAF, SFOR, and KFOR; in Afghanistan and in the Arabian Gulf. Among others, the Baltic countries, Bulgaria, and Romania have contributed forces to the Balkans and /or Central Asia/Caucasus; Czech medical unit in OEF.	Three continuing NATO aspirants -- Croatia, Albania and Macedonia -- continue to participate in NATO's Membership Action Plan.	Aspirants continue MAP process and, with the U.S., sign the Adriatic Charter, where all parties pledge to work together to move reform efforts towards NATO and EU membership.	Formal entry of New Allies, who complete full integration into NATO, and assist mentoring of aspirants. MAP cycle continues for aspirants; Adriatic Charter cooperation takes shape.	Three aspirant nations accelerate their reform efforts through MAP; intensify Adriatic Charter cooperation



I/P #4: Regional Stability in East Asia and the Pacific				
Use diplomacy to foster stability in the EAP region.				
Results			Targets	
2000 & 2001	2002	2003	2004	2005
Outcome Indicator				
Indicator #4: Status of Chinese Cooperation on Regional Stability				
<p>2000: Cooperation on regional security selective and episodic.</p> <p>2001: Limited Chinese tension-reducing diplomatic efforts toward North Korea and South Asia. China cooperated in encouraging North Korean openness and dialogue.</p>	<p>China encouraged North Korean openness and multilateral dialogue to end its nuclear weapons program. China's public statements at APEC ministerial were helpful in maintaining a nuclear weapons-free Korean Peninsula.</p>	<p>China discussed its bilateral border disputes with South Asian officials.</p> <p>China played a crucial role in facilitating multilateral talks with North Korea on maintaining a nuclear weapons-free Korean Peninsula.</p>	<p>China increases coordination with United States and international community regarding the Korean peninsula, South Asia, and the Middle East.</p>	<p>Full Chinese cooperation with U.S. and international community in reaching settlement of Korean peninsula, South China Sea and Burma issues.</p>
Outcome Indicator				
Indicator #5: Status of U.S.-South Korean Relations				
<p>2000: N/A</p> <p>2001: <u>Baseline:</u> Began interagency discussion of the Future of U.S.-South Korean Alliance.</p>	<p>Begin Phase II of Joint Study on Future of U.S.-South Korean alliance.</p>	<p>Talks between the U.S. and ROK on the FOTA produced a timetable and division of costs for the reconfiguration of U.S. Forces in Korea during 2004 - 2008.</p>	<p>Start USFK relocation.</p>	<p>Continue USFK relocations from Yongsan and other facilities as jointly agreed with the ROKG on a timeline to complete moves as new ROK-funded acquisition/construction projects are completed.</p>



NATO (PART Program Efficiency Measure)				
Results			Targets	
2000 & 2001	2002	2003	2004	2005
Efficiency Indicator				
Indicator #6: Number of Countries Reaching Sustainable State of Niche Capacities				
2000: N/A	<u>Baseline:</u> 2/10	2/10	3/10	4/10
2001: N/A				

Means for Achieving FY 2005 Targets

Full operating capability of the NATO Response Force. Increase in European military capabilities through continued investment to fill remaining shortfalls. Consideration of EU-led mission in Bosnia, subject to Balkan policy consideration, and with appropriate NATO-EU agreement and interagency consensus. NATO operations continue in Afghanistan and Iraq as needed.

- Engage at all levels and in all fora to realize our vision of a Europe whole, free, and at peace.
- Ensure that ties with neighbors and key Allies are close, strong, utilized, and effective so that our European partners are ready, willing, and able to complement U.S. efforts in the region and beyond.

11,484 individuals receive training under IMET.

- Work with regional bureaus to assess how best to use military assistance as a tool for achieving bilateral and regional objectives.
- Work with DoD on military requirements and needs of foreign militaries.

New Allies contribute to all aspects of Alliance activities, including mentoring of aspirants, and are integrated into revised command arrangements. Three aspirant nations accelerate their reform efforts through MAP; intensify Adriatic Charter cooperation.

- Monitor progress toward meeting key goals in concert with our Missions at NATO, to the OSCE, to the EU, and embassies in the field.
- Continued coordination will be necessary to monitor issues to be discussed in a number of venues.

Full Chinese cooperation with U.S. and international community in reaching settlement of Korean peninsula, South China Sea and Burma issues.

- China's role in working to ensure that North Korea ends its nuclear program completely, verifiably, and irreversibly cannot be understated. China has already helped to facilitate and hosted multilateral talks in April 2003, and we look forward to China's continued proactive efforts in this regard.
- China and ASEAN entered into the preliminary Code of Conduct on the South China Sea, concluded on November 4, 2002, designed to avoid hostilities over competing claims there. Since then, there have been no major conflicts or new occupations in the disputed areas. Continued restraint and the absence of provocative actions are key to peace and stability in the area.

Continue USFK relocations from Yongsan and other facilities on a timeline to complete moves as new ROK-funded acquisition/construction projects are completed.

- Negotiate bilateral agreements to move USFK contingents from Yongsan.
- Initiate facilities acquisition and construction projects for future reconfiguration of USFK forces.
- Implementation of agreements reached in 2003 with interventions at working, senior or political levels as necessary/appropriate and resolve differences of interpretation or other roadblocks.



Annual Performance Goal #2
EXISTING AND EMERGENT REGIONAL CONFLICTS ARE CONTAINED OR RESOLVED

I/P #5: Conflict Management and Resolution

Use a variety of diplomatic and foreign assistance tools to turn despair into hope.

Results			Targets	
2000 & 2001	2002	2003	2004	2005

Outcome Indicator

Indicator #1: Number of African Armed Conflicts Resolved and Peace Support Missions Concluded

<p>2000: <u>Baseline:</u> Six armed conflicts ongoing. Four peace missions active.</p> <p>2001: One conflict resolved (Ethiopia-Eritrea).</p>	<p>South Africa, an African Union member, provided personnel to the Joint Military Commission responsible for working with the UN Observation Mission in the (Democratic Republic of the) Congo to further the Congolese peace process. The war in Sierra Leone was effectively over and the peacekeeping mission was being phased out; peace building activities continue using U.S. and other funding. Program activities such as the West Africa Stabilization Program and ACOTA have ensured that ECOWAS troop contributors are better able to meet the demands of peacekeeping operations.</p>	<p><u>Conflicts Resolved:</u> Democratic Republic of Congo - Large-scale conflict resolved with inauguration of a transitional Government of National Unity in July 2003.</p> <p>Burundi - Conflict partially resolved; fighting continues. Ceasefire reached with the largest rebel group, the Forces for the Defense of Democracy (FDD); agreement in first quarter FY 2004.</p> <p>Liberia - The Liberian civil war deteriorated starting in May 2003. Peace talks began in Ghana in June 2003 and a comprehensive peace agreement was signed on 18 August. The U.S. provided nearly \$26 million in logistics support to enable the deployment of ECOWAS peacekeeping forces.</p>	<p>Two conflicts resolved (Congo-Great Lakes, Sudan).</p> <p>Two peace support missions withdrawn (Sierra Leone and Ethiopia/Eritrea).</p>	<p>Peacekeeping mission in Cote d'Ivoire withdrawn and Liberia preparing for final year of peacekeeping operations following elections.</p>
---	---	---	--	---



I/P #6: Indo-Pak Relations/Kashmir				
Indo-Pak tensions are reduced and stability is advanced in Kashmir.				
Results			Targets	
2000 & 2001	2002	2003	2004	2005
Outcome Indicator				
Indicator #2: Status of Relations Between Pakistan and India on Kashmir				
<p>2000: Continued military action by both sides along the line of control (LOC). Existing CBMs ignored.</p> <p>Pakistan providing material assistance and training to groups fighting in Kashmir.</p> <p>Poor channels of communication.</p> <p>2001: From November 2000 to May 2001, Indian offensive security force operations suspended; militant infiltration and attacks continued.</p> <p>Agra Summit broke down over communique wording.</p>	<p>Major terrorist attacks brought India and Pakistan close to war, but U.S. and U.K. diplomatic intervention helped ease tensions, and Pakistan took actions against Kashmiri jihadist militants. India successfully held elections in Kashmir.</p> <p>Pakistan provided assurances in June that support for infiltration across the Line of Control would cease permanently. Infiltration decreased initially, but appeared to pick up again in the fall, as did violence inside Kashmir. India began to demobilize forces following Kashmiri elections. Pakistan followed suit.</p> <p>USG avoided programming to state of Jammu and Kashmir up to present because of political sensitivity of Kashmir issue and security concerns.</p>	<p>Infiltration continued throughout the year, though at a lower level than in recent years. Militant-initiated violence in Indian-administered Kashmir was low during the summer, but increased sharply in late August and September.</p> <p>Militant training camps and related infrastructures in Pakistan were not substantially disbanded, although some were deactivated for periods over the summer. Militant groups in Pakistan have been and remain proscribed.</p> <p>Military forces on both sides returned to pre-crisis locations and readiness levels.</p> <p>India and Pakistan renewed diplomatic contact. Indian PM Vajpayee launched a major new peace initiative in April, which Pakistani PM Jamali welcomed. India and Pakistan returned High Commissioners, restored some transportation links, and engaged in numerous people-to-people, including legislative, exchange. However, official talks have not started.</p>	<p>Infiltration declines significantly.</p> <p>Most terrorist groups in Pakistan disband.</p> <p>India and Pakistan effectively implement existing nuclear and conventional CBMs, and agree to implement new ones, including non-traditional CBMs, such as cooperation on shared water resources.</p> <p>Only if politically feasible, USG examines the potential impact of USG assistance in helping to bring normalcy to Jammu and Kashmir; and what types of assistance would be most suitable for USG funding.</p>	<p>Infiltration further declines. Terrorism inside Kashmir declines further. Terrorist groups not permitted to operate in Pakistan. India and Pakistan effectively implement existing nuclear and conventional CBMs, and agree to implement new ones.</p> <p>Polling indicates Kashmiris believe their everyday lives are improving.</p>



I/P #7: An Enhanced and Expanded Euro-Atlantic Partnership				
Promote stability, security, democracy, and prosperity within the region and build support for U.S. strategic goals beyond Europe.				
Results			Targets	
2000 & 2001	2002	2003	2004	2005
Output Indicator				
Indicator #3: Implementation of Adapted Conventional Forces in Europe (CFE) Treaty				
<p>2000: CFE adaptation negotiations continued.</p> <p>Adapted Treaty and Final Act signed at Istanbul.</p> <p>2001: Second Review Conference of CFE Treaty successfully concluded and advanced U.S. and NATO interests.</p> <p>NATO remained firm in demanding Russian compliance with Istanbul commitments.</p> <p>Russia made initial progress towards implementing Istanbul commitments.</p>	<p>Russia fulfilled its Istanbul commitment on the flank issue, reduced its flank equipment to Adapted Treaty levels, and discharged its Istanbul commitments for CFE equipment in Georgia and Moldova. Russia needs to reach agreement with Georgia on remaining issues re: Gudauta base and its future use, and the duration of Russian presence in Batumi and Alkhalkalai. Russia also needs to complete the removal and destruction of munitions and small arms in Moldova. Conditions for U.S. ratification of Adapted CFE Treaty have not yet been met.</p>	<p>The situation in Moldova, which had been improving earlier in 2003, then installed at mid-year, is now again proceeding toward resolution; however, the trains moving ammunition and equipment out of Moldova are running only on a modest schedule.</p> <p>Russia did not meet the December 31, 2003 deadline to withdraw forces from Moldova.</p> <p>Progress on Georgia has been stalled for most of 2003, though there are now indications that Georgia and Russia will meet soon to resume discussions on implementing the commitment on Georgia.</p> <p>Russia remains in compliance with Adapted CFE Treaty Flank Limits.</p>	<p>U.S. and NATO allies agree that Russia has fulfilled all Istanbul commitments, allowing for U.S. ratification and, after all other CFE States Parties ratify, entry into force of the Adapted CFE Treaty.</p> <p>On-going effort improves overall compliance.</p>	<p>No major problems in implementing the Adapted CFE Treaty. Accession by additional European states wishing to join.</p> <p>On-going effort improves overall compliance.</p>



I/P #8: Peacekeeping Participation				
Military assistance, including Peacekeeping Operations (PKO), is a key instrument in the realization of U.S. Regional Stability goals.				
Results			Targets	
2000 & 2001	2002	2003	2004	2005
Output Indicator				
(P) Indicator #4: Percentage of EIPC-funded, PKO-Trained Countries That Pledge Military Units or Participate in the UN Peacekeeping Standby Arrangement System or Multinational Military Operations of High U.S. Foreign Policy Interest				
2000: N/A	85%	85.1%	88%	90%
2001: Baseline: 85%				

I/P #9: Implementation of the Road Map				
Implement the President's vision for a permanent, peaceful, two-state solution of the Israeli-Palestinian problem, leading to a comprehensive peace on all tracks, including Israel and its neighbors.				
Results			Targets	
2000 & 2001	2002	2003	2004	2005
Outcome Indicator				
Indicator #5: Full Implementation of the Road Map Leading to an Independent, Democratic Palestinian State, Existing Side by Side With Israel in Peace and Security				
2000: N/A	Periodic, often large-scale, Palestinian terrorist attacks targeted at Israel, often followed by harsh preventive, retaliatory, or deterrent Israeli military actions. Significant civilian casualties on both sides.	Roadmap to peace introduced. Intermittent cessation of violence. Dialogue between the President and Palestinian and Israeli Prime Ministers. Deployment of a full-time senior representative to the region who has coordinated efforts to implement the roadmap.	Work toward an independent Palestinian state with provisional borders. Continued implementation of road map provisions. Reduction of Palestinian poverty and malnutrition to pre-intifada levels. After successful conclusion of Palestinian elections, Quartet convenes international conference. Arab states restore pre-intifada links with Israel. Multilateral track revived. Israeli, Palestinian and regional Arab non-official experts resume dialogue on political, security, arms control, and other regional issues. In Gaza, active public diplomacy and public affairs programming resumes, pursuant to improvement in security situation with NGOs, professional associations, and academic institutions. Provide assistance for economic development in the Palestinian area under the Middle East Partnership Initiative	Implementation of prior agreements. Enhanced international monitoring of road map implementation. Second international conference convened by Quartet. Private Israelis and Palestinians participate freely with full official support in joint meetings, exchange projects, and people-to-people activities and receive coverage in the Israeli and Palestinian media.
2001: U.S. has encouraged both sides to reach a ceasefire and resume dialogue.				



I/P #10: Iraq and Gulf Security				
Work with our allies in the Gulf to confront any threats to the region, including weapons of mass destruction and terrorism from al-Qaida or others.				
Results			Targets	
2000 & 2001	2002	2003	2004	2005
Outcome Indicator				
Indicator #6: Free, Democratic, and Whole Iraq at Peace with Itself and Its Neighbors				
<p>2000: N/A</p> <p>2001: Saddam regime entrenched in Iraq; UN sanctions remain in effect.</p>	<p>Saddam Hussein still in power; UN sanctions remain in effect.</p>	<p>Saddam Hussein's regime overthrown. The Department worked closely with DoD and CPA to stabilize and rebuild Iraq. NEA continues to support the development of strategies to move Iraq towards democracy, rule of law, build free market economy, including non-oil sector; build Iraqi security forces, subordinate to constitutional authority, capable of relieving U.S. and Coalition forces.</p> <p>The Department's engagement at the UN is consistent with the responsibilities outlined in UNSCR 1483. UNSCR 1500 reaffirms the UN's support for the GC and fortifies the important role for the UN in Iraq by establishing a United Nations Assistance Mission to support the work of the UN Special Representative in Iraq. UN agencies have been making critical contributions in humanitarian assistance and economic reform in Iraq.</p>	<p>Iraqi GC assumes additional responsibilities; Transitional Administrative Law drafted and approved; transitional Iraqi government assumes full sovereignty; continued political, legal and economic reform. Democratic institutions, rule of law, civil society, free media started. Accountability and anti-corruption efforts take hold.</p>	<p>Elections for constitution convention held; constitution drafted and ratified; elections for new, permanent government held; rule of law and civil society take root; free media serves as responsible watchdog on governmental power. Iraq assumes primary responsibility for own security, able to defend itself without being a threat to neighbors.</p>



I/P #10: Iraq and Gulf Security, cont'd				
Results			Targets	
2000 & 2001	2002	2003	2004	2005
Outcome Indicator				
Indicator #7: Iraq Reconstruction and Economic Development Improve Living Conditions				
2000: N/A 2001: Purchasing power parity per capita GDP is \$2500; GDP growth rate is 5.7 per cent. Estimated infant mortality rate is 57.61 per 1000 (CIA Fact Book).	Data not available.	No significant results due to recent end of conflict	Per capita GDP increases by 10 per cent. Infant mortality rate declines to 45 per 1000.	Per capita GDP increases by 10 per cent. Infant mortality rate declines to 35 per 1000.



I/P #11: Peacekeeping Operations - OSCE				
Ensure regional and sub-regional stability in the independent states of the former Soviet Union.				
Results			Targets	
2000 & 2001	2002	2003	2004	2005
Output Indicator				
(P) Indicator #8: Implementation of New Police Training Programs in Former Soviet States				
<p>2000: N/A</p> <p>2001: No OSCE training programs in former Soviet States.</p>	<p>No OSCE training programs in former Soviet States.</p>	<p>Police Unit conducts assessment mission needs assessments, develops project proposals, and obtains seed money for project implementation in Kyrgyzstan as a model.</p>	<p>First projects are implemented in Kyrgyzstan. Police Unit conducts separate assessment missions to the Caucasus and Central Asia and to Belarus, Ukraine and Moldova. Based on results, projects are developed and funding obtained for border training programs throughout the former Soviet Union.</p>	<p>OSCE Police Unit oversees implementation of border training programs throughout the former Soviet Union. Police Unit begins work on a program to create model police stations throughout the former Soviet Union.</p>
Output Indicator				
(P) Indicator #9: Withdrawal of Russian Forces from Moldova and Georgia; OSCE Voluntary Fund Status				
<p>2000: N/A</p> <p>2001: Moldova Voluntary Fund has been in place since December 1999, with mandate based on 1999 Russian Istanbul Commitments with regard to Moldova. All declared Russian CFE Treaty Limited Equipment was withdrawn from Moldova ahead of the December 31, 2001 deadline.</p>	<p>Work began on withdrawal and disposal of remaining non-TLE equipment and 42,000 tons of ammunition. On Georgia, U.S. pressed sides to resume withdrawal talks. Russians claimed they needed financial help to close remaining bases.</p>	<p>Georgia: Russia and Georgia held one round of discussion regarding withdrawal of Russian forces from Georgia, with no results. Moldova: following the imposition of a U.S./EU visa restriction on Transnistrian leadership, Transnistria allowed the Russians to resume removal of Russian munitions and equipment. In the first half of 2003, approximately 30 trains of Russian munitions and military equipment left Moldova.</p>	<p>Withdrawal from Moldova completed. Verification of compliance by OSCE Mission to Moldova is ongoing. Voluntary Fund remains until all withdrawal issues settled.</p> <p>Russia reaches agreement with Georgia on duration of its military presence and status of Russian presence at a base in Abkhazia.</p>	<p>Verification continues. Russia's Istanbul commitments on withdrawals from Moldova and Georgia fulfilled; Adapted CFE Treaty ratified, providing basis for new Allies to join NATO.</p> <p>Voluntary Fund ceases operation. Excess contributions in Voluntary Fund returned to donors on a pro rata basis.</p>



I/P #12: Security Assistance Programs in Sub-Saharan Africa				
Continue to invest in efforts to reduce conflict in Africa.				
Results			Targets	
2000 & 2001	2002	2003	2004	2005
Outcome Indicator				
Indicator #10: Implementation of Sudan Peace Process				
<p>2000: N/A</p> <p>2001: Sudan at war, including gross underdevelopment and humanitarian deprivations in the Nuba Mountains region and the south of the country. Violations of human rights throughout Sudan, especially in the Nuba Mountains and the south.</p>	<p>Both the Government of Sudan and the Sudan People's Liberation Movement/Army began a peace process, resolving two of the most contentious issues: the role of religion and the right of self-determination. Nuba Mountains ceasefire agreement concluded, international monitoring operations begun and humanitarian support provided. Civilian Protection Monitoring Team (CPMT) preparing to stand up. Zones of Tranquility and Slavery Commission work conducted.</p>	<p>USG continued playing a strong role in the IGAD peace process. Talks continued moving toward conclusion.</p> <p>Wide-ranging USG planning in the event of peace undertaken; most planning targets have been identified. Ceasefire monitoring continued; DDR planning underway.</p>	<p>The interim period begins. There is a smooth transition as all elements of the peace agreement are implemented.</p>	<p>A sustained international aid and development program is established to support the implementation of the peace agreement leading up to elections. Refugees and IDPs returning home.</p>
Output Indicator				
(P) Indicator #11: Number of U.S.-Trained African Units Deployed to Peace Support/Humanitarian Response Operations				
<p>2000: N/A</p> <p>2001: Five (5) U.S.-trained battalion-sized units successfully participating in peacekeeping or contingency operations.</p>	<p>Five (5) U.S.-trained battalion-sized units successfully participating in peacekeeping or contingency operations.</p>	<p>Seven (7) African contingents trained by the U.S. or U.S.-trained trainers engaged in peace support missions. An additional five contingents planned for Peace Support Operations (PSO) participation in Liberia and Burundi.</p>	<p>Of all African battalions (or their equivalent) deployed in PKO globally, approximately 65 percent will have significant staff and unit training experience under U.S. or U.S.-trained trainers.</p>	<p>Of all African battalions (or their equivalent) deployed in PKO globally, approximately 70 percent will have significant staff and unit training experience under U.S. or U.S.-trained trainers.</p>



I/P #13: Restrict ACW Transfers				
The transfer of advanced conventional arms to states of concern is constrained.				
Results			Targets	
2000 & 2001	2002	2003	2004	2005
Output Indicator				
Indicator #12: Effectiveness of Wassenaar Arrangement (WA) Control Lists				
<p>2000: Control levels/parameters for some WA items are too high. Because some technologies are available globally, they are effectively uncontrolled. U.S. insistence on retaining those control levels has created problems with allies and threatens to undermine the WA as an arms control regime.</p> <p>2001: Agreement in the WA to add reporting on two new sub-categories of military vehicles. Within the WA, Russia alone continues to oppose mandatory reporting for small arms and light weapons, Man Portable Air Defense Systems (MANPADS), and warships down to 150 tons.</p>	<p>No new categories were added to WA control lists, but progress was made in this multi-year effort. Within the WA, Russia alone continues to oppose mandatory reporting for small arms and light weapons, Man Portable Air Defense Systems (MANPADS), and warships down to 150 tons.</p>	<p>Within WA control lists, certain categories of weapons are being expanded, some widely available (and thus uncontrollable); dual-use items were dropped, and MANPADS has made considerable progress with energetic cooperation from Russia, the UK, and other countries.</p> <p>Over the past ten years, the value of shipments of conventional weapons to state sponsors of terrorism has fallen by nine-tenths, and illicit shipments to other destinations have also fallen. Tools include bilateral demarches and intelligence liaison, strengthening of norms in the Wassenaar Arrangement and other international for a, sanctions, law enforcement, and (potentially) direct interdiction. Results have been better than expected, especially since Iraq is no longer importing conventional weapons.</p>	<p>Prompt reporting of arms transfers on the WAIS. Reporting of denials of arms transfers, and notification before undercutting a previous dual-use denial. Sharing of "best practices" papers on effective export control practices within the WA. Gain additional support (outside Wassenaar) for Wassenaar's "Elements for Export Controls of MANPADS."</p>	<p>More extensive reporting of conventional arms transfers by member states Expand catch-all (i.e., controls by end-user in addition to controlling the item or technology) Expand denial consultations. (i.e., consultation before approving an export of an item or technology already denied for export by another member state) Chinese cooperation on MANPADS (to safeguard and restrict production, storage, transfer, and brokering of Man Portable air Defense Systems, such as Stinger or Igla).</p>



PKO Funding of OSCE Activities (PART Program Efficiency Measure)				
Results			Targets	
2000 & 2001	2002	2003	2004	2005
Efficiency Indicator				
Indicator #13: Per Unit Cost of USG-Funded OSCE election observation				
2000: N/A	<u>Baseline:</u> \$6,500 per long-term observer. \$3,700 per short-term observer.	5% below baseline	10% below baseline	15% below baseline
2001: N/A				
Note: Calculated using average travel and per diem cost per USG-funded observer. Cost per election observer declines due to better utilization of market airfares, standardized per diem rates, closer monitoring of election schedules to minimize per diem days and maximize staffing efficiency for multi-round elections.				

Security Assistance to Sub-Saharan Africa (PART Program Efficiency Measure)				
Results			Targets	
2000 & 2001	2002	2003	2004	2005
Efficiency Indicator				
Indicator #14: Rate of Program Country Sustainment – Cost to Train and Equip One Battalion of U.S.-trained or U.S. Trainer-trained African Peacekeeping Troops				
2000: N/A	\$15M to produce 4 battalions.	\$8M to produce 6 battalions.	\$15M to produce 14 battalions.	\$15M to produce 15 battalions.
2001: <u>Baseline:</u> (\$75M to produce 8 battalions)				

Means for Achieving FY 2005 Targets

Peacekeeping mission in Cote d'Ivoire withdrawn and Liberia preparing for final year of peacekeeping operations following elections.

- ECOWAS mission and talks among Liberian parties lead to transitional government in Liberia.
- UNPKO replaces ECOWAS mission.
- Sustained IC relief and development programs address immediate humanitarian needs and lays foundation for effective government.
- UN Secretary General Special Representative (UNSYGSR) coordinates IC efforts.
- Stability in Liberia and further implementation of the peace plan in Cote d'Ivoire allow return to functioning democratic governments in West Africa.



Infiltration further declines. Terrorism inside Kashmir declines further. Terrorist groups not permitted to operate in Pakistan. India and Pakistan effectively implement existing nuclear and conventional CBMs, and agree to implement new ones.

- Maintain pressure on Pakistan to prevent terrorist groups from rebuilding and infiltrating across the line of control; strengthen counterterror capability and military cooperation and ties (FMF, INCLE).
- Work to support India's ability to monitor the border and to deepen military cooperation and ties; strengthen rule of law and counternarcotics capability (FMF, INCLE).
- Explore non-traditional CBMs, such as cooperation on shared water resources.

Pilot programming in Kashmir results in some tangible benefits (e.g., increased literacy rates, child survival rates, citizen advocacy and/or employment).

- Foster cooperative and confidence-building programs in Kashmir in areas such as employment-generation, and civil society development, and between India and Pakistan in areas such as people-to-people contacts, economic cooperation, and environmental protection (ESF, DA, PD).
- Through regional stability and Muslim Outreach Program, support civic education and development projects in Kashmir (ESF, PD).

Polling indicates Kashmiris believe their everyday lives are improving.

- Conduct polling on Kashmiris' level of satisfaction with their everyday lives.

No major problems in implementing the Adapted CFE Treaty. Accession by additional European states wishing to join. On-going effort improves overall compliance.

- Work with NATO allies to ensure that the Alliance remains firm in demanding that Russia fulfill all Istanbul commitments.
- Work with other CFE States in the Joint Consultative Group to address CFE implementation and compliance issues.

Ninety percent of EIPC-funded. PKO-Trained countries pledge military units or participate in the UN Peacekeeping Standby arrangement system or multinational military operations of high U.S. foreign policy interest.

- The core of the EIPC training program is the PK Training and Education program established by the Center for Civil-Military Relations (CCMR) located in Monterey, California.
- Encourage other countries to establish peacekeeping training centers or dedicated training programs, develop national policies on PK, and increase their involvement in peacekeeping operations.
- Increase the global pool of qualified military peacekeepers so that there is less demand for U.S. military participation when peace support operations are necessary.

Implementation of prior Israeli-Palestinian agreements. Enhanced international monitoring of road map implementation. Second international conference convened by Quartet. Private Israelis and Palestinians participate freely with full official support in joint meetings, exchange projects, and people-to-people activities and receive coverage in the Israeli and Palestinian media.

- Continue to work with our international partners in the Quartet and the parties themselves to encourage full implementation of all steps outlined in the "Performance-Based Roadmap to a Lasting Permanent Two-State Solution to the Israeli-Palestinian Conflict."
 - Deployed a full-time senior representative to the region to coordinate efforts to implement the roadmap and realize the two-state vision.
 - Ensure sufficient resources in the Department's budget will be made available to support senior representative and staff.
 - Ensure the U.S. commitment to Israel's security remains ironclad, including maintenance of its qualitative military edge, through ESF (\$360 million) and FMF (\$2.2 billion) assistance.
 - Move forward with U.S. assistance programs in the West Bank and Gaza, pursuant to security situation, to improve the quality of life and support Palestinian Authority reform efforts, as well as to help mitigate the influence of radical elements.
-



Elections for constitution convention held; constitution drafted and ratified; elections for new, permanent government held; rule of law and civil society take root; free media serves as responsible watchdog on governmental power. Iraq assumes primary responsibility for own security, able to defend itself without being a threat to neighbors.

- Continue to work closely with the transitional Iraqi government to support efforts to reinforce Iraqi democracy and the rule of law. Assistance will be provided to help build an Iraqi military that will serve a democratic society and protect the Iraqi constitution without being a threat to Iraq's neighbors. Democratization, rule of law and anti-corruption efforts must be multi-faceted to overcome decades of authoritarian rule. Develop and promote programs to encourage accountability and reconciliation and develop free media to help achieve transparent, ethical and pluralistic governance.
- Initiatives being considered include a robust IV Program; support for a fair, effective and transparent judicial system; sponsorship of local, state and federal groups to assist in good governance training; and promotion of non-governmental institutions to build respect for human rights, including women's rights, the rule of law and anti-corruption efforts.
- Continue working with other USG agencies, Iraqi government officials, the UN, international financial institutions and major foreign donors on fostering reconstruction and economic growth, which are critical to establishing political stability. Facilitate restoration of infrastructure, prudent fiscal and monetary policies, successful privatization of state-owned enterprises and promotion of private sector development. Develop and promote numerous and varied opportunities for engagement, including conferences on economic transition, technical training and cooperation with international financial institutions
- The Department expects that a sovereign Iraqi government chosen through a democratic process will be in place and a permanent constitution will be drafted and ratified in 2005. Political party capacity-building, building a free media, democracy training for Iraqi officials, advancement of the rule of law and democratic institutions, promoting transparency and anti-corruption efforts, developing a vibrant civil society, and support for democracy will be key U.S. policy priorities.
- NEA will continue to work with our counterparts at USAID as well as inter-Departmentally to assure that USG programming priorities are complementary and not duplicative.
- Activities such as the following will be supported:
 - Establishment and support of political parties.
 - Political party capacity-building.
 - Democracy training for Iraqi officials at all levels.
 - Programs to promote economic reforms and entrepreneurship.
 - Programs to ensure responsible use and stewardship of Iraq's environmental resources especially water for the benefit of all its citizens.
 - Promoting transparency and anti-corruption efforts.
 - Technical assistance programs in the area of promoting the rule of law and the independence of judicial institutions.
 - Programs to develop civil society.

OSCE Police Unit oversees implementation of border training programs throughout the former Soviet Union. Police Unit begins work on a program to create model police stations throughout the former Soviet Union.

- Strengthen OSCE capacity to address policing needs, both in terms of training and crisis response, particularly in the Balkans and the former Soviet Union.

Verification continues. Russia's Istanbul commitments on withdrawals from Moldova and Georgia fulfilled; Adapted CFE Treaty ratified, providing basis for new Allies to join NATO. Voluntary Fund ceases operation. Excess contributions in Voluntary Fund returned to donors on a pro rata basis.

- Press for Russian fulfillment of all Istanbul commitments as prerequisite for ratification of Adapted CFE Treaty, including by offering assistance in implementation.
- Implement all agreed Confidence and Security-Building Measures (CSBMs) and crossover issues resulting from increased FSC cooperation with the OSCE Permanent Council.



A sustained international aid and development program is established to support the implementation of the peace agreement leading up to elections. Refugees and IDPs returning home.

- Engage bilaterally and as part of the troika (U.S., U.K., and Norway) to seek a just peace agreement between the Government of Sudan and the Sudan People's Liberation Movement.
- Support the mediation efforts of General Sumbeiywo, and the Intergovernmental Authority on Development (IGAD).
- Create a peace dividend for both sides to the conflict by continuing peace process planning among donor countries.
- Support ceasefire monitoring, DDR activities, and defense reform and integration of Sudanese military forces.

Of all African battalions (or their equivalent) deployed in PKO globally, approximately 70 percent will have significant staff and unit training experience under U.S. or U.S.-trained trainers.

- In response to issues surrounding the recent Africa trip by President Bush, the African Contingency Operations Training and Assistance program (ACOTA) will be requesting additional funding for FY 2005.
- The ACOTA program, partnered with the militaries of Ghana, Kenya, Ethiopia, Senegal, Botswana, Benin, Malawi, Mali and potentially several additional partners, will continue to train trainers and provide equipment designed to enhance the capacity for African participation in peace support operations.
- Bolster capacity of ECOWAS to undertake conflict management efforts by strengthening command and control communications, training and logistics management and headquarters staff functions. Means to achieve include training and equipment maintenance at ECOWAS Freetown depot, support for tiered peacekeeping training centers in Mali, Ghana and Nigeria, 24/7 internet communications between ECOWAS and member states and staff advisor(s) and training for the military staff at ECOWAS headquarters. Similar efforts in other regional organizations (e.g. African Union, Southern African Development Community) will be undertaken as absorptive capacity allows.

More extensive reporting of conventional arms transfers by member states. Expanded catch-all. Expanded denial consultations. Chinese cooperation on MANPADS.

- Continuous diplomatic cooperation with and pressure on the other 32 Wassenaar member states
 - Work within G-8, APEC, OSCE, and other multilateral fora.
-



V: Illustrative Examples of FY 2003 Achievements

Regional Stability	
Man-Portable Air-Defense Systems (MANPADS)	<p>The State Department led the international effort to prevent terrorists from acquiring MANPADS, more commonly known as shoulder-fired missiles, that could be used to shoot down civilian airliners and government aircraft. Under U.S. leadership the G-8 agreed to: strengthen export controls (including limiting transfers to those between governments); research access controls for newly produced MANPADS; strengthen security of government stocks; and destroy MANPADS that are surplus to defense needs. The State Department led parallel efforts in the Wassenaar Arrangement, which strengthened substantially its control guidelines and includes most producers of MANPADS; and in APEC, which agreed to key commitments and to pursue further efforts in 2004. Also, we are working closely with Russia to support their effort to gain control of MANPADS in the CIS. The State Department secured commitments from 6 countries to destroy nearly 10,000 MANPADS (approximately 1% of the MANPADS that have ever been produced). Almost 1,200 were destroyed by the end of FY 2003.</p>
Enhanced International Peacekeeping Capabilities (EIPC) contribution to U.S. Foreign Policy Goals	<p>Since its inception, EIPC funds have been allocated to 27 nations. More than a third have participated in SFOR or KFOR. In its first five years, EIPC has spent \$26.5 million to influence the policies and improve the capabilities of nations that supply 60% of UN peacekeepers (22,357 out of 37,475 troops currently deployed). Eight of the 12 countries that contribute 1,000 or more personnel to UN peacekeeping operations are EIPC recipients (Bangladesh, India, Ghana, Jordan, Ukraine, Nepal, Uruguay, and Poland). Of the others, two received support for their peacekeeping programs from other USG sources (Kenya - ACRI, and Nigeria - OFR and ACRI).</p>
Sri Lanka	<p>The Department played a significant role in moving the peace process forward by coordinating donor support for a "peace dividend" and by insisting the Liberation Tigers of Tamil Eelam (LTTE) abandon terrorism and reshape itself into a legitimate political organization. In April, the Department hosted a seminar on Sri Lanka attended by 26 countries and 18 international organizations to coordinate support among potential donors to Sri Lanka. In June, the United States co-chaired, along with Norway, the European Union, and Japan, a donors' conference for Sri Lanka held in Tokyo. The United States pledged \$54 million over a two-year period, the largest bilateral contribution after Japan's. Total pledges at the conference added up to a staggering \$4.5 billion. The Department provided assistance to internally displaced persons and funded a demining program in the war-torn areas. The Department also funded a number of other programs directly supportive of the peace process, which have brought considerable relief to a war-weary populace. At the end of the year, the LTTE presented a proposal to resume peace negotiations, which it had suspended in April, with the Government. Although the Government has been unable to respond effectively to the LTTE proposal due to political infighting between the President and Prime Minister, it is likely that peace negotiations between the government and LTTE will resume in 2004. Although the country remains in transition, there is a sense that peace has returned to the island for good.</p>



VI: Data Verification/Validation by Performance Goal

Performance Goal 1

Close, strong, and effective U.S. ties with allies, friends, partners and regional organizations

- Cable reports and memoranda of communications from U.S. overseas posts, USNATO, USEU, intelligence reporting, and on-site verification.
- U.S. Senate committee conference reports, Federal Register reporting on U.S. Senate floor debates, and final ratification of new member accession treaties.
- Complete studies exist of the North Korean weapons situation, the U.S.-South Korean alliance, and arms control measures.
- U.S., Japanese and South Korean monitoring confirms the status of the North Korean weapons situation and arms control measures.

Performance Goal 2

Existing and emergent regional conflicts are contained or resolved

- Number of attacks is the best, albeit highly imperfect, direct measure of intensity of insurgency in Kashmir. The insurgency is driven largely, though not exclusively, by external support, which can be best measured by level of infiltration, which is in any event very difficult to measure. Force mobilization is the best measure of bilateral tensions, but is a non-incremental process and hence a crude tool.
- Number of arrests is a direct but crude measure of the Pakistani Government's crackdown on terrorist groups.
- Overall frequency and level of dialogue, stringency of transportation controls, and implementation of CBMs best assess state of the bilateral relationship. Bilateral trade is a good measure of economic cooperation; significant investment is unlikely in this time frame.
- Department uses UN and U.S. embassy reporting as well as open sources to verify and validate efficacy of policy and program activities.
- Data for measuring performance come from U.S. embassy reporting, reports of JCG meetings, and direct U.S. consultations. The data are sufficient and reliable.
- Data to measure performance and progress are derived from direct participation, intelligence, cable reports, Executive Branch Principals and Deputies Committees decisions, decision memoranda, interagency discussion/input, and, where appropriate, WA documents and meetings, and trip reports. Data cover all relevant issues and are reliable.
- Through the review of trip reports, cable reports, and on-the-ground military reporting the Department will learn if the ACOTA program has trained African countries for regional peacekeeping.
- Department funding is used for the EIPC program, which provides global training to selected countries. Through interaction with the nations involved in EIPC training, the Department will be able to best validate the provision of peacekeeping training.
- China plays a significant role in reducing tension in the region and actively collaborates with the USG.
- U.S. mission, regional allies (Japan, South Korea, Australia, Thailand, and the Philippines) and NGOs will confirm successful compliance and action.



VII. Resource Detail

Table 1: State Appropriations by Bureau (\$ Thousands)

Bureau	FY 2003 Actual	FY 2004 Estimate	FY 2005 Request
International Organization Affairs	\$694,743	\$716,874	\$886,688
European and Eurasian Affairs	37,469	38,863	45,796
Near Eastern Affairs	25,922	26,945	30,171
East Asian and Pacific Affairs	19,170	20,046	21,986
Other Bureaus	161,050	261,347	104,612
Total State Appropriations	938,354	1,064,075	1,089,253

Table 2: Foreign Operations by Account (\$ Thousands)

Title/Accounts	FY 2003 Actual	FY 2004 Estimate	FY 2005 Request
Title I - Export and Investment Assistance			
Export-Import Bank			
Overseas Private Investment Corporation			
Trade and Development Agency			
Title II - Bilateral Economic Assistance			
USAID	53,945	28,254	36,893
Other Bilateral Economic Assistance	1,836,174	699,975	480,530
Independent Agencies			
Department of State	12,400	12,540	15,780
Department of Treasury			
Complex Foreign Contingencies	0	0	50,000
Title III - Military Assistance			
International Military Education and Training	65,181	76,723	71,842
Foreign Military Financing	5,460,850	3,951,639	4,145,985
Peacekeeping Operations	57,126	37,230	52,000
Title IV - Multilateral Economic Assistance			
International Financial Institutions			
International Organizations and Programs	0	0	500
Total Foreign Operations	7,485,678	4,806,361	4,853,530
Grand Total	\$8,424,032	\$5,870,436	\$5,942,783